

Minnesota House of Representatives

Agriculture

2025-2026 Regular Session

Financial reporting requirements for grain buyers modified

To be a licensed grain buyer in Minnesota, a grain buyer must submit an annual financial statement to the Department of Agriculture.

This requirement applies to feed mills, ethanol plants, elevators, cooperatives, food manufacturers, and others who purchase grain for the purpose of reselling the grain or products made from it.

A new law that took effect March 18, 2025, modifies financial reporting requirements by requiring all licensees to have their financial statements prepared, reviewed, or audited by a third-party independent accountant or a certified public accountant.

Licensees purchasing between \$7.5 million and \$17.5 million of grain annually will be allowed to have their financial statements reviewed by a CPA instead of audited by a CPA. But licensees who purchase \$17.5 million or more annually must have their financial statements audited by a CPA.

Grain buyers making less than \$1 million annually in cash sales only are exempt from making financial statements to the department, but the new law allows the department to require financial reporting from these cash sales under certain circumstances.

The new law requires the department to review all submitted annual reports.

Rep. Paul Anderson (R-Starbuck) and Sen. Robert Kupec (DFL-Moorhead) are the sponsors.

HF1603/SF1552*/CH1

Agriculture

2025-2026 Regular Session

Agriculture and broadband funding, policy changes are among provisions in new law

A new law will appropriate \$138.5 million from the General Fund for the 2026-27 biennium for agriculture-related purposes, including the Department of Agriculture, Board of Animal Health, Agricultural Utilization Research Institute and Broadband Development Office in the Department of Employment and Economic Development.

It also makes several policy changes, including raising grain buyers' inspection and grain storage fees and establishing a new license for milk marketers.

Rep. Paul Anderson (R-Starbuck) and Sen. Aric Putnam (DFL-St. Cloud) sponsor the law that takes effect July 1, 2025, unless noted.

HF2446*/SF2458/CH34

Appropriations

The Department of Agriculture is to receive \$114.2 million, a \$49.3 million decrease from the 2024-25 base; the Board of Animal Health gets an \$835,000 increase to \$13.5 million; \$8.8 million for the Agricultural Utilization Research Institute is a \$1.7 million decrease; and the Office of Broadband Development is hit with a \$123 million decrease to \$2 million. (Art. 1, Secs. 1-9; Art. 2; Secs. 1-2)

Appropriations for the Agricultural Growth, Research, and Innovation Program within the Department of Agriculture are \$35.2 million, including \$6 million for bioincentive payments (a decrease of \$5.5 million). Established in 2015, the program encourages the production of advanced biofuels, renewable chemicals and biomass thermal energy.

Other General Fund AGRI Program spending includes \$5.5 million for biofuels infrastructure development, \$3.5 million for urban and youth agriculture programs, \$3.1 million for farm to school and early care programs, \$2 million for food retail improvement and development programs, \$2 million for county fair grants, and \$400,000 to combat the spread of livestock and poultry diseases. (Art. 1, Sec. 2)

The law transfers \$21.35 million to the University of Minnesota agriculture research, education, extension, and technology transfer program: \$5 million for the Minnesota Agricultural Education Leadership Council to enhance agricultural education; \$2 million for research on avian influenza, salmonella, and other turkey-related diseases and disease prevention measures; \$1.6 million for the Forever Green Initiative, which develops winter-hardy, living soil cover crops; and \$1.2 million for the Minnesota Agricultural Experiment Station's agriculture rapid response fund. (Art. 1, Sec. 6)

The law transfers \$1.5 million in fiscal year 2026 from the General Fund to the agricultural emergency account, with up to \$750,000 of the funds available to test milk, milk products, poultry products, and pet food for the presence of avian influenza before retail sale; for Health Department biomonitoring for the presence of avian influenza in agricultural workers, farm workers, and poultry or livestock processing employees; and for the University of Minnesota to develop rapid testing for avian influenza in urban wastewater treatment processes, drinking water treatment processes, and public and private wells. (Art. 1, Sec. 6)

Two cancellations of previous appropriations are in the law: \$3 million for funding grants to green fertilizer production facilities; and \$1 million for funding Dairy Assistance, Investment, Relief Initiative grants. These took effect May 24, 2025. (Art. 1 Sec. 7)

Other specific appropriations in the law include:

- \$3 million for dairy processing wastewater infrastructure at First District Association in Litchfield;
- \$2.5 million for farm downpayment assistance grants;
- \$2 million for the milk grant program;
- \$2 million for the emerging farmers office;
- \$1.7 million to replace capital equipment in the Department of Agriculture's analytical laboratory;
- \$1.5 million for additional meat and poultry inspection services;
- \$1.4 million for local food purchasing assistance programs;
- \$1.3 million for the soil health financial assistance program;
- \$1 million for grants to counties to support county agricultural inspectors;
- \$720,000 for mental health outreach and support to farmers, ranchers, farm workers and employees;
- \$525,000 for wolf depredation compensation;
- \$500,000 for a pilot biofertilizer innovation and efficiency program; and
- \$485,000 for elk crop damage compensation. (Art. 1, Sec. 2)

Policy provisions

The Department of Agriculture must develop and administer a nitrogen reduction incentive program to address water quality by incentivizing Minnesota farmers to improve nitrogen management and incorporate innovative technologies into crop nutrient management plans.

