

Senator Xiong from the Committee on State and Local Government, to which was referred

S.F. No. 3045: A bill for an act relating to state government; establishing a code of ethics for the legislative branch; allowing payment withholding if credible allegation of fraud; granting authority to share data regarding fraud in public programs; providing for renewable energy improvement and storage projects and EVSE projects; modifying insulin repayment account provisions; appropriating money; amending Minnesota Statutes 2024, sections 3A.03, subdivision 1; 13.02, subdivisions 7a, 16; 13.605, subdivision 1; 16A.28, subdivision 1; 151.741, subdivision 5; 352.04, subdivision 2; 352.92, subdivision 1; 352B.02, subdivision 1a; 353.27, subdivision 2; 353.65, subdivision 2; 353E.03, subdivision 1; 354.42, subdivision 2; 354A.12, subdivision 1; 490.123, subdivision 1a; Laws 2023, chapter 62, article 1, section 13; Laws 2024, chapter 127, article 67, section 6; proposing coding for new law in Minnesota Statutes, chapters 3; 13; 15; 16B; repealing Minnesota Statutes 2024, section 16A.287.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS
Section 1. **STATE GOVERNMENT AND ELECTIONS APPROPRIATIONS.**
The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose.
The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.
"The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

<u>APPROPRIATIONS</u>			
<u>Available for the Year</u>			
<u>Ending June 30</u>			
	<u>2026</u>		<u>2027</u>
Sec. 2. <u>LEGISLATURE</u>			
Subdivision 1. <u>Total Appropriation</u>	<u>\$ 107,228,000</u>	<u>\$</u>	<u>113,066,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation is \$111,377,000 in fiscal year 2028 and each fiscal year thereafter.</u>			
Subd. 2. <u>Senate</u>	<u>38,238,000</u>		<u>39,690,000</u>

2.1	<u>Subd. 3. House of Representatives</u>	<u>36,922,000</u>	<u>39,985,000</u>
2.2	<u>The base for this appropriation is \$38,296,000</u>		
2.3	<u>in fiscal year 2028 and each fiscal year</u>		
2.4	<u>thereafter.</u>		
2.5	<u>Subd. 4. Legislative Coordinating Commission</u>	<u>32,068,000</u>	<u>33,391,000</u>
2.6	<u>Legislative Auditor. \$12,076,000 the first</u>		
2.7	<u>year and \$12,567,000 the second year are for</u>		
2.8	<u>the Office of the Legislative Auditor.</u>		
2.9	<u>Revisor of Statutes. \$9,094,000 the first year</u>		
2.10	<u>and \$9,466,000 the second year are for the</u>		
2.11	<u>Office of the Revisor of Statutes.</u>		
2.12	<u>Legislative Reference Library. \$2,278,000</u>		
2.13	<u>the first year and \$2,369,000 the second year</u>		
2.14	<u>are for the Legislative Reference Library.</u>		
2.15	<u>Legislative Budget Office. \$2,800,000 the</u>		
2.16	<u>first year and \$2,965,000 the second year are</u>		
2.17	<u>for the Legislative Budget Office.</u>		
2.18	<u>Sec. 3. GOVERNOR AND LIEUTENANT</u>		
2.19	<u>GOVERNOR</u>	<u>\$ 9,231,000</u>	<u>\$ 9,231,000</u>
2.20	<u>(a) \$19,000 each year is for necessary</u>		
2.21	<u>expenses in the normal performance of the</u>		
2.22	<u>governor's and lieutenant governor's duties for</u>		
2.23	<u>which no other reimbursement is provided.</u>		
2.24	<u>(b) By September 1 of each year, the</u>		
2.25	<u>commissioner of management and budget shall</u>		
2.26	<u>report to the chairs and ranking minority</u>		
2.27	<u>members of the legislative committees with</u>		
2.28	<u>jurisdiction over state government finance any</u>		
2.29	<u>personnel costs incurred by the Offices of the</u>		
2.30	<u>Governor and Lieutenant Governor that were</u>		
2.31	<u>supported by appropriations to other agencies</u>		
2.32	<u>during the previous fiscal year. The Office of</u>		
2.33	<u>the Governor shall inform the chairs and</u>		

3.1 ranking minority members of the committees

3.2 before initiating any interagency agreements.

3.3	Sec. 4. <u>STATE AUDITOR</u>	\$	<u>14,493,000</u>	\$	<u>14,734,000</u>
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3.4	Sec. 5. <u>ATTORNEY GENERAL</u>	<u>\$</u>	<u>50,135,000</u>	<u>\$</u>	<u>50,432,000</u>
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3.5 Appropriations by Fund

3.6 2026 2027

3.7	<u>General</u>	<u>46,719,000</u>	<u>47,016,000</u>
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3.8 State Government

3.9	<u>Special Revenue</u>	<u>3,021,000</u>	<u>3,021,000</u>
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3.10	<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
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3.11	Remediation	250,000	250,000
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3.12 The general fund base for this appropriation
3.13 is \$46,657,000 in fiscal year 2029 and each
3.14 fiscal year thereafter.

3.15	Sec. 6. SECRETARY OF STATE	\$	10,426,000	\$	10,426,000
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3.16 The base for this appropriation is \$10,356,000
3.17 in fiscal year 2028 and \$10,426,000 in fiscal
3.18 year 2029.

3.19	Sec. 7. STATE BOARD OF INVESTMENT	\$	<u>139,000</u>	\$	<u>139,000</u>
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3.20	Sec. 8. ADMINISTRATIVE HEARINGS	\$	11,110,000	\$	11,709,000
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3.21 Appropriations by Fund

3.22 2026 2027

3.23	General	705,000	715,000
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3.24	<u>Workers'</u>		
3.25	Compensation	10,405,000	10,994,000

3.26	Sec. 9. <u>INFORMATION TECHNOLOGY</u>		
3.27	SERVICES	\$ 10,939,000	\$ 11,150,000

3.28 During the biennium ending June 30, 2027,
3.29 the Department of Information Technology
3.30 Services must not charge fees to a public
3.31 noncommercial educational television
3.32 broadcast station eligible for funding under
3.33 Minnesota Statutes, chapter 129D, for access
3.34 to the state broadcast infrastructure. If the

4.1 access fees not charged to public

4.2 noncommercial educational television

4.3 broadcast stations total more than \$400,000

4.4 for the biennium, the office may charge for

4.5 access fees in excess of these amounts.

4.6 Sec. 10. ADMINISTRATION

4.7	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>37,579,000</u>	<u>\$</u>	<u>38,281,000</u>
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4.8 The amounts that may be spent for each

4.9 purpose are specified in the following

4.10 subdivisions.

4.11	<u>Subd. 2. Government and Citizen Services</u>		<u>18,310,000</u>		<u>18,117,000</u>
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4.12 Council on Developmental Disabilities.

4.13 \$222,000 each year is for the Council on

4.14 Developmental Disabilities.

4.15 State Agency Accommodation

4.16 Reimbursement. \$200,000 each year may be

4.17 transferred to the accommodation account

4.18 established in Minnesota Statutes, section

4.19 16B.4805.

4.20 Office of Enterprise Translations.

4.21 \$1,010,000 each year is for the Office of

4.22 Enterprise Translations. \$100,000 each year

4.23 may be transferred to the language access

4.24 service account established in Minnesota

4.25 Statutes, section 16B.373.

4.26 Grants. \$250,000 the first year is for a grant

4.27 to the Minnesota Orchestra for arts education

4.28 musical performance in the schools of

4.29 Minnesota. Any unencumbered balance in the

4.30 first year does not cancel and is available for

4.31 the second year.

5.1 \$220,000 the first year is for a grant to History
5.2 Theatre to perform a play celebrating Hmong
5.3 arts and culture.

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

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

5.6 The appropriations under this section are to
5.7 the commissioner of administration for the
5.8 purposes specified.

5.9 **In-Lieu of Rent.** \$12,139,000 the first year
5.10 and \$12,994,000 the second year are for space
5.11 costs of the legislature and veterans
5.12 organizations, ceremonial space, and
5.13 statutorily free space.

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

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

5.19 (c) \$250,000 each year is for block grants to
5.20 public television under Minnesota Statutes,
5.21 section 129D.13. Of this amount, up to three
5.22 percent is for the commissioner of
5.23 administration to administer the grants.

5.24 (d) The commissioner of administration must
5.25 consider the recommendations of the
5.26 Minnesota Public Television Association
5.27 before allocating the amounts appropriated in
5.28 paragraphs (a) and (b) for equipment or
5.29 matching grants.

5.30 **Public Radio.** (a) \$1,242,000 each year is for
5.31 community service grants to public
5.32 educational radio stations. This appropriation
5.33 may be used to disseminate emergency

6.1 information in foreign languages. Any
6.2 unencumbered balance does not cancel at the
6.3 end of the first year and is available for the
6.4 second year. The Association of Minnesota
6.5 Public Educational Radio Stations may use up
6.6 to four percent of this appropriation for costs
6.7 that are directly related to and necessary for
6.8 the administration of these grants.

6.9 (b) \$142,000 each year is for equipment grants
6.10 to public educational radio stations. This
6.11 appropriation may be used for the repair,
6.12 rental, purchase, upgrades of equipment and
6.13 software, including computer software,
6.14 applications, firmware, and equipment under
6.15 \$500.

6.16 (c) \$1,020,000 each year is for equipment
6.17 grants to Minnesota Public Radio, Inc.,
6.18 including upgrades to Minnesota's Emergency
6.19 Alert and AMBER Alert Systems.

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

6.23 (e) The commissioner of administration must
6.24 consider the recommendations of the
6.25 Association of Minnesota Public Educational
6.26 Radio Stations before awarding grants under
6.27 Minnesota Statutes, section 129D.14, using
6.28 the appropriations in paragraphs (a) and (b).
6.29 No grantee is eligible for a grant unless they
6.30 are a member of the Association of Minnesota
6.31 Public Educational Radio Stations on or before
6.32 July 1, 2025.

6.33 (f) Any unencumbered balance remaining the
6.34 first year for grants to public television or

7.1	<u>public radio stations does not cancel and is</u>		
7.2	<u>available for the second year.</u>		
7.3	Sec. 11. <u>CAPITOL AREA ARCHITECTURAL</u>		
7.4	<u>AND PLANNING BOARD</u>	\$ <u>464,000</u>	\$ <u>472,000</u>
7.5	Sec. 12. <u>MINNESOTA MANAGEMENT AND</u>		
7.6	<u>BUDGET</u>	\$ <u>51,688,000</u>	\$ <u>52,709,000</u>
7.7	Sec. 13. <u>REVENUE</u>		
7.8	<u>Subdivision 1. Total Appropriation</u>	\$ <u>215,761,000</u>	\$ <u>217,073,000</u>
7.9	<u>Appropriations by Fund</u>		
7.10		<u>2026</u>	<u>2027</u>
7.11	<u>General</u>	<u>211,501,000</u>	<u>212,813,000</u>
7.12	<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
7.13	<u>Highway User Tax</u>		
7.14	<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
7.15	<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>
7.16	<u>The general fund base for this appropriation</u>		
7.17	<u>is \$212,297,000 in fiscal year 2028 and</u>		
7.18	<u>\$212,197,000 in fiscal year 2029 and each</u>		
7.19	<u>fiscal year thereafter.</u>		
7.20	<u>Subd. 2. Tax System Management</u>	<u>179,976,000</u>	<u>180,553,000</u>
7.21	<u>Appropriations by Fund</u>		
7.22	<u>General</u>	<u>175,716,000</u>	<u>176,293,000</u>
7.23	<u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
7.24	<u>Highway User Tax</u>		
7.25	<u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
7.26	<u>Environmental</u>	<u>305,000</u>	<u>305,000</u>
7.27	<u>The general fund base for this appropriation</u>		
7.28	<u>is \$175,777,000 in fiscal year 2028 and</u>		
7.29	<u>\$175,677,000 in fiscal year 2029 and each</u>		
7.30	<u>fiscal year thereafter.</u>		
7.31	<u>Taxpayer Assistance and Tax Credit</u>		
7.32	<u>Outreach Grants. (a) \$1,250,000 each year</u>		
7.33	<u>is for taxpayer assistance grants under</u>		
7.34	<u>Minnesota Statutes, section 270C.21,</u>		
7.35	<u>subdivision 3. The unencumbered balance in</u>		

8.1	<u>the first year does not cancel but is available</u>			
8.2	<u>for the second year.</u>			
8.3	<u>(b) \$1,500,000 each year is for tax credit</u>			
8.4	<u>outreach grants under Minnesota Statutes,</u>			
8.5	<u>section 270C.21, subdivision 4.</u>			
8.6	Subd. 3. <u>Debt Collection Management</u>		<u>35,785,000</u>	<u>36,520,000</u>
8.7	Sec. 14. <u>GAMBLING CONTROL</u>	\$	<u>6,334,000</u>	<u>\$ 6,334,000</u>
8.8	<u>These appropriations are from the lawful</u>			
8.9	<u>gambling regulation account in the special</u>			
8.10	<u>revenue fund.</u>			
8.11	Sec. 15. <u>RACING COMMISSION</u>	\$	<u>954,000</u>	<u>\$ 954,000</u>
8.12	<u>These appropriations are from the racing and</u>			
8.13	<u>card playing regulation accounts in the special</u>			
8.14	<u>revenue fund.</u>			
8.15	Sec. 16. <u>STATE LOTTERY</u>			
8.16	<u>Notwithstanding Minnesota Statutes, section</u>			
8.17	<u>349A.10, subdivision 3, the State Lottery's</u>			
8.18	<u>operating budget must not exceed \$45,000,000</u>			
8.19	<u>in fiscal year 2026 and \$45,000,000 in fiscal</u>			
8.20	<u>year 2027.</u>			
8.21	Sec. 17. <u>AMATEUR SPORTS COMMISSION</u>	\$	<u>401,000</u>	<u>\$ 411,000</u>
8.22	Sec. 18. <u>COUNCIL FOR MINNESOTANS OF</u>			
8.23	<u>AFRICAN HERITAGE</u>	\$	<u>938,000</u>	<u>\$ 955,000</u>
8.24	Sec. 19. <u>COUNCIL ON LATINO AFFAIRS</u>	\$	<u>829,000</u>	<u>\$ 841,000</u>
8.25	Sec. 20. <u>COUNCIL ON ASIAN-PACIFIC</u>			
8.26	<u>MINNESOTANS</u>	\$	<u>655,000</u>	<u>\$ 665,000</u>
8.27	Sec. 21. <u>COUNCIL ON LGBTQIA2S+</u>			
8.28	<u>MINNESOTANS</u>	\$	<u>737,000</u>	<u>\$ 745,000</u>
8.29	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$	<u>1,381,000</u>	<u>\$ 1,402,000</u>
8.30	Sec. 23. <u>MINNESOTA HISTORICAL</u>			
8.31	<u>SOCIETY</u>			
8.32	Subdivision 1. <u>Total Appropriation</u>	\$	<u>26,763,000</u>	<u>\$ 27,076,000</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. Operations and Programs</u>	<u>26,442,000</u>	<u>26,755,000</u>
9.5	<u>Notwithstanding Minnesota Statutes, section</u>		
9.6	<u>138.668, the Minnesota Historical Society may</u>		
9.7	<u>not charge a fee for its general tours at the</u>		
9.8	<u>Capitol, but may charge fees for special</u>		
9.9	<u>programs other than general tours.</u>		
9.10	<u>Subd. 3. Fiscal Agent</u>	<u>321,000</u>	<u>321,000</u>
9.11	<u>(a) Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
9.12	<u>(b) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
9.13	<u>(c) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
9.14	<u>(d) Farmamerica</u>	<u>115,000</u>	<u>115,000</u>
9.15	<u>(e) Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>
9.16	<u>Any unencumbered balance remaining in this</u>		
9.17	<u>subdivision the first year does not cancel but</u>		
9.18	<u>is available for the second year of the</u>		
9.19	<u>biennium.</u>		
9.20	<u>Sec. 24. BOARD OF THE ARTS</u>		
9.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$ 7,798,000</u>	<u>\$ 7,808,000</u>
9.22	<u>The amounts that may be spent for each</u>		
9.23	<u>purpose are specified in the following</u>		
9.24	<u>subdivisions.</u>		
9.25	<u>Subd. 2. Operations and Services</u>	<u>859,000</u>	<u>869,000</u>
9.26	<u>Subd. 3. Grants Program</u>	<u>4,800,000</u>	<u>4,800,000</u>
9.27	<u>Subd. 4. Regional Arts Councils</u>	<u>2,139,000</u>	<u>2,139,000</u>
9.28	<u>Any unencumbered balance remaining in this</u>		
9.29	<u>section the first year does not cancel, but is</u>		
9.30	<u>available for the second year.</u>		

10.1 Money appropriated in this section and
10.2 distributed as grants may only be spent on
10.3 projects located in Minnesota. A recipient of
10.4 a grant funded by an appropriation in this
10.5 section must not use more than ten percent of
10.6 the total grant for costs related to travel outside
10.7 the state of Minnesota.

10.8	Sec. 25. <u>MINNESOTA HUMANITIES</u>			
10.9	<u>CENTER</u>	\$	<u>970,000</u>	\$ <u>970,000</u>

10.10 \$500,000 each year is for Healthy Eating, Here
10.11 at Home grants under Minnesota Statutes,
10.12 section 138.912. No more than three percent
10.13 of the appropriation may be used for the
10.14 nonprofit administration of the program.

10.15	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>873,000</u>	\$ <u>887,000</u>
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10.16	Sec. 27. <u>BOARD OF ARCHITECTURE</u>			
10.17	<u>ENGINEERING, LAND SURVEYING,</u>			
10.18	<u>LANDSCAPE ARCHITECTURE,</u>			
10.19	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>928,000</u>	\$ <u>943,000</u>

10.20	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>			
10.21	<u>EXAMINERS</u>	\$	<u>3,659,000</u>	\$ <u>3,716,000</u>

10.22	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>459,000</u>	\$ <u>466,000</u>
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10.23	Sec. 30. <u>GENERAL CONTINGENT</u>			
10.24	<u>ACCOUNTS</u>	\$	<u>2,000,000</u>	\$ <u>500,000</u>

10.25	<u>Appropriations by Fund</u>		
10.26		<u>2026</u>	<u>2027</u>
10.27	<u>General</u>	<u>1,500,000</u>	<u>-0-</u>
10.28	<u>State Government</u>		
10.29	<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
10.30	<u>Workers'</u>		
10.31	<u>Compensation</u>	<u>100,000</u>	<u>100,000</u>

10.32 (a) The general fund base for this
10.33 appropriation is \$1,500,000 in fiscal year 2026
10.34 and each even-numbered fiscal year thereafter.
10.35 The base is \$0 for fiscal year 2027 and each
10.36 odd-numbered fiscal year thereafter.

11.1 (b) The appropriations in this section may only
 11.2 be spent with the approval of the governor
 11.3 after consultation with the Legislative
 11.4 Advisory Commission pursuant to Minnesota
 11.5 Statutes, section 3.30.

11.6 (c) If an appropriation in this section for either
 11.7 year is insufficient, the appropriation for the
 11.8 other year is available for it.

11.9 (d) If a contingent account appropriation is
 11.10 made in one fiscal year, it should be
 11.11 considered a biennial appropriation.

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

11.13 These appropriations are to be spent by the
 11.14 commissioner of management and budget
 11.15 according to Minnesota Statutes, section
 11.16 3.736, subdivision 7. If the appropriation for
 11.17 either year is insufficient, the appropriation
 11.18 for the other year is available for it.