The law expands the definition of livestock for the purposes of the livestock investment grant program to include "animals raised for the production of fiber, meat, and animal by-products for sale or as breeding stock," including aquaculture. The law also expands eligibility for livestock investment grants to include tribal governments.

A new section in the state's Dairy Law chapter is created that defines "milk marketer" and sets forth new regulations requiring a license for any such person. (Art. 3, Secs. 6-7, 16-17, 38)

Other provisions in the law include those that will:

- require noxious weed inspector or county-designated employee to attempt to contact landowners before entering property to conduct an inspection for noxious weeds;
- effective Aug. 1, 2027, modify the cottage foods exemption for home-processed pet treats to include sole proprietorships, single-member limited liability companies, and limited liability companies owned by two individuals residing at the same residence;

- authorize the state veterinarian to issue a permit to certain zoos to import live reindeer from another state under certain conditions;
- require that Rural Finance Authority loans for beginning farmers be no less than \$20,000 and no more than \$500,000;
- modify the eligibility for the disaster recovery loan program to require that a borrower's total net worth be less than \$10 million;
- raise inspection fees for grain buyers and modify grain storage fees;
- authorize the Department of Agriculture to award grants to eligible applicants to purchase and distribute food at no cost to Minnesotans experiencing food insecurity;
- require the Board of Veterinary Medicine to consult with veterinarians regarding the prohibition of cat declawing and to submit recommendations to the Legislature by Feb. 1, 2026;
- require the Board of Animal Health to prepare by March 1, 2026, information and materials about highly pathogenic avian influenza and preventing its spread in companion animals;
- modify requirements for bond claim hearings in case of default by licensed livestock dealers and agents;
- modify food handler and meat processing licensing application and renewal provisions;
- raise food handler license fees and authorize the Department of Agriculture to adjust fees every five years in line with inflation;
- raise reinspection fees for each reinspection of a food handler or custom exempt food handler that commits a major violation of requirements; and
- effective Aug 1, 2027, allow cottage foods to be delivered by mail or commercial delivery and lower the cottage foods exemption annual registration fee from \$50 to \$30. (Art. 3, Secs. 10, 14, 18, 20, 24, 29, 33-37; Art. 4, Secs. 11-14; Art. 5, Secs. 4, 9, 11, 14-15, 17)

Bonding

2025-2026 Regular Session

Law appropriates \$6.5 million from General Fund for capital projects

Several capital investment projects will be funded with just over \$10.5 million from the General Fund.

The projects total \$10.5 million, but the net cost is \$6.5 million because just more than \$4 million of prior authorizations are cancelled. The law also extends to Dec. 31, 2029, the availability of \$4 million previously allocated for skate park projects in Brainerd, Minneapolis, Minnetonka, Northfield, Rochester, St. Paul, and Winona.

Here's what's in the 2025 law:

- \$3.5 million for a wastewater industrial treatment facility in Litchfield;
- \$2.44 million for a new local public housing program to be administered by the Minnesota Housing Authority to fund capital costs for development or acquisition of housing owned by a city or county. The program also allows for funding for Tribes and Tribal housing entities to receive funding if the money comes from the housing development fund;
- \$1 million for law enforcement entry devices at schools;
- \$1 million for grants to businesses within the Capitol Area for capital improvements;
- \$1 million to the city of Minneapolis for the Center for Communication and Development for operational and facility support to facilitate the center's investment and expansion in the city of Minneapolis;
- \$750,000 for improvements at the Minnesota Transportation Museum, including roof and roundhouse doors replacements, masonry stabilization, and compliance with the Americans with Disabilities Act;
- \$500,000 for an officer hearing protection program that will make hearing protection products available to qualified applicants at no cost; and
- \$325,000 to replace the Henry Mower Rice statue in Statuary Hall in the United States Capitol with a statue of Hubert H. Humphrey.

Sponsored by Rep. Fue Lee (DFL-Mpls) and Sen. Sandra Pappas (DFL-St Paul), the law took effect June 15, 2025.

2025 Special Session: SSHF17*/SSSF22/CH14

Bonding

2025-2026 Regular Session

\$700 million capital investment law funds transportation, water projects throughout Minnesota

Funding capital projects throughout the state, a bonding law focused on water infrastructure and transportation projects, totals \$700 million. It includes more than \$649.3 million in proceeds from bond sales and \$78 million from the transportation fund. Cancellations from previous appropriations help lower the overall total.

Sponsored by Rep. Mary Franson (R-Alexandria) and Sen. Sandra Pappas (DFL-St. Paul), the law took effect June 15, 2025.

2025 Special Session: SSHF18*/SSSF21/CH15

Water projects

Many communities continue to request funding for clean water and water infrastructure projects. The law will establish a statewide drinking water contamination program to provide grants for projects that mitigate hazardous materials in drinking water sources. Initial funding will provide \$43.5 million each for wastewater projects on the Pollution Control Agency's project priority list and the same amount for drinking water projects on the Health Department's project priority list.

The law will also provide \$18 million for a new emerging contaminants grant program to "award grants to a governmental unit for up to 50 percent of the cost of drinking water infrastructure projects to address a confirmed exceedance of a health advisory level for a drinking water emerging contaminant as defined by the Environmental Protection Agency."

Housing

Two public housing programs will be funded with \$29 million. A public housing rehabilitation program will be authorized with \$26 million to rehab and preserve public housing – defined as "for low-income persons and households financed by the federal government and publicly owned" – and a cooperative manufactured housing grant program is established and funded with \$3 million for "grants to counties and cities to provide up to 50 percent of the capital costs of housing infrastructure necessary for an eligible cooperative manufactured housing development project."

Transportation

Of the \$80 million dedicated to transportation purposes, \$47 million is for the local roads, with \$5 million of the appropriation designated for township roads; \$31 million for bridge replacements; \$1 million for highway rail grade crossing construction; and \$1 million to the Rail Service Improvement Program.

Asset Preservation

The law provides \$60 million in asset preservation to both Minnesota State and the University of Minnesota, \$33 million for the Department of Corrections, \$33 million for natural resources; \$7.5 million to the Department of Veterans Affairs, \$7.5 million at facilities operated by Direct Care and Treatment following the department's separation from the Department of Human Services, \$5 million for the National Sports Center in Blaine; \$4 million for historic sites, \$2.74 million to the Minnesota Zoo, \$1.26 million for the Perpich Center for Arts, and \$1 million for Minnesota State Academies for the Deaf and Blind.

Other funding includes:

- \$67 million to construct a regional office and laboratory in Mankato for the Bureau of Criminal Apprehension;
- \$55 million for a new 50-bed psychiatric residential treatment facility at the Anoka Metro Regional Treatment Center;
- \$39 million to match federal capitalization grants for the clean water revolving loan program;
- \$32 million for the Point Source Implementation Grants Program;
- \$24 million for a new transportation center at Alexandria Technical and Community College;
- \$15 million for the inflow and infiltration public infrastructure grant program;
- \$11 million to build a new animal hospital at the Minnesota Zoo;
- \$8.5 million for ADA improvements in a pedestrian tunnel at the Capitol Complex;

- \$7.4 million for a programming and support space at the Lino Lakes Correctional Facility;
- \$6 million for statewide drinking water contamination mitigation;
- \$6 million for Pollution Control Agency capital assistance grants;
- \$5 million to acquire land and to restore, create, enhance, preserve and replace wetlands drained or filled as a result of public road construction;
- \$2 million for security upgrades at the Capitol Complex;
- \$1.5 million in transportation economic development infrastructure;
- \$1.5 million to the Greater Minnesota Business Development Public Infrastructure Grant Program;
- \$1 million for community tree planting grants;
- \$1 million for the Mighty Ducks Ice Arena Grants Program;
- \$1 million to the Department of Children, Youth, and Families for childhood learning facilities grants;
- \$1 million for county and local history preservation grants;
- \$1 million for reforestation and stand improvement on state forest lands;
- \$1 million to improve accessibility to state parks, recreation areas, and wildlife management areas; and
- \$750,000 for Mary C. Murphy library construction grants.

Business and Commerce
2025-2026 Regular Session

Legislation eases broadband installation staffing, training rules

A new law rolls back provisions of a 2024 law that imposed stricter training and staffing requirements on broadband installation projects.

Effective May 20, 2025, it eliminates a mandate that two installers be present at all times when directional digging is used for broadband installation near underground utilities.

The new law also amends classroom training requirements by removing an early deadline of July 1, 2025, for metro-area workers; all installers statewide now have until July 1, 2026, to complete their coursework.

Additionally, approved trainers may retroactively seek approval for past course offerings, and if granted, they can apply that approval to individuals who previously completed training under them. However, those individuals must still pass the required exam to obtain certification

Rep. Isaac Schultz (R-Elmdale Township) and Sen. Robert Kupec (DFL-Moorhead) sponsor the law.

HF47/SF908*/CH23

Business and Commerce
2025-2026 Regular Session

Insurance boards can request financial info from high net-worth policyholders

A new law will change Minnesota's existing high net-worth exclusion law by allowing the Minnesota Insurance Guaranty Association to request financial information from an insured to prove net worth when a property and casualty insurance company becomes insolvent and is ordered by a court to be liquidated.