11.19 Sec. 32. **MINNESOTA STATE RETIREMENT**
 11.20 **SYSTEM**

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

11.22 The amounts that may be spent for each
 11.23 purpose are specified in the following
 11.24 subdivisions.

11.25 Subd. 2. **Combined Legislators and**
 11.26 **Constitutional Officers Retirement Plan** 9,064,000 9,154,000

11.27 Under Minnesota Statutes, sections 3A.03,
 11.28 subdivision 2; 3A.04, subdivisions 3 and 4;
 11.29 and 3A.115.

11.30 Subd. 3. **Judges Retirement Plan** 6,000,000 6,000,000

11.31 For transfer to the judges retirement fund
 11.32 under Minnesota Statutes, section 490.123.
 11.33 This transfer continues each fiscal year until

12.1	<u>the judges retirement plan reaches 100 percent</u>				
12.2	<u>funding as determined by an actuarial</u>				
12.3	<u>valuation prepared according to Minnesota</u>				
12.4	<u>Statutes, section 356.214.</u>				
12.5	Sec. 33. <u>PUBLIC EMPLOYEES RETIREMENT</u>				
12.6	<u>ASSOCIATION</u>	<u>\$</u>	<u>25,000,000</u>	<u>\$</u>	<u>25,000,000</u>
12.7	<u>(a) \$9,000,000 each year is for direct state aid</u>				
12.8	<u>to the public employees police and fire</u>				
12.9	<u>retirement plan authorized under Minnesota</u>				
12.10	<u>Statutes, section 353.65, subdivision 3b.</u>				
12.11	<u>(b) State payments from the general fund to</u>				
12.12	<u>the Public Employees Retirement Association</u>				
12.13	<u>on behalf of the former MERF division</u>				
12.14	<u>account are \$16,000,000 on September 15,</u>				
12.15	<u>2026, and \$16,000,000 on September 15,</u>				
12.16	<u>2027. These amounts are estimated to be</u>				
12.17	<u>needed under Minnesota Statutes, section</u>				
12.18	<u>353.505.</u>				
12.19	Sec. 34. <u>TEACHERS RETIREMENT</u>				
12.20	<u>ASSOCIATION</u>	<u>\$</u>	<u>29,831,000</u>	<u>\$</u>	<u>29,831,000</u>
12.21	<u>The amounts estimated to be needed are as</u>				
12.22	<u>follows:</u>				
12.23	<u>Special Direct State Aid.</u>				
12.24	<u>\$27,331,000 each</u>				
12.25	<u>year is for special direct state aid authorized</u>				
12.26	<u>under Minnesota Statutes, section 354.436.</u>				
12.27	<u>Special Direct State Matching Aid.</u>				
12.28	<u>\$2,500,000 each year is for special direct state</u>				
12.29	<u>matching aid authorized under Minnesota</u>				
12.30	<u>Statutes, section 354.435.</u>				
12.31	Sec. 35. <u>ST. PAUL TEACHERS RETIREMENT</u>				
12.32	<u>FUND</u>	<u>\$</u>	<u>14,827,000</u>	<u>\$</u>	<u>14,827,000</u>
12.33	<u>The amounts estimated to be needed for</u>				
12.34	<u>special direct state aid to the first class city</u>				
12.35	<u>teachers retirement fund association authorized</u>				

13.1 under Minnesota Statutes, section 354A.12,
13.2 subdivisions 3a and 3c.

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

13.4 Subdivision 1. **VOTER account.** The secretary of state, in consultation with the
13.5 commissioner of management and budget, must transfer \$3,000,000 in fiscal year 2026 and
13.6 \$3,000,000 in fiscal year 2027 from the general fund to the voting operations, technology,
13.7 and election resources account established under Minnesota Statutes, section 5.305. For
13.8 fiscal years 2028 to 2031, the commissioner of management and budget must include a
13.9 transfer of \$3,000,000 each year from the general fund to the voting operations, technology,
13.10 and election resources account, when preparing each forecast from the effective date of this
13.11 section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

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

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

13.21	Subd. 2. Government and Citizen Services	39,928,000	19,943,000
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13.22 The base for this appropriation is \$17,268,000
13.23 in fiscal year 2026 and \$17,280,000 in fiscal
13.24 year 2027.

13.25 **Council on Developmental Disabilities.**

13.26 \$222,000 each year is for the Council on
13.27 Developmental Disabilities.

13.28 **State Agency Accommodation**

13.29 **Reimbursement.** \$200,000 each year may be
13.30 transferred to the accommodation account
13.31 established in Minnesota Statutes, section
13.32 16B.4805.

14.1 **Disparity Study.** \$500,000 the first year and
14.2 \$1,000,000 the second year are to conduct a
14.3 study on disparities in state procurement. This
14.4 is a onetime appropriation.

14.5 **Grants Administration Oversight.**
14.6 \$2,411,000 the first year and \$1,782,000 the
14.7 second year are for grants administration
14.8 oversight. The base for this appropriation in
14.9 fiscal year 2026 and each year thereafter is
14.10 \$1,581,000.

14.11 \$735,000 the first year and \$201,000 the
14.12 second year are for a study to develop a road
14.13 map on the need for an enterprise grants
14.14 management system and to implement the
14.15 study's recommendation. This is a onetime
14.16 appropriation.

14.17 **Risk Management Fund Property**
14.18 **Self-Insurance.** \$12,500,000 the first year is
14.19 for transfer to the risk management fund under
14.20 Minnesota Statutes, section 16B.85. This is a
14.21 onetime appropriation.

14.22 **Office of Enterprise Translations.**
14.23 \$1,306,000 the first year and \$1,159,000 the
14.24 second year are to establish the Office of
14.25 Enterprise Translations. \$250,000 each year
14.26 may be transferred to the language access
14.27 service account established in Minnesota
14.28 Statutes, section 16B.373.

14.29 **Capitol Mall Design Framework**
14.30 **Implementation.** \$5,000,000 the first year is
14.31 to implement the updated Capitol Mall Design
14.32 Framework, prioritizing the framework plans
14.33 identified in article 2, section 124. This

15.1 appropriation is available until ~~December 31,~~
15.2 ~~2024~~ June 30, 2026.

15.3 **Parking Fund.** \$3,255,000 the first year and
15.4 \$1,085,000 the second year are for a transfer
15.5 to the state parking account to maintain the
15.6 operations of the parking and transit program
15.7 on the Capitol complex. These are onetime
15.8 transfers.

15.9 **Procurement; Environmental Analysis and**
15.10 **Task Force.** \$522,000 the first year and
15.11 \$367,000 the second year are to implement
15.12 the provisions of Minnesota Statutes, section
15.13 16B.312.

15.14 **Center for Rural Policy and Development.**
15.15 \$100,000 the first year is for a grant to the
15.16 Center for Rural Policy and Development.

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

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

15.19	Sec. 13. MINNESOTA MANAGEMENT AND				58,057,000
15.20	BUDGET	\$	55,356,000	\$	56,357,000

15.21 The base for this appropriation is \$47,831,000
15.22 in fiscal year 2026 and each fiscal year
15.23 thereafter.

15.24 (a) \$13,489,000 the first year and \$14,490,000
15.25 the second year are to stabilize and secure the
15.26 state's enterprise resource planning systems.

15.27 This amount is available until June 30, 2027.

15.28 The base for this appropriation is \$6,470,000
15.29 in fiscal year 2026 and each fiscal year
15.30 thereafter.

15.31 (b) \$1,000,000 each year is for administration
15.32 and staffing of the Children's Cabinet

16.1 established in Minnesota Statutes, section
16.2 4.045.

16.3 (c) \$317,000 each year is to increase the
16.4 agency's capacity to proactively raise
16.5 awareness about the capital budget process
16.6 and provide technical assistance around the
16.7 requirements associated with the capital
16.8 budget process and receiving general fund or
16.9 general obligation bond funding for capital
16.10 projects, including compliance requirements
16.11 that must be met at various stages of capital
16.12 project development, with particular focus on
16.13 nonprofits, American Indian communities, and
16.14 communities of color that have traditionally
16.15 not participated in the state capital budget
16.16 process. This appropriation may also be used
16.17 to increase the agency's capacity to coordinate
16.18 with other state agencies regarding the
16.19 administration of grant agreements, programs,
16.20 and technical assistance related to capital
16.21 projects governed by the provisions of
16.22 Minnesota Statutes, chapter 16A, and other
16.23 applicable laws and statutes.

16.24 (d) \$2,500,000 each in fiscal year is 2024 and
16.25 \$800,000 in fiscal year 2025 are for
16.26 interagency collaboration to develop data
16.27 collection standards for race, ethnicity, gender
16.28 identity, and disability status and to develop
16.29 a roadmap and timeline for implementation
16.30 of the data standards across state government.
16.31 These funds may be transferred to other
16.32 agencies to support this work and may be used
16.33 to update computer systems to accommodate
16.34 revised data collection standards. This is a

17.1 onetime appropriation and is available until
17.2 June 30, 2027.

17.3 (e) \$102,000 the first year and \$60,000 the
17.4 second year are for the report required under
17.5 Minnesota Statutes, section 43A.15,
17.6 subdivision 14a, and for training and content
17.7 development relating to ADA Title II,
17.8 affirmative action, equal employment
17.9 opportunity, digital accessibility, inclusion,
17.10 disability awareness, and cultural competence.

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

17.12 **ARTICLE 2**
17.13 **STATE GOVERNMENT POLICY**

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

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

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

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

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

17.25 (b) Each division may be supervised by a deputy auditor, appointed by the legislative
17.26 auditor, with the approval of the commission, for a term coterminous with the legislative
17.27 auditor's term. The deputy auditors may be removed before the expiration of their terms
17.28 only for cause. The legislative auditor and deputy auditors may each appoint an administrative
17.29 support specialist to serve at pleasure. The salaries and benefits of the legislative auditor,
17.30 deputy auditors, and administrative support specialists shall be determined by the
17.31 compensation plan approved by the Legislative Coordinating Commission. The deputy

18.1 auditors may perform and exercise the powers, duties and responsibilities imposed by law
18.2 on the legislative auditor when authorized by the legislative auditor.

18.3 (c) The legislative auditor, deputy auditors, and administrative support specialists shall
18.4 serve in the unclassified civil service, but all other employees of the legislative auditor shall
18.5 serve in the classified civil service. Compensation for employees of the legislative auditor
18.6 in the classified service shall be governed by a plan prepared by the legislative auditor and
18.7 approved by the Legislative Coordinating Commission and the legislature under section
18.8 3.855, subdivision 3.

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

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

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

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

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

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

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

- 19.1 (1) chief executive officer;
- 19.2 (2) deputy and assistant chief executive officers;
- 19.3 (3) chief administrative, chief financial, chief information, and chief investigative officers;
- 19.4 (4) heads of divisions, bureaus, departments, institutes, or other organizational units;
- 19.5 and
- 19.6 (5) board chair, where applicable.