Existing law does not provide consequences if a high net-worth policyholder doesn't provide the requested information. If the association can't determine whether the policyholder is in the high category of at least \$25 million in net worth, it's required to pay the insured's claim.

Under the new law, the insured's net worth will be assumed to be at least \$25 million if they do not provide the requested financial information within 60 days of the association's request.

Sponsored by Rep. Liz Reyer (DFL-Eagan) and Sen. Gary Dahms (R-Redwood Falls), the new law takes effective Aug. 1, 2025.

HF1014*/SF1758/CH14

Business and Commerce

2025-2026 Regular Session

Minnesota Business Corporations Act updated

A new law updates the Minnesota Business Corporations Act regarding a corporation's directors, owners, and officers.

The updates were requested by the Minnesota State Bar Association to ensure Minnesota remains aligned with other states on business law.

The law provides model bylaws for a board of directors to manage the corporation during an emergency. A board of directors can also follow the procedures laid out in the model bylaws during an emergency in the absence of the board having bylaws.

It also will:

- create a new section regulating how a board and shareholders can approve a defective corporate act;
- allow articles of incorporation to limit board powers and an officer's personal liability;
- allow a board of directors to ratify an agreement when a certificate must be filed with the secretary of state;
- allow a court to require a corporation to allow an inspection if it violates the right to inspect section of the law and award the expenses to the plaintiff;
- allow a shareholder to obtain payment for their shares if the corporation diminishes or abolishes the board's right to manage the corporation; and
- allow a plan of merger or exchange to include penalties for a party's failure to perform its obligations and an appointment is irrevocable and unamendable.

It also updates definitions for beneficial ownership, defective corporate act, emergency, failure of authorization, overissue, putative shares, time of defective corporate act, validation effective time and valid shares.

Sponsored by House Republican Floor Leader Harry Niska (R-Ramsey) and Sen. Michael Kreun (R-Blaine), the law takes effect Aug. 1, 2025.

HF747*/SF1431/CH11

Business and Commerce

2025-2026 Regular Session

Cannabis law clarifies policies for medical patients, businesses

The omnibus cannabis law expands medical cannabis patient protections, clarifies expungement eligibility for some Minnesotans and creates a new lower-potency hemp wholesaler license.

Sponsored by Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. D. Scott Dibble (DFL-Mpls), the new law took effect May 24, 2025.

Medical cannabis

Schools won't be allowed to refuse to enroll a medical cannabis patient or penalize them solely based on cannabis being federally listed as a controlled substance, nor will landlords be allowed to refuse to rent to a medical cannabis patient or penalize them solely based on cannabis' federal classification.

Additionally, protections for medical cannabis patients will be extended to patients enrolled in tribal medical cannabis programs, medical cannabis patients from out of state will be allowed to purchase products from a medical cannabis business while visiting Minnesota, and patients will be allowed to have medical cannabis flower and medical cannabinoid products delivered.

Health care facilities in Minnesota will be allowed to adopt restrictions on cannabis products, lower-potency hemp edibles and hemp-derived products. Those restrictions can include that the facility won't store or maintain a patient's cannabis products, the patient must keep their cannabis products in a locked container, it won't provide cannabis or hemp for patients, and cannabis and hemp products must be used in a specific location.

Cannabis convictions

The law allows a person who received a stay of adjudication for possessing or selling cannabis to qualify as a social equity applicant.

A person will be eligible for expungement of a case involving multiple charges if they're convicted of a cannabis-related count and the other counts were cannabis related and dismissed. Records related to both the conviction and the dismissed charges will be sealed.

Businesses

The law will allow a single-serving beverage to contain a maximum of 10 milligrams of THC and remove the requirement that those beverages be labeled as two servings. It will also increase the limit per serving from 25 to 100 milligrams of cannabidiol, cannabigerol, cannabinol, or cannabichromene.

Retailers will be allowed to give samples of cannabis plants, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products during a cannabis event.

The law creates a deliver-only option for lower-potency hemp edibles (the gummies and beverages with THC from hemp). A lower-potency hemp edible retailer can have an actual retail location, operate as a delivery service, or both. This would allow companies like DoorDash to deliver a range of things including lower-potency products.

Lower-potency hemp edible manufacturers will be allowed to manufacture, pack and label products intended for sale outside of Minnesota that aren't compliant with Minnesota law but are compliant with the importing state's law. Requirements placed on the manufacturers include physically separating those products from Minnesota-compliant products during the process and clearly stating on the packaging that the product isn't for sale in Minnesota.

The new law creates a lower-potency hemp edible wholesaler license and sets the application fee at \$250 and an initial license fee and a renewal license fee at \$10,000 each. It also outlines from whom the wholesaler can purchase products and to whom they can sell products, as well as sets requirements for wholesaler operations, importations and transportation.

Two pieces of information will become mandatory for cannabis license applicants to provide: proof that they are a social equity applicant and an attestation that their business policies comply with state law. State law previously said applicants may provide that information.

For business license holders, the law will allow:

- a cannabis microbusiness and mezzobusiness to purchase immature cannabis plants and seedlings, cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived consumer products from a cannabis cultivator, a medical cannabis combination business, a lower-potency hemp edible manufacturer or a lower-potency hemp edible wholesaler;
- a cannabis cultivator to sell immature cannabis plants and seedlings and cannabis flower to other cannabis businesses; and
- a cannabis retailer or cannabis wholesaler to purchase from a medical cannabis combination business and from a lower-potency hemp edible wholesaler.

Cities and counties that own or operate a municipal cannabis store will be allowed to hold a lower-potency hemp edible retailer license.

Other policy in the law will:

- make technical changes to reflect the medical cannabis program's move from the Department of Health to the Office of Cannabis Management;
- add additional security requirements for people transporting cannabis consumer products;
- allow a cannabis testing facility to begin testing while its accreditation is pending if it follows requirements that include showing it is progressing in the accreditation process; and
- require the Office of Cannabis Management to submit a proposal to the Legislature by Jan. 15, 2026, on how to streamline the medical- and adult-use cannabis supply chain while preserving access to medical cannabis for rare and childhood diseases.

HF1615/SF2370*/CH31

Business and Commerce
2025-2026 Regular Session

Workers' compensation law ups protected claim amount, enacts other council proposals

A new law makes updates and technical corrections to make the workers' compensation system operate more effectively.

The changes follow recommendations made by the Workers' Compensation Advisory Council, whose voting members include equal membership between representatives of employers and labor.

Sponsored by Rep. Dave Baker (R-Willmar) and Sen. Jennifer McEwen (DFL-Duluth), the law is effective May 23, 2025, unless otherwise noted.

The law raises the dollar amount of workers' compensation claims exempt from seizure or sale for debt repayment. Previously set at \$1 million, the threshold is \$10 million for injuries incurred on or after Oct. 1, 2025.

Among other updates, the law strengthens protections against insurance premium fraud in the construction industry. Starting Jan. 1, 2026, applicants for zero-estimated exposure policies must attest to the accuracy of their statements with specific language, including that they "have no employees and an estimated exposure of zero."

Construction employers holding such policies must provide written notification and a copy of the policy to businesses they contract with, who must retain these documents for three years.

The law also clarifies the use of wrap-up policies covering multiple contractors and subcontractors working on a single project. The state shall approve policies for single projects valued at more than \$100 million that generate at least \$500,000 in workers' compensation premiums annually, provided project sponsors, contractors and subcontractors have not been convicted of insurance fraud in the recent past. This provision takes effect Jan. 1, 2026.

Additional changes provide technical clarifications, such as:

- updating definitions related to personal care assistants and executive officers;
- expanding definitions to include household and family members as recipients of paid nursing services in cases of permanent total disability; and
- revising reporting requirements and deadlines.

HF3228*/SF3407/CH27

Business and Commerce
2025-2026 Regular Session

Commerce law includes establishing homeowners' association ombudsperson

A new common interest community ombudsperson position will be created within the Department of Commerce to assist unit owners, unit owners' tenants and associations in understanding their rights and facilitate the resolution of disputes between unit owners and associations.

It is one provision in the omnibus commerce law that also funds parts of state government, and has policy provisions including those that relate to Medicare, free water, keys and PFAs.

Rep. Kaohly Vang Her (DFL-St. Paul) and Sen. Matt Klein (DFL-Mendota Heights) sponsor the law that takes effect July 1, 2025, unless noted.

2025 Special Session: SSHF4*/SSSF4/CH4

Funding

The new law will allocate \$39.35 million to the Department of Commerce from the General Fund in fiscal year 2026 and \$40 million in fiscal year 2027. This includes \$347,000 annually for the common interest community ombudsperson beginning in fiscal year 2026.

The department will receive \$815,000 annually from the Workers' Compensation Fund and \$2.16 million in fiscal year 2026 and \$2.09 million in fiscal year 2027 from special revenue.

It will also fund reinsurance with a \$145 million transfer from the Health Care Access Fund to the premium security plan account in fiscal year 2026 and an assessment on group health carriers during benefit year 2027 for which they can receive a tax credit.

The Office of Cannabis Management will receive \$33.44 million and \$36.35 million in respective fiscal years. And, effective June 15, 2025, a \$1 million fiscal year 2025 appropriation for community renewal grant usage is extended to June 30, 2026. (Art. 1, Secs. 2-4; Art. 6, Secs. 4, 7, 14)

Changes for consumers

The new law will provide some exceptions to Minnesota's lead and cadmium ban that takes effect July 1, 2025.