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

19.8 read:

19.9 Subd. 8. **Contracts.** Section 16C.05, subdivision 8, paragraph (a), clauses (2) and (5),

19.10 do not apply to contracts entered into by the State Board of Investment related to an

19.11 investment under this section.

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

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

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

19.15 Subd. 2. **Chief administrative law judge.** (a) The ~~office~~ court shall be under the direction

19.16 of a chief administrative law judge who shall be learned in the law and appointed by the

19.17 governor, with the advice and consent of the senate, for a term ending on June 30 of the

19.18 sixth calendar year after appointment. Senate confirmation of the chief administrative law

19.19 judge shall be as provided by section 15.066.

19.20 (b) The chief administrative law judge may hear cases and, in accordance with chapter

19.21 43A, shall appoint a deputy chief judge and additional administrative law judges and

19.22 compensation judges to serve in the ~~office~~ court as necessary to fulfill the duties of the

19.23 ~~Office~~ Court of Administrative Hearings.

19.24 (c) The chief administrative law judge may delegate to a subordinate employee the

19.25 exercise of a specified statutory power or duty as deemed advisable, subject to the control

19.26 of the chief administrative law judge. Every delegation must be by written order filed with

19.27 the secretary of state. The chief administrative law judge is subject to the provisions of the

19.28 Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial

19.29 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

21.1 under section 14.61. Upon a showing of good cause by a party or the agency, the chief
21.2 administrative law judge may order a reasonable extension of either of the two 90-day
21.3 deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief
21.4 administrative law judge considers a request for reasonable extension so long as the request
21.5 was filed and served within the applicable 90-day period.

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

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

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

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

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

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

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

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

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

22.1 Sec. 11. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES**
22.2 **OR DATA.**

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

22.10 Sec. 12. **[15.442] LOCAL NEWS ORGANIZATION ADVERTISING BY STATE**
22.11 **AGENCIES.**

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

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

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

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

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

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

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

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

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

23.5 Subd. 2. **State agency advertising.** Agencies are encouraged to direct advertising
23.6 spending toward local news organizations when practicable and in support of the agency's
23.7 advertising goals. Advertising primarily targeted at out-of-state residents is not subject to
23.8 this section. Nothing in this section prevents a state agency from contracting with outside
23.9 vendors to conduct advertising work.

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

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

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

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

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

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

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

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

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

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

24.1 (3) any additional appropriate information.

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

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

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

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

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

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

24.27 Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is
24.28 made, including projects that are exempt under subdivision 1, paragraph (b), must not
24.29 proceed until the recipient undertaking the project has notified the chairs and ranking minority
24.30 members of the senate Capital Investment and Finance Committees and the house of

25.1 representatives Capital Investment and Ways and Means Committees that the work is ready
25.2 to begin. Notice is not required for:

25.3 (1) capital projects needed to comply with the Americans with Disabilities Act;

25.4 (2) asset preservation projects to which section 16B.307 applies;

25.5 (3) projects funded by an agency's operating budget; or

25.6 (4) projects funded by a capital asset preservation and replacement account under section
25.7 16A.632, a higher education asset preservation and replacement account under section
25.8 135A.046, or a natural resources asset preservation and replacement account under section
25.9 84.946.

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

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

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

25.21 (c) The commissioner of management and budget shall make appropriate transfers to
25.22 the revolving funds described in this section when requested by the commissioner of
25.23 administration. The commissioner of administration may make allotments, encumbrances,
25.24 and, with the approval of the commissioner of management and budget, disbursements in
25.25 anticipation of such transfers. In addition, the commissioner of administration, with the
25.26 approval of the commissioner of management and budget, may require an agency to make
25.27 advance payments to the revolving funds in this section sufficient to cover the agency's
25.28 estimated obligation for a period of at least 60 days.

25.29 (d) All reimbursements and other money received by the commissioner of administration
25.30 under this section must be deposited in the appropriate revolving fund. Any earnings
25.31 remaining in the fund established to account for the documents service prescribed by section
25.32 16B.51 at the end of each fiscal year not otherwise needed for present or future operations,

26.1 as determined by the commissioners of administration and management and budget, must
26.2 be transferred to the general fund.

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

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

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

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

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

26.25 (1) the governor;

26.26 (2) the lieutenant governor;

26.27 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling
26.28 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of
26.29 Public Safety;

26.30 (4) the Financial Institutions Division and investigative staff of the Department of
26.31 Commerce;

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

- 27.1 (6) the State Lottery;
- 27.2 (7) criminal investigators of the Department of Revenue;
- 27.3 (8) state-owned community service facilities in Direct Care and Treatment;
- 27.4 (9) the Office of the Attorney General;
- 27.5 (10) the investigative staff of the Gambling Control Board; ~~and~~
- 27.6 (11) the Department of Corrections inmate community work crew program under section
- 27.7 352.91, subdivision 3g; and
- 27.8 (12) the Office of Ombudsman for Long-Term Care.

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

27.10 **ELECTRIC VEHICLE ACCOUNT.**

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

27.12 the meanings given.

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

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

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

27.16 and associated infrastructure and site upgrades.

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

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

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

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

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

27.22 in a demand-side net reduction in energy use by the state building's electrical, heating,

27.23 ventilating, air-conditioning, or hot water systems.

27.24 (f) "State agency" has the definition given in section 13.02, subdivision 17, or the

27.25 designated definition given in section 15.01 and includes the Office of Higher Education,

27.26 Housing Finance Agency, Pollution Control Agency, and Bureau of Mediation Services.

27.27 State agency includes agencies, boards, commissions, committees, councils, and authorities

27.28 as defined in section 15.012.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30.19 (b) If, after performing the required steps in subdivision 2 and pursuant to sections
30.20 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information
30.21 from the grantee, the agency still has concerns that there is a substantial risk that a potential
30.22 grantee cannot or would not perform the required duties under the grant agreement, the
30.23 agency must either create a plan to satisfy remaining concerns with the grantee or must not
30.24 award the grant.

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

31.1 ~~during which the agency may reverse or modify the agency's initial decision to postpone~~
31.2 ~~or forgo the grant.~~

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

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

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

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

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

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

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

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

32.9 (3) requires mandatory arbitration;

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

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

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

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

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

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

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

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

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

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

33.2 Subd. 2. **Small business.** The commissioner shall adopt the size standards for "~~small~~
33.3 ~~business" found in Code of Federal Regulations, title 49, section 26.65, a small business~~
33.4 for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142, provided
33.5 that the business has its principal place of business in Minnesota. The commissioner may
33.6 use the definition for "small business" in the Code of Federal Regulations, title 49, section
33.7 26.65, or may adopt another standard.

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

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

33.11 (b) The commissioner may award a contract for goods, services, or construction directly
33.12 to a small business or small targeted group business without going through a competitive
33.13 solicitation process up to a total contract award value, including extension options, of
33.14 \$100,000.

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

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

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

33.30 Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal
33.31 government as a condition of receiving federal funds, the commissioner shall award up to
33.32 a 12 percent preference, but no less than the percentage awarded to any other group under

34.1 this section, on state procurement to certified small businesses that are majority-owned and
34.2 operated by veterans.

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

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

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

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

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

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

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

34.30 (b) The commissioner may award a contract for goods, services, or construction directly
34.31 to a small business located in an economically disadvantaged area without going through
34.32 a competitive solicitation process up to a total contract award value, including extension
34.33 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 determines that at least three small businesses located in an economically disadvantaged area 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 small business located in an economically disadvantaged area. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors that are small businesses located in an economically disadvantaged area and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses located in an economically disadvantaged area.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

37.8 (1) common definitions;

37.9 (2) prescription drug classifications;

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

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

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

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

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

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

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

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

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

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

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

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

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

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

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

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

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

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

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

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

40.4 (1) a retired employee of the state or an organization listed in subdivision 2 or section
40.5 43A.24, subdivision 2, who, at separation of service:

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

40.8 (ii) immediately meets the age and service requirements in section 352.115, subdivision
40.9 1; and

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

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

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

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

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

40.25 ~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided
40.26 through the federally sponsored Medicare program. Until the retired employee reaches age
40.27 65, the retired employee and dependents must be pooled in the same group as active
40.28 employees for purposes of establishing premiums and coverage for hospital, medical, and
40.29 dental insurance. Coverage for retired employees and their dependents may not discriminate
40.30 on the basis of evidence of insurability or preexisting conditions unless identical conditions
40.31 are imposed on active employees in the group that the employee left. Appointing authorities
40.32 shall provide notice to employees no later than the effective date of their retirement of the
40.33 right to exercise the option provided in this subdivision. The retired employee must notify

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

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

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

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

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

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

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

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

41.30 (1) is under the age of 18;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The director shall request a Minnesota and national criminal history check for any sole proprietor or responsible lottery official who applies to be a lottery retailer who (1) has not undergone a check under this section within the past seven years or (2) has had any lapse in its contracts to sell lottery tickets.

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

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

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

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

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

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

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

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

(1) changes business location;

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

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

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

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

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

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

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

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

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

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

within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

Sec. 40. **REVISOR INSTRUCTION.**

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

Sec. 41. **REPEALER.**

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

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

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

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

ARTICLE 3

STATE PERSONNEL MANAGEMENT

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

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

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

Subd. 14. ~~Commissioner's~~ **Nonrepresented employees compensation plan.** "~~Commissioner's~~ Nonrepresented employees compensation plan" means the plan required by section 3.855 regarding total compensation and terms and conditions of

employment, including grievance administration, for employees of the executive branch who are not otherwise provided for in this chapter or other law.

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

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

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

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

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

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

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

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

Subd. 4. **Administrative procedures.** The commissioner shall develop administrative procedures, which are not subject to the rulemaking provisions of the Administrative Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights

of or processes available to the general public. The commissioner may also adopt administrative procedures, not subject to the Administrative Procedure Act, which concern topics affecting the general public if those procedures concern only the internal management of the department or other agencies and if those elements of the topics which affect the general public are the subject of department rules.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48.30 (2) the person occupying the position would report directly to the agency head or deputy
48.31 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 the person is 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.

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

43A.121 RANKING OF THE APPLICANT POOL.