Keys containing lead that are imported, manufactured, sold, distributed or offered for use before July 1, 2028, will be exempt. The same is true for keys containing lead equal to or less than 1.5% by total weight that are imported, manufactured, sold, distributed or offered for use after July 1, 2028. Professional artist materials, including oil-based paints, water-based paints, pastels, pigments, ceramic glazes, markers and encaustics, and ink pens and mechanical pencils will also be exempt. This is effective June 15, 2025. (Art. 7, Secs. 27-28)

At a ticketed event with at least 100 attendees, a place of entertainment will be required to provide access to free water and allow attendees to bring factory-sealed bottled water or an empty water bottle to access potable water. Limits can be placed on the types and sizes of allowable bottles. A place of entertainment will not be required to allow water in an exhibit, gallery or presentation space where beverages are prohibited if water is available outside the space. (Art. 7, Sec. 30)

Effective June 15, 2025, a task force is created to evaluate and provide recommendations on insurance affordability of single-family housing, common interest communities and multifamily rental housing. The recommendations are intended to strengthen and stabilize the homeowners and commercial property insurance industry. A report is due to the Commerce and Employment and Economic Development departments, Minnesota Housing Finance Agency, and the Legislature by Feb. 15, 2026. (Art. 3, Sec. 20)

Insurance

The new law will require automobile and homeowner insurers to provide a copy of the current policy to the policyholder within 21 days of receiving a request. This is limited to once per policy period.

It will also require surplus line brokers to provide notice on the policy that the insured may be eligible for FAIR plan coverage; allow a health carrier to refuse to renew an individual health plan under certain circumstances, including the enrollee moving out of the carrier's area of operation or the policy is discontinued; and allow a health carrier to discontinue an individual health plan if notification and purchase option requirements are met. (Art. 3; Secs. 2, 4-5, 18)

Medicare supplement insurance

Effective Aug. 1, 2026, the new law will require a policy to cover preexisting conditions if the insured meets statutory requirements; prohibit insurers from applying a preexisting condition treatment waiting period for reinstated policies to a qualified enrollee; prohibit an insurer from applying a preexisting condition limitation if the applicant enrolls during open enrollment, is 65-70 years old, is applying for the first time and meets statutory requirements.

The law will allow individuals ages 65 to 70 to enroll in a Medicare supplement policy outside of their initial open enrollment period without medical underwriting or preexisting condition limitations. This, too, takes effect Aug. 1, 2026. (Art. 5, Secs. 1-9)

Financial institutions

Among changes for financial institutions is they will be permitted to give notice and close a deposit account of an account holder who has harassed the financial institution's staff or customers.

Additionally, the new law will:

- exempt loans meeting the Federal Qualified Mortgage standards under the Code of Federal Regulations from service charge limitations;
- allow a mortgage loan lender to give notice of a default either by first-class mail, email or other electronic communication;
- allow a safe deposit lease to renew automatically and allow the consumer to terminate the lease at any time; and
- amend the requirements for an additional broker's license and add that a broker must have at least 20% ownership interest in each business entity for which the broker may hold a broker's license. (Art. 2, Secs. 2, 4-5, 7, 9).

Consumer protection policy

In addition to the common interest community ombudsperson, the law will:

- increase the transfer fee from \$25 to \$65 for a registered agent who has terminated employment with a broker-dealer;
- require a registered investment adviser representative who has terminated employment with one investment adviser to pay a \$50 transfer fee before beginning employment with another investment adviser;
- require a private fund advisor to pay a \$100 filing fee when filing an initial or renewal notice required under the state's investment adviser registration requirement;
- effective June 15, 2025, prohibit a manufacturer, distributor or factory branch from requiring a new car dealer to refrain from participating in an auto show; and allow a new car dealer to participate in an auto show outside the county where the dealer maintains a licensed location under certain conditions;
- state that a retail seller of electricity to recharge an electric vehicle battery isn't in violation of the state's exclusive service right statute if the electricity was provided by the utility serving the charging station location;
- require retail electric vehicle supply equipment to be inspected annually;
- allow a phone company or telecommunications carrier to petition the Public Utilities Commission for approval of a customer transition plan to discontinue telecommunications service in an area where customers have access to one or more providers for the service provided by the phone company or telecommunications carrier, effective July 1, 2026;
- allow a gas station to have one storage tank for nonoxygenated motor sports racing fuel and require the pump to have a sign stating that it's for use in off-highway motor sports engines only; and
- exempt class B firefighting foam used in fixed firefighting systems in an airport hangar from the state's PFAs ban until Jan. 1, 2028. (Art. 7, Secs. 8-9, 11, 13, 15, 17, 22-23, 29)

Business and Commerce 2025-2026 Regular Session

Data centers see changes in environmental and energy regulations, tax provisions

A regulatory law creates environmental and energy requirements for data centers, authorizes the Public Utilities Commission to create a new customer class of very large customers and to review and approve any electric service agreement between such a customer and a public utility, and modifies the current sales and use tax exemptions for the companies that operate them.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Ann Rest (DFL-New Hope), the law took effect June 15, 2025, except where noted.