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

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

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

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

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

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

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

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

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

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

50.24 Subd. 14. **700-hour on-the-job demonstration experience.** (a) The commissioner shall
50.25 consult with the Department of Employment and Economic Development's Vocational
50.26 Rehabilitation Services and State Services for the Blind and other disability experts in
50.27 establishing, reviewing, and modifying the qualifying procedures for applicants whose
50.28 disabilities are of such a significant nature that the applicants are unable to demonstrate
50.29 their abilities in the selection process. The qualifying procedures must consist of up to 700
50.30 hours of on-the-job demonstration experience. The 700-hour on-the-job demonstration
50.31 experience is an alternative, noncompetitive hiring process for qualified applicants with
50.32 disabilities. All permanent executive branch classified positions are eligible for a 700-hour

51.1 on-the-job demonstration experience, and all permanent classified job postings must provide
51.2 information regarding the on-the-job demonstration overview and certification process.

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

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

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

51.19 (e) The commissioner or the commissioner's designee shall develop, administer, and
51.20 make public a formal grievance process for individuals in the 700-hour on-the-job
51.21 demonstration experience under this subdivision and supported work program under section
51.22 43A.421, subdivision 2.

51.23 (f) An appointing authority must make reasonable accommodations in response to a
51.24 request from an applicant with a disability, including providing accommodations in a timely
51.25 manner during the application and hiring process and throughout the 700-hour on-the-job
51.26 demonstration experience. Requirements for accessibility for public records under section
51.27 363A.42, continuing education under section 363A.43, and technology under section 16E.03,
51.28 subdivision 2, clauses (3) and (9), apply to an agency filling an appointment during the
51.29 application and hiring process and through the on-the-job demonstration experience period.

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

51.31 Subd. 5. **Salary on demotion; special cases.** The commissioner may, upon request of
51.32 an appointing authority, approve payment of an employee with permanent status at a salary
51.33 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. 16. 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 of the other state employee who is to benefit from the donation. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2.~~ A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

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

43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.

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

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

~~(b)~~ (c) The recipient employee must receive donations, as available, for a life-threatening condition of the employee or spouse or dependent child that prevents the employee from working. A recipient may use program donations retroactively to when all forms of paid

53.1 leave are exhausted if the employee has sufficient donations to cover the period of
 53.2 retroactivity. A recipient who receives program donations under this section may use up to
 53.3 80 hours of program donations after the death of a spouse or dependent child.

53.4 ~~(e)~~ (d) An applicant for benefits under this section who receives an unfavorable
 53.5 determination may select a designee to consult with the commissioner or commissioner's
 53.6 designee on the reasons for the determination.

53.7 ~~(d)~~ (e) The commissioner shall establish procedures under section 43A.04, subdivision
 53.8 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of
 53.9 individual eligibility status, and other topics related to administration of this program.

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

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

53.17 (1) objectives, goals, and policies;

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

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

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

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

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

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

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

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

54.7 (1) the extent of unemployment of members of protected classes in the recruiting area
54.8 population;

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

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

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

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

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

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

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

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

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

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

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

Subd. 2. **Contract to contain statement of benefits.** (a) Each contract under sections 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include

any maximums, limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.

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

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

Subd. 1a. **Opt out.** (a) An individual eligible for state-paid hospital, medical, and dental benefits under this section has the right to decline those benefits, provided the individual declining the benefits can prove health insurance coverage from another source. Any 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. 22. 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 employee of the Office of the District Administrator that is not in the Second or Fourth Judicial District; a court administrator or employee of the court administrator in a judicial district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program employee;

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

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

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

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

~~(8)~~ (7) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982,

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

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

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

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

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

59.2 Subd. 2. **Elective eligibility.** The following persons, if not otherwise covered by section
59.3 43A.24, may elect coverage for themselves or their dependents at their own expense:

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

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

59.9 ~~(3)~~ (2) an officer or employee of the State Agricultural Society, Center for Rural Policy
59.10 and Development, Agricultural Utilization Research Institute, State Horticultural Society,
59.11 Sibley House Association, Minnesota Humanities ~~Center~~ Commission, Minnesota Area
59.12 Industry Labor Management Councils, Minnesota International Center, Minnesota Academy
59.13 of Science, Science Museum of Minnesota, Minnesota Safety Council, state Office of
59.14 Disabled American Veterans, state Office of the American Legion and its auxiliary, state
59.15 Office of Veterans of Foreign Wars and its auxiliary, or state Office of the Military Order
59.16 of the Purple Heart;

59.17 ~~(4)~~ (3) a civilian employee of the adjutant general who is paid from federal funds and
59.18 who is not eligible for benefits from any federal civilian employee group life insurance or
59.19 health benefits program;

59.20 ~~(5)~~ (4) an officer or employee of ~~the State Capitol~~ Affinity Plus Federal Credit Union
59.21 ~~or the Highway Credit Union;~~ and

59.22 ~~(6)~~ (5) an employee of the joint underwriting association pursuant to section 62I.121 or
59.23 Minnesota FAIR plan pursuant to section 65A.35, subdivision 5, unless the commissioner
59.24 determines that making these employees eligible to purchase this coverage would cause the
59.25 state employee group insurance program to lose its status as a governmental plan or would
59.26 cause the program to be treated as a multiemployer welfare arrangement.

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

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

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

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

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

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

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

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

61.1 (2) terminated state or Metropolitan Council employment;

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

61.8 (4) agrees to accept a postretirement option position with the same or a different
61.9 appointing authority, working a reduced schedule that is both (i) a reduction of at least 25
61.10 percent from the employee's number of previously regularly scheduled work hours; and (ii)
61.11 1,044 hours or less in state or Metropolitan Council service.

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

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

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

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

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

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

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

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

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

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

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

43A.421 SUPPORTED WORK CUSTOMIZED EMPLOYMENT PROGRAM.

Subdivision 1. Program established. ~~Active positions within agencies of state government may be selected for inclusion for a supported work program for persons with significant disabilities. A full-time position may be shared by up to three persons with significant disabilities and their job coach. The job coach is not a state employee within the scope of section 43A.02, subdivision 21, or 179A.03, subdivision 14, unless the job coach~~

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

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

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

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

Sec. 29. **REPEALER.**

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

ARTICLE 4

LICENSING BOARDS

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

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

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

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

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

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

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

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

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

64.20 (i) student orientation;

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

64.22 (A) muscle and bone structure and function;

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

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

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

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

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

- 65.1 (iv) introductory service skills that are limited to the observation of an instructor
 65.2 demonstration, student use of mannequins, or student-to-student application of basic services
 65.3 related to hair technology;
- 65.4 (v) Minnesota statutes and rules pertaining to the regulation of hair technology;
- 65.5 (vi) health and safety instruction that includes:
- 65.6 (A) chemical safety;
- 65.7 (B) safety data sheets;
- 65.8 (C) personal protective equipment (PPE);
- 65.9 (D) hazardous substances; and
- 65.10 (E) laws and regulations related to health and public safety; and
- 65.11 (vii) infection control to protect the health and safety of the public and technician that
 65.12 includes:
- 65.13 (A) disinfectants;
- 65.14 (B) disinfectant procedures;
- 65.15 (C) cleaning and disinfection;
- 65.16 (D) single use items;
- 65.17 (E) storage of tools, implements, and linens; and
- 65.18 (F) other implements and equipment used in salons and schools;
- 65.19 (2) 300 hours in hair cutting and styling that includes hair and scalp analysis; ~~providing~~
 65.20 ~~services to individuals who have all hair types and textures, including coil, curl, or wave~~
 65.21 ~~patterns, hair strand thicknesses, and volumes of hair;~~ cleaning; scalp and hair conditioning;
 65.22 hair design and shaping; drying; arranging; curling; dressing; waving; and nonchemical
 65.23 straightening; and
- 65.24 (3) 300 hours in chemical hair services that includes hair and scalp analysis; ~~providing~~
 65.25 ~~services to individuals with all hair types and textures, including coil, curl, or wave patterns,~~
 65.26 ~~hair strand thicknesses, and volumes of hair;~~ dying; bleaching; reactive chemicals; keratin;
 65.27 hair coloring; permanent straightening; permanent waving; predisposition and strand
 65.28 tests; safety precautions; chemical mixing; color formulation; and the use of dye removers.

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

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

(1) curl, coil, and wave patterns;

(2) hair strand thicknesses; and

(3) volumes.

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

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

326.05 QUALIFICATIONS OF BOARD MEMBERS.

Each member of the board ~~shall~~ must be a resident of this state at the time of and throughout the member's appointment. Each member except the public members ~~shall~~ must have been engaged in the practice of the relevant profession for at least ~~ten~~ five years and shall have been in responsible charge of professional work requiring licensure as an architect, engineer, land surveyor, landscape architect, or geoscientist, or certification as an interior designer for at least ~~five~~ two years.

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

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

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

(2) To any person who holds an unexpired certificate of registration or license issued by proper authority in the District of Columbia, any state or territory of the United States, or any foreign country, in which the requirements for registration or licensure of architects, engineers, land surveyors, landscape architects, geoscientists, or certified interior designers, respectively, at the time of registration or licensure in the other jurisdiction, were ~~equal, in~~

67.1 ~~the opinion of the board,~~ substantially equivalent as established in rules by the board to
67.2 those fixed by the board and by the laws of this state, and in which similar privileges are
67.3 extended to the holders of certificates of registration or licensure issued by this state. The
67.4 board may require such person to submit a certificate of technical qualification from the
67.5 National Council of Architectural Registration Boards in the case of an architect, from the
67.6 National Council of Examiners for Engineering and Surveying in the case of an engineer,
67.7 from the Council of Landscape Architectural Registration Boards in the case of a landscape
67.8 architect, and from the National Council for Interior Design Qualification in the case of a
67.9 certified interior designer.

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

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

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

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

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

67.19 Subd. 10. **Temporary military license.** The board shall establish a temporary license
67.20 in accordance with section 197.4552 for the practice of architecture, professional engineering,
67.21 geosciences, land surveying, landscape architecture, and interior design. The fee for the
67.22 temporary license under this subdivision for the practice of architecture, professional
67.23 engineering, geosciences, land surveying, landscape architecture, or interior design is ~~\$132~~
67.24 \$0.