2025 Special Session: SSHF16*/SSSF19/CH12

What's a "large-scale data center"?

The law defines a qualified large-scale data center as a facility in Minnesota composed of one or more buildings connected to each other by fiber and associated equipment with an aggregate of at least 25,000 square feet. Its total cost of construction or refurbishment and investment in enterprise information technology equipment and computer software must be at least \$250 million collectively by the facility and its tenants within a 60-month period beginning after June 30, 2025.

New applicants

A company seeking a new state permit for a data center will be referred to the Department of Employment and Economic Development's Minnesota Business First Stop Program, which will coordinate the permitting in partnership with the Board of Water and Soil Resources, the Pollution Control Agency, the Department of Health and the Department of Natural Resources.

If an applicant's proposed consumptive water use exceeds 100 million gallons per year, the company will be subject to special permit conditions.

Clean energy and capacity issues

The Public Utilities Commission is to develop a new customer class of "very large customers" and must approve any arrangement between such a customer and the public utility providing it with electric service. In evaluating these agreements, the commission must ensure that no costs attributable to very large customers are paid by other utility customers, who may also not be charged for any

stranded costs associated with service to a very large customer. Any electricity supplied by a public utility to a very large customer must meet the state's renewable energy, solar and carbon-free standards.

The commission will also require each public utility to offer a voluntary clean energy and capacity tariff to all its commercial and industrial customers. The customer will be required to pay all proportional costs for adding new clean energy or capacity resources to the electrical grid, and the utility will be prohibited from shifting the costs to other utility customers.

Fees for large-scale data centers

The law also establishes an energy and conservation account in a special revenue fund in the state treasury to which money must be transferred from the fee on qualified large-scale data centers. The rate of that annual fee is based on the data center's peak demand forecast provided to the utility. The fee schedule would require annual payments according to these peak demand levels:

- 100 to 250 megawatts, \$2 million;
- 251-500 megawatts, \$3 million;
- 501-750 megawatts, \$4 million; and
- more than 750 megawatts, \$5 million.

The fee revenue must be used only for utility programs benefiting low-income households.

Tax exemptions, prevailing wage and sustainability requirements

The law adds "qualified large-scale data centers" to the state's sales tax exemptions for purchases of enterprise information technology equipment and computer software made after June 30, 2025.

It also allows qualified data centers, qualified large-scale data centers, and qualified refurbished data centers to claim the exemption for 35 years after the first purchase qualifying for the exemption. Under previous law, the limit was 20 years.

Data centers certified by the Department of Employment and Economic Development prior to July 1, 2042, can continue to claim the exemption beyond that date, up to the 35-year limit.

Because of a 2025 change in state tax law (Chapter 13), qualified data centers are no longer exempt from paying sales and use taxes on electricity.

Laborers or mechanics performing work to construct or refurbish qualified large-scale data centers must be paid the prevailing wage rate for their work.

Within three years after being placed in service, a qualified large-scale data center must certify to the Department of Commerce that the facility has attained certification under one or more specified sustainable design or green building standards.

If the department determines this requirement has not been met, the data center must repay the amount of the tax exemption to the Department of Revenue.

Business and Commerce **2025-2026 Regular Session**

'Minnesota Partition Act' will modernize property partition, clarify eminent domain laws

The "Minnesota Partition Act" will clarify and reflect modern practices for how court actions involving two or more owners are decided.

Effective Aug. 1, 2025, unless otherwise noted, a new law modernizes Minnesota's statute on property partition, clarifies eminent domain laws, updates statute to reflect case law on partitions, and changes the effective date a 2024 certain transfer on death deed law.

Among its provisions, the law:

- describes who may bring legal action regarding sales of real property held by two or more joint tenants or tenants-in-common;
- provides that a partition can still occur when there is a dispute as to who owns shares of the property;
- outlines the duties and powers of referees assigned by a court to facilitate property sales, including that referees "shall sell the property by any means to assure the highest and best price, under the most favorable terms";

- states a court must accept a referee's report "unless the party seeking to set aside or modify the report can demonstrate that the report is clearly and palpably against the evidence, by a preponderance of the evidence that clearly suggests a mistake, improper motive, bias, or caprice in making the report";
- modifies who must be notified of an eminent domain report filed by court-appointed commissioners; and
- expands the ways a person affected by an eminent domain action may file an appeal of a district court's decision.

Effective retroactively from April 27, 2024, the law also changes the application of a transfer on death deed law enacted in 2024.

Rep. Sandra Feist (DFL-New Brighton) and Sen. Michael Kreun (R-Blaine) sponsor the law.

HF359/SF202*/CH2

Civil Law

2025-2026 Regular Session

Wage garnishment forms updated to match changes made by 2024 law

A new law amends the statutory forms used to garnish the wages and bank accounts of a person who has a court-ordered judgement against them.