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

67.26 Subd. 3. **Cease and desist orders.** (a) The board, or the complaint committee if
67.27 authorized by the board, may issue and have served upon a person an order requiring the
67.28 person to cease and desist from the unauthorized practice of architecture, engineering, land
67.29 surveying, landscape architecture, geoscience, or the unauthorized use of the titles architect,
67.30 professional engineer, land surveyor, landscape architect, professional geologist, professional
67.31 soil scientist, certified interior designer, or violation of the statute, rule, or order. The order

68.1 shall be calculated to give reasonable notice of the rights of the person to request a hearing
68.2 and shall state the reasons for the entry of the order.

68.3 (b) Service of the order is effective if the order is served on the person or counsel of
68.4 record personally or by certified mail to the most recent address provided to the board for
68.5 the person or counsel of record. Service of the order must be by first class United States
68.6 mail, including certified United States mail, or overnight express mail service with the
68.7 postage prepaid and addressed to the party at the party's last known address. Service by
68.8 United States mail, including certified mail, is complete upon placing the order in the mail
68.9 or otherwise delivering the order to the United States mail service. Service by overnight
68.10 express mail service is complete upon delivering the order to an authorized agent of the
68.11 express mail service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

69.29 (9) has attached the person's seal or signature to a plan, specification, report, plat, or
69.30 other architectural, engineering, land surveying, landscape architectural, geoscientific, or
69.31 interior design document not prepared by the person sealing or signing it or under that
69.32 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 delivering the order to an authorized agent of the express mail service. The order shall state the reasons for the entry of the order.

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

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

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

(b) Service of the order ~~is effective if the order is served on the licensee or counsel of record personally or by certified mail, to the most recent address provided to the board for the licensee or counsel of record.~~ must be by first class United States mail, including certified United States mail, or overnight express mail service with 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 delivering the order to an authorized agent of the express mail service.

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

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

(e) Within five working days after the hearing, the board shall issue its order and, if the suspension is continued, schedule a contested case hearing within 30 days after issuance of the order. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record, notwithstanding the provisions of Minnesota Rules, part 1400.8100, subpart 3. The board shall issue a final order within 30 days after receipt of that report and any exceptions to it.

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

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

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

Subd. 6. **Certificate; required education and experience until July 1, 2030.** (a) On or after July 1, 2006, and before July 1, 2030, a person who has passed the examination

required in this section must be granted a certificate as a certified public accountant provided:

(1) the person certifies to the board that the person has completed at least 150 semester or 225 quarter hours at a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association, and has completed at least one year of experience of the type specified in paragraph (b); (2) the board verifies the certifications; and (3) the person complies with requirements for initial issuance of the certificate as a certified public accountant as prescribed by the board by rule.

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

(c) This subdivision expires July 1, 2030.

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

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

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

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

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

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

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

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

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

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

73.14 (1) all requirements under subdivision 6; or

73.15 (2) all requirements under subdivision 6a.

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

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

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

73.19 **326A.14 SUBSTANTIAL EQUIVALENCY MOBILITY.**

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

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

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

74.1 (3) has passed the Uniform CPA Examination.

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

74.7 ~~(b) An individual whose principal place of business is not in this state and who holds a~~
74.8 ~~valid license in good standing as a certified public accountant from any state whose certified~~
74.9 ~~public accountant licensure qualifications, upon verification, are not substantially equivalent~~
74.10 ~~with the licensure requirements of section 326A.03, subdivisions 3, 4, and 6, shall be~~
74.11 ~~presumed to have qualifications substantially equivalent to this state's requirements and~~
74.12 ~~shall have all the privileges of licensees of this state without the need to obtain a license if~~
74.13 ~~the individual obtains verification, as specified in board rule, that the individual's~~
74.14 ~~qualifications are substantially equivalent to the licensure requirements of section 326A.03,~~
74.15 ~~subdivisions 3, 4, and 6. For purposes of this paragraph, any individual who passed the~~
74.16 ~~Uniform CPA Examination and holds a valid license issued by any other state prior to~~
74.17 ~~January 1, 2009, is exempt from the education requirement in section 326A.03, subdivision~~
74.18 ~~6, paragraph (a), provided the individual meets the education requirement in section 326A.03,~~
74.19 ~~subdivision 3. Notwithstanding any contrary provision of this chapter, an individual who~~
74.20 ~~offers or renders professional services, whether in person, by mail, telephone, or electronic~~
74.21 ~~means, under this paragraph: (1) shall, after the verification specified by adopted rules, be~~
74.22 ~~granted practice privileges in this state; (2) is subject to the requirements in paragraph (c);~~
74.23 ~~and (3) is not required to provide any notice or other submission.~~

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

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

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

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

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

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

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

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

Sec. 17. **REPEALER.**

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

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

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

ARTICLE 5

MINNESOTA BUSINESS FILING FRAUD PREVENTION ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

76.17 (2) the complainant's name, mailing address, and email address;

76.18 (3) whether the complainant is employed by or has an ownership interest in the business
76.19 that is the subject of the filing;

76.20 (4) any information or evidence supporting the complainant's allegations under this
76.21 section;

76.22 (5) a statement verifying the complainant believes in good faith that the facts stated in
76.23 the declaration are true; and

76.24 (6) any other information the office deems necessary.

76.25 (c) The office must provide a form for declarations filed under this section. A complainant
76.26 must use the provided form when submitting a declaration of wrongful filing.

76.27 (d) A false material statement of fact in a declaration of wrongful filing or any other
76.28 document submitted under sections 300.70 to 300.78 is a violation of section 609.48.

76.29 Subd. 2. **Review of declaration.** (a) The office must promptly accept or reject a
76.30 declaration of wrongful filing.

(b) The office may reject a declaration of wrongful filing that is incomplete, does not use the provided form, or the office reasonably believes was delivered with the intent to harass or defraud the filer. The office may reject a declaration of wrongful filing if the office has already issued a final order on the filing identified in the declaration.

Subd. 3. **Nonexclusive remedy.** The remedy in sections 300.70 to 300.78 is not exclusive. An aggrieved party may seek district court action regardless of whether the individual has initiated or completed the procedure described in these sections.

Sec. 5. **[300.72] NOTICE.**

(a) When the office accepts a declaration of wrongful filing, the office must provide notice of the declaration to the complainant and the filer. The notice must describe the allegations made in the declaration and the process used to resolve the allegations. The notice must prominently state the response timeline in section 300.73 and the consequences if the filer does not respond. The notice must prominently state that a false statement of material fact in any documents submitted under sections 300.70 to 300.78 is a violation of section 609.48.

(b) The office must send the notice by first class mail, postage prepaid, to:

(1) the complainant at the mailing address provided in the declaration; and

(2) the filer at:

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

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

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

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

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

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

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

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

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

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

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

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

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

78.16 Subd. 3. **Response.** After notice is received, the nonprevailing party must respond to
78.17 the preliminary determination within ten calendar days with additional information or
78.18 evidence in support of the nonprevailing party's position. The prevailing party may send
78.19 additional information or evidence within the same time period. The response must be
78.20 received by the office within the time period provided under this subdivision.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

79.22 Subd. 2. **Filings deemed not fraudulent or insufficient evidence.** If the office
79.23 determines that a filing is not fraudulent or that insufficient information is available to make
79.24 a determination, the office must issue a final order stating that the office is not removing
79.25 the filing from the database. The final order must provide the office's rationale for
79.26 determining that the filing is not fraudulent or that insufficient information is available to
79.27 make a determination.

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

79.29 (a) Any party who is aggrieved by a final order under section 300.76 may appeal the
79.30 order to the district court of the Minnesota county where the business that is the subject of

the final order is registered or was registered before the business's dissolution or, if the business is not registered in Minnesota, to the district court of Ramsey County. The aggrieved party may also appeal the final order as part of any district court action between the filer and complainant where the filing at issue is relevant to the issues in the case.

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

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

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

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

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

Sec. 11. [300.78] DATA PRACTICES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

82.15 (3) in any writing made according to section 358.115;

82.16 (4) in any writing made according to section 358.116; ~~or~~

82.17 (5) in any writing made according to sections 300.70 to 300.78; or

82.18 ~~(5)~~ (6) in any other case in which the penalties for perjury are imposed by law and no
82.19 specific sentence is otherwise provided.

82.20 Sec. 14. **RULEMAKING.**

82.21 The secretary of state may adopt rules to carry out the provisions of this act.

82.22 Notwithstanding section 14.125, no time limit applies to the authority granted under this
82.23 section.

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

82.25 Sec. 15. **EFFECTIVE DATE.**

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

ARTICLE 6**BUSINESS FILING FEES**

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

302A.153 EFFECTIVE DATE OF ARTICLES.

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

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

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

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

303.21 FEES.

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

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

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

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

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

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

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

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

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

84.9 **321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF**
84.10 **STATE; EFFECTIVE TIME AND DATE.**

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

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

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

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

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

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

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

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

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

84.29 (c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered
84.30 to the secretary of state for filing under this chapter may specify an effective time and a

85.1 delayed effective date. Except as otherwise provided in this chapter, a record filed by the
85.2 secretary of state is effective:

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

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

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

85.10 (A) the specified date; or

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

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

85.14 (A) the specified date; or

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

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

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

85.18 (2) for filing an amended certificate of limited partnership, \$50;

85.19 (3) for filing a name reservation for a limited partnership name, \$35;

85.20 (4) for filing any other record, other than the annual renewal required by section 321.0210,
85.21 for which no fee must be charged, required or permitted to be delivered for filing, \$50;

85.22 (5) for filing a certificate requesting authority to transact business in Minnesota as a
85.23 foreign limited partnership, ~~\$100~~ \$110;

85.24 (6) for filing an application of reinstatement, \$25;

85.25 (7) for filing a name reservation for a foreign limited partnership name, \$35; and

85.26 (8) for filing any other record, other than the annual renewal required by section 321.0210,
85.27 for which no fee must be charged, required or permitted to be delivered for filing on a
85.28 foreign limited partnership authorized to transact business in Minnesota, \$50.

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

Subd. 4. **Formation.** (a) A limited liability company is formed when articles of organization have been filed with the secretary of state accompanied by a payment of ~~\$135~~ \$145.

(b) Except in a proceeding by this state to dissolve a limited liability company, the filing of the articles of organization by the secretary of state is conclusive proof that the organizer satisfied all conditions to the formation of a limited liability company.

(c) The formation of a limited liability company does not by itself cause any person to become a member. However, this chapter does not preclude an agreement, made before or after formation of a limited liability company, which provides that one or more persons will become members, or acknowledging that one or more persons became members, upon or otherwise in connection with the formation of the limited liability company.

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

322C.0802 APPLICATION FOR CERTIFICATE OF AUTHORITY.

Before transacting business in this state, a foreign limited liability company shall obtain a certificate of authority to transact business in this state by filing an application with the secretary of state together with a total fee of ~~\$185~~ \$195. The application must state:

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

(2) the name of the state or other jurisdiction under whose law the company is formed;

(3) a statement that the foreign limited liability company has complied with the organizational laws in the jurisdiction under whose laws the company is formed;

(4) the street address of the company's principal place of business and, if the law of the jurisdiction under which the company is formed requires the company to maintain an office in that jurisdiction, the street address of the required office; and

(5) the name and street address of the company's initial registered office and agent for service of process in this state.

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

323A.0101 DEFINITIONS.

In this chapter:

- 87.1 (1) "Business" includes every trade, occupation, and profession.
- 87.2 (2) "Debtor in bankruptcy" means a person who is the subject of:
- 87.3 (i) an order for relief under title 11 of the United States Code or a comparable order
- 87.4 under a successor statute of general application; or
- 87.5 (ii) a comparable order under federal, state, or foreign law governing insolvency.
- 87.6 (3) "Distribution" means a transfer of money or other property from a partnership to a
- 87.7 partner in the partner's capacity as a partner or to the partner's transferee.
- 87.8 (4) "Executed" means signed.
- 87.9 (5) "Filed" or "filed with the secretary of state" means that a document meeting the
- 87.10 applicable requirements of this chapter, signed, and accompanied by a filing fee of ~~\$135~~
- 87.11 \$145, has been delivered to the secretary of state. The secretary of state shall endorse on
- 87.12 the document the word "Filed" and the month, day, and year of filing; record the document
- 87.13 in the Office of the Secretary of State; and return a document to the person who delivered
- 87.14 it for filing.
- 87.15 (6) "Foreign limited liability partnership" means a partnership that:
- 87.16 (i) is formed under laws other than the laws of this state; and
- 87.17 (ii) has the status of a limited liability partnership under those laws.
- 87.18 (7) "Limited liability partnership" means a partnership that has filed a statement of
- 87.19 qualification under section 323A.1001 and does not have a similar statement in effect in
- 87.20 any other jurisdiction.
- 87.21 (8) "Partnership" means an association of two or more persons to carry on as co-owners
- 87.22 a business for profit, including a limited liability partnership, formed under section
- 87.23 323A.0202, predecessor law, or comparable law of another jurisdiction.
- 87.24 (9) "Partnership agreement" means the agreement, whether written, oral, or implied,
- 87.25 among the partners concerning the partnership, including amendments to the partnership
- 87.26 agreement.
- 87.27 (10) "Partnership at will" means a partnership in which the partners have not agreed to
- 87.28 remain partners until the expiration of a definite term or the completion of a particular
- 87.29 undertaking.

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

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

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

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

88.14 (15) "Signed" means that:

88.15 (i) the signature of a person has been written on a document, as provided in section
88.16 645.44, subdivision 14; and

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

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

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

88.26 (17) "Statement" means a statement of partnership authority under section 323A.0303,
88.27 a statement of denial under section 323A.0304, a statement of dissociation under section
88.28 323A.0704, a statement of dissolution under section 323A.0805, a statement of merger
88.29 under section 323A.0907, a statement of qualification under section 323A.1001, a statement
88.30 of foreign qualification under section 323A.1102, or an amendment or cancellation of any
88.31 of the foregoing.

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

ARTICLE 7

LOCAL GOVERNMENT POLICY

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

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

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

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

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

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

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

90.1 ~~subdivision 1, paragraph (b).~~ The timing and method of providing notice of the regular
90.2 meeting location must be as described in section 13D.04.

90.3 Sec. 3. Minnesota Statutes 2024, section 222.37, subdivision 1, is amended to read:

90.4 Subdivision 1. **Use requirements.** (a) Any water power, telegraph, telephone, pneumatic
90.5 tube, pipeline, community antenna television, cable communications or electric light, heat,
90.6 power company, entity that receives a route permit under chapter 216E for a high-voltage
90.7 transmission line necessary to interconnect an electric power generating facility with
90.8 transmission lines or associated facilities of an entity that directly, or through its members
90.9 or agents, provides retail electric service in the state, or fire department may use public
90.10 roads for the purpose of constructing, using, operating, and maintaining lines, subways,
90.11 canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such
90.12 lines shall be so located as in no way to interfere with the safety and convenience of ordinary
90.13 travel along or over the same; and, in the construction and maintenance of such line, subway,
90.14 canal, conduit, transmission lines, hydrants, or dry hydrants, the entity shall be subject to
90.15 all reasonable regulations imposed by the governing body of any county, town or city in
90.16 which such public road may be. If the governing body does not require the entity to obtain
90.17 a permit, an entity shall notify the governing body of any county, town, or city having
90.18 jurisdiction over a public road prior to the construction or major repair, involving extensive
90.19 excavation on the road right-of-way, of the entity's equipment along, over, or under the
90.20 public road, unless the governing body waives the notice requirement. A waiver of the
90.21 notice requirement must be renewed on an annual basis. For emergency repair an entity
90.22 shall notify the governing body as soon as practical after the repair is made. Nothing herein
90.23 shall be construed to grant to any person any rights for the maintenance of a telegraph,
90.24 telephone, pneumatic tube, community antenna television system, cable communications
90.25 system, or light, heat, power system, electric power generating system, high-voltage
90.26 transmission line, or hydrant system within the corporate limits of any city until such person
90.27 shall have obtained the right to maintain such system within such city or for a period beyond
90.28 that for which the right to operate such system is granted by such city.

90.29 (b) Any public water district, sewer district, or combination water and sewer district
90.30 established under chapter 116A may install water and sewer lines and all other ancillary
90.31 infrastructure within a public road right-of-way in accordance with paragraph (a).

91.1 Sec. 4. Minnesota Statutes 2024, section 331A.10, subdivision 2, is amended to read:

91.2 Subd. 2. **Discontinuance.** (a) When a newspaper ceases to be published before the
91.3 publication of a public notice is commenced, or when commenced ceases before the
91.4 publication is completed, the following procedures apply: (1) when the publication is required
91.5 by court order, the order for publication, ~~when one is required in the first instance,~~ may be
91.6 amended by order of the court or judge, to designate another newspaper, as may be necessary:
91.7 ~~If no order is required in the first instance;~~ or (2) when the publication is required by law,
91.8 rule, or ordinance, the publication may be made or completed in any other qualified
91.9 newspaper.

91.10 (b) If no qualified newspaper is available for publication of a public notice after the
91.11 discontinuance of a newspaper, the political subdivision must post the information required
91.12 to be published on the political subdivision's website until another qualified newspaper is
91.13 identified, which shall then be designated. During the time when no qualified newspaper is
91.14 available, the political subdivision must also post the public notice on the Minnesota
91.15 Newspaper Association's statewide public notice website, at no additional cost to the political
91.16 subdivision.

91.17 (c) Any time during which the notice is published in ~~the first~~ a newspaper prior to its
91.18 discontinuance shall be calculated as a part of the time required for the publication, proof
91.19 of which may be made by affidavit of any person acquainted with the facts.

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

91.21 Sec. 5. Minnesota Statutes 2024, section 367.36, subdivision 1, is amended to read:

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

91.28 (b) If the offices of clerk and treasurer are combined and the town's annual revenue for
91.29 all governmental and enterprise funds combined is more than the amount in paragraph (c),
91.30 the town board shall provide for an annual audit of the town's financial affairs by the state
91.31 auditor or a public accountant in accordance with minimum audit procedures prescribed by
91.32 the state auditor. If the offices of clerk and treasurer are combined and the town's annual
91.33 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. 6. [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 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

93.1 commissioners of the Ramsey County Economic Development Authority, the terms of each
93.2 commissioner corresponding accordingly.

93.3 **EFFECTIVE DATE.** This section is effective the day after the governing body of
93.4 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section
93.5 645.021, subdivisions 2 and 3.

93.6 Sec. 7. **[383A.152] RAMSEY COUNTY HOUSING AND REDEVELOPMENT**
93.7 **AUTHORITY; ADDITIONAL POWERS.**

93.8 The Ramsey County Housing and Redevelopment Authority, established pursuant to
93.9 Ramsey County Resolution No. 93-155, dated March 9, 1993, shall have the powers and
93.10 duties of the Ramsey County Economic Development Authority under section 383A.151
93.11 and shall retain all the powers of a housing and redevelopment authority under sections
93.12 469.001 to 469.047. For purposes of applying chapter 469 to the county of Ramsey, the
93.13 county has all the powers and duties of a city; the county board has all the powers and duties
93.14 of a governing body; the chair of the county has all the powers and duties of a mayor; and,
93.15 with respect to the exercise of the powers under section 469.008, the area of operation
93.16 includes the area within the territorial boundaries of the county.

93.17 **EFFECTIVE DATE.** This section is effective the day after the governing body of
93.18 Ramsey County and its chief clerical officer comply with Minnesota Statutes, section
93.19 645.021, subdivisions 2 and 3.

93.20 Sec. 8. Minnesota Statutes 2024, section 383C.035, is amended to read:

93.21 **383C.035 UNCLASSIFIED CIVIL SERVICE.**

93.22 (a) The officers and employees of the county and of any agency, board, or commission,
93.23 supported in whole or in part by taxation upon the taxable property of the county or appointed
93.24 by the judges of the district court for the county, are divided into the unclassified and
93.25 classified service.