The forms are also used to claim exemptions, such as wages or money in the bank that cannot be garnished, including Social Security benefits or public assistance payments.

A 2024 law changed many garnishment and exemptions in statute, and this law updates all forms used to execute a judgment to reflect those changes. The law also changes the effective date of the garnishment law to June 1, 2025, the same date the new law mostly takes effect.

Rep. Liz Reyer (DFL-Eagan) and Sen. Liz Boldon (DFL-Rochester) are the sponsors.

HF2543/SF2847*/CH18

Civil Law

2025-2026 Regular Session

Updates, changes to contract for deed statutes

A largely technical new law updates terms, definitions and notices for contracts for deed, i.e., real estate contracts between buyers and sellers of real property in which sellers provide buyers financing in the purchase and the buyers repay the resulting loan in installments.

Effective May 1, 2025, the law makes a technical change to state statutes on conveyances and taxes paid by removing a reference to determine the time frame for taxes owed related to a contract for deed presented to a county auditor for transfer. It also updates a reference to contract for deed statutes defining an "investor seller."

The remainder of the law takes effect Aug,1, 2025.

It updates and makes a technical correction to the term "churning" in contract for deed statutes and adds a definition of family member in the same statutes.

A definition of "investor seller" is updated for the application of contract for deed laws and adds two exemptions to the term investor seller: a state agency or political subdivision and a legal entity who has a single natural person as an owner and meets the criteria of the exceptions.

And the law updates the terms in a notice that must be sent to a purchaser for a contract for deed regarding a disclosure of price paid by investor seller to acquire property.

Rep. Anquam Mahamoud (DFL-Mpls) and Sen. Zaynab Mohamed (DFL-Mpls) are the sponsors.

HF1792*/SF505/CH9

Civil Law**2025-2026 Regular Session****Office of Ombudsperson for American Indian Families exempt from court fees**

The Office of Ombudsperson for American Indian Families will be exempt from the requirement to pay court fees in certain cases.

Current law exempts tribes and tribal representatives from the fee requirement.

The list of actions for which fees are exempt will also be expanded to include those seeking relief under Chapter 256 of state statute (human services matters), Chapter 257 (children and child custody matters), Chapter 518 (marriage dissolution), and portions of Chapter 524 (guardianship of a minor or incapacitated person).

Sponsored by Rep. Sandra Feist (DFL-New Brighton) and Sen. Mary Kunesh (DFL-New Brighton), the law takes effect Aug. 1, 2025.

HF2184*/SF472/CH10

Civil Law**2025-2026 Regular Session****Trust, probate code get largely technical updates**

A new law makes technical changes, clarifications and statutory updates to the state's Trust Code, the rule against perpetuities, powers of appointment, and the Uniform Probate Code.

Sponsored by Rep. Peggy Scott (R-Andover) and Sen. Bonnie Westlin (DFL-Plymouth), the law takes effect Aug. 1, 2025, unless otherwise noted.

HF360/SF571*/CH15

Uniform Statutory Rule Against Perpetuities

The time that an interest must vest to be valid will expand from 90 years to up to 500 years, unless a different number of years is included in the trust document, to trusts created on or after Aug. 1, 2025. These trusts are sometimes called Dynasty Trusts and their terms last 360 to 1,000 years, or in perpetuity, in other states.

Trust Code

The new law provides for many Trust Code clarifications, including:

- changes related to representatives who act on behalf of another;
- laws on representation by a holder of a power of appointment;
- when an oral intent can apply for real property or a testamentary trust which has requirements for writing in law;
- when an agent can modify terms of a noncharitable irrevocable trust by consent, including termination;
- when an agent can modify the terms of a revocable trust;
- time limits related to commencing a judicial proceeding related to the validity of a revocable trust;
- specifying that a designated trustee who does not accept a trusteeship within 120 days is deemed to have rejected the trusteeship;
- definitions in the Trust Code;
- power of an investment trust advisor, distribution trust advisor or trust protector;
- the role and powers of a directing party;
- the duty of an "excluded fiduciary" that will allow the excluded fiduciary to act as an interested party to petition a court under certain sections of the Trust Code, and require the excluded fiduciary to keep the directing party (or parties) up to date with information on the duties they perform;
- specifying that many laws related to a trustee apply to a directing party, including compensation, removal, resignation, and successor appointments;

- the effect of relying on a certificate of trust that is recorded related to real property in a trust;
- allowing an affidavit of trustee to be used to transfer personal property through a statutory form used for real property;
- changes regarding charging expenses to trust instruments; and
- specifying that a decedent's estate includes any trust that was revocable by the decedent at the time of the decedent's death.

Powers of appointment of property

In addition to a plethora of clarifying changes, the law sets forth procedures to follow when attempting to decant a trust when a portion of the appointed trust instrument doesn't comply with existing statutes. It also removes a prohibition for a trustee related to receiving any paying commission or compensation