93.26 (b) The unclassified service comprises:

93.27 (1) all officers elected by popular vote or persons appointed to fill vacancies in such
93.28 offices;

93.29 (2) superintendent or principal administrative officer or comptroller of any separate
93.30 department of county government which is now or hereafter created pursuant to law, who
93.31 is directly responsible to the board of county commissioners or any other board or

94.1 commission, as well as the county agricultural agents reporting to the county extension
94.2 committee;

94.3 (3) members of nonpaid board, or commissioners appointed by the board of county
94.4 commissioners or acting in an advisory capacity;

94.5 (4) assistant county attorneys or special investigators in the employ of the county attorney.
94.6 For purposes of this section, special investigators are defined as all nonclerical positions in
94.7 the employ of the county attorney;

94.8 (5) all common labor temporarily employed on an hourly basis;

94.9 (6) not more than a total of nine full-time equivalent clerical employees serving the
94.10 county board and administrator;

94.11 (7) a legislative lobbyist/grant coordinator appointed by the county board to act as
94.12 legislative liaison with the St. Louis County legislative delegation and pursue legislative
94.13 concerns and grant opportunities for the county, and the clerk for that position;

94.14 (8) any department head and deputy director designated by the county board;

94.15 (9) three administrative assistants in the county administrator's office;

94.16 (10) the county administrator and ~~two~~ deputy administrators; and

94.17 (11) all court bailiffs.

94.18 (c) The classified service includes all other positions now existing and hereinafter created
94.19 in the service of the county or any board or commission, agency, or offices of the county.

94.20 Sec. 9. Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

94.21 Subd. 3. **Clerk, treasurer combined; audit standards.** (a) In cities operating under
94.22 the standard plan of government the council may by ordinance adopted at least 60 days
94.23 before the next regular city election combine the offices of clerk and treasurer in the office
94.24 of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the
94.25 term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date
94.26 of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter
94.27 shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk
94.28 and treasurer may be reestablished by ordinance.

94.29 (b) If the offices of clerk and treasurer are combined as provided by this section and the
94.30 city's annual revenue for all governmental and enterprise funds combined is more than the
94.31 amount in paragraph (c), the council shall provide for an annual audit of the city's financial

95.1 affairs by the state auditor or a public accountant in accordance with minimum auditing
95.2 procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined
95.3 and the city's annual revenue for all governmental and enterprise funds combined is the
95.4 amount in paragraph (c), or less, the council shall provide for an audit of the city's financial
95.5 affairs by the state auditor or a public accountant in accordance with minimum audit
95.6 procedures prescribed by the state auditor at least once every five years, which audit shall
95.7 be for a one-year period to be determined at random by the person conducting the audit.

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

95.12 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits
95.13 performed for 2026 and thereafter.

95.14 Sec. 10. Minnesota Statutes 2024, section 412.591, subdivision 3, is amended to read:

95.15 Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are
95.16 combined as provided by this section, and the city's annual revenue for all governmental
95.17 and enterprise funds combined is more than the amount in paragraph (b), the council shall
95.18 provide for an annual audit of the city's financial affairs by the state auditor or a certified
95.19 public accountant in accordance with minimum procedures prescribed by the state auditor.
95.20 If the offices of clerk and treasurer are combined and the city's annual revenue for all
95.21 governmental and enterprise funds combined is the amount in paragraph (b), or less, the
95.22 council shall provide for an audit of the city's financial affairs by the state auditor or a
95.23 certified public accountant in accordance with minimum audit procedures prescribed by the
95.24 state auditor at least once every five years, which audit shall be for a one-year period to be
95.25 determined at random by the person conducting the audit.

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

95.30 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits
95.31 performed for 2026 and thereafter.

Sec. 11. Minnesota Statutes 2024, section 466.01, subdivision 1, is amended to read:

Subdivision 1. **Municipality.** For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, nonprofit firefighting corporation that has associated with it a relief association as defined in section 424A.001, subdivision 4, special district, school district, however organized, public water or sewer system formed under chapter 116A, county agricultural society organized pursuant to chapter 38, joint powers board or organization created under section 471.59 or other statute, public library, regional public library system, multicounty multitype library system, the following local collaboratives whose plans have been approved by the Children's Cabinet: family services collaboratives established under section 142D.15, children's mental health collaboratives established under sections 245.491 to 245.495, or a collaborative established by the merger of a children's mental health collaborative and a family services collaborative, other political subdivision, community action agency, or a limited partnership in which a community action agency is the sole general partner.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to causes of action accruing on or after that date.

Sec. 12. **[471.3458] VOLUNTEER EMERGENCY SERVICES PROVIDERS; TIRE PURCHASES.**

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

(b) "Fire department" has the meaning given in section 299N.01, subdivision 2.

(c) "Municipality" means a statutory or home rule charter city or a town.

(d) "Volunteer emergency services provider" means a volunteer firefighter, as defined in section 299N.03, subdivision 7; volunteer ambulance attendant, as defined in section 144E.001, subdivision 15; volunteer paramedic; or any other volunteer emergency medical personnel performing emergency medical services for a municipality or fire department.

Subd. 2. **Tire purchases.** A municipality or fire department may authorize a volunteer emergency services provider who has performed services for the municipality or fire department for at least three years and who is currently performing services for the municipality or fire department to purchase up to four vehicle tires for one personal vehicle owned by the volunteer emergency services provider every three years under a contract for tires from which the municipality or fire department purchases vehicle tires. The volunteer

97.1 emergency services provider must pay for any tires purchased under this section, including
97.2 all applicable taxes and fees.

97.3 Subd. 3. **Authorization requirements.** (a) The authorization by a municipality or fire
97.4 department to purchase tires under this section must be in writing on the municipality's or
97.5 fire department's letterhead and include the following:

97.6 (1) the volunteer emergency services provider's name;

97.7 (2) the number of years the volunteer emergency services provider has performed services
97.8 for the municipality or fire department;

97.9 (3) the license plate number of the personal vehicle on which the tires will be placed;
97.10 and

97.11 (4) a reference to the contract under which the municipality or fire department purchases
97.12 vehicle tires.

97.13 (b) The municipality or fire department must document how many tires each volunteer
97.14 emergency services provider purchases during the periods specified in this section.

97.15 Sec. 13. Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

97.16 Subd. 3. **Conformity.** Other law to the contrary notwithstanding, in order to receive
97.17 distributions under sections 477A.011 to 477A.03, counties ~~and~~, cities, and towns must
97.18 conform to the standards set in subdivision 2 in making all financial reports required to be
97.19 made to the state auditor.

97.20 Sec. 14. **REPEALER.**

97.21 (a) Minnesota Statutes 2024, sections 383C.07; and 383C.74, subdivisions 1, 2, 3, and
97.22 4, are repealed.

97.23 (b) Minnesota Statutes 2024, section 471.9998, is repealed."

97.24 Delete the title and insert:

97.25 "A bill for an act

97.26 relating to state government operations; establishing a biennial budget;
97.27 appropriating money for the legislature, certain constitutional offices, and state
97.28 agencies, the Minnesota Historical Society, the Minnesota Humanities Center,
97.29 certain retirement accounts, certain offices, departments, boards, commissions,
97.30 councils, general contingent account, and tort claims; transferring certain funds;
97.31 raising fees; making changes to policy provisions for state government operations
97.32 and local government policy; modifying state personnel management policies;
97.33 modifying business filing and fraud policies; requiring reports; amending Minnesota
97.34 Statutes 2024, sections 3.971, subdivisions 2, 8a, 9; 11A.24, by adding a
97.35 subdivision; 13.485, subdivision 1, by adding a subdivision; 13D.02, subdivisions

98.1 1, 4; 14.48, subdivisions 1, 2; 14.62, subdivisions 1, 2a, by adding a subdivision;
98.2 16A.152, subdivision 8; 16B.055, subdivision 1; 16B.335, subdivision 2; 16B.48,
98.3 subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivisions
98.4 1, 4; 16B.981, subdivision 4; 16B.991, subdivision 2; 16C.05, by adding a
98.5 subdivision; 16C.137, subdivision 2; 16C.16, subdivisions 2, 6, 6a, 7; 16D.09,
98.6 subdivision 1; 43A.01, subdivision 3; 43A.02, subdivision 14; 43A.04, subdivisions
98.7 1, 4, 8; 43A.05, subdivision 3; 43A.08, subdivisions 1a, 4; 43A.11, subdivision 9;
98.8 43A.121; 43A.15, subdivisions 4, 7, 12, 14; 43A.17, subdivision 5; 43A.181,
98.9 subdivision 1; 43A.1815; 43A.19, subdivision 1; 43A.23, subdivisions 1, 2;
98.10 43A.231, subdivisions 3, 4, 6; 43A.24, subdivisions 1a, 2; 43A.27, subdivisions
98.11 2, 3; 43A.33, subdivision 3; 43A.346, subdivisions 2, 6; 43A.36, subdivision 1;
98.12 43A.421; 155A.23, by adding a subdivision; 155A.27, subdivision 2; 155A.2705,
98.13 subdivision 3; 155A.30, subdivision 2; 222.37, subdivision 1; 240.131, subdivision
98.14 7; 302A.153; 303.06, by adding a subdivision; 303.21; 308A.131, subdivision 2;
98.15 308B.215, subdivision 2; 317A.151, subdivision 2; 321.0206; 322C.0201,
98.16 subdivision 4; 322C.0802; 323A.0101; 326.05; 326.10, subdivisions 1, 2, 10;
98.17 326.111, subdivisions 3, 4, 5, by adding a subdivision; 326A.03, subdivision 6,
98.18 by adding subdivisions; 326A.14; 331A.10, subdivision 2; 349A.01, by adding a
98.19 subdivision; 349A.06, subdivisions 2, 4, 11; 367.36, subdivision 1; 383C.035;
98.20 412.02, subdivision 3; 412.591, subdivision 3; 466.01, subdivision 1; 477A.017,
98.21 subdivision 3; 609.48, subdivision 1; Laws 2023, chapter 62, article 1, sections
98.22 11, subdivision 2; 13; proposing coding for new law in Minnesota Statutes, chapters
98.23 1; 15; 16B; 300; 383A; 471; repealing Minnesota Statutes 2024, sections 16B.328,
98.24 subdivision 2; 16B.45; 16C.36; 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7,
98.25 8, 9, 10, 12; 43A.318, subdivisions 1, 2, 4, 5; 211B.06; 211B.08; 383C.07; 383C.74,
98.26 subdivisions 1, 2, 3, 4; 471.9998; Laws 2024, chapter 120, article 3, section 2;
98.27 Minnesota Rules, part 1105.7900, item D."

98.28 And when so amended the bill do pass and be re-referred to the Committee on Finance.

98.29 Amendments adopted. Report adopted.

98.30
98.31 (Committee Chair)

98.32 April 10, 2025.....
98.33 (Date of Committee recommendation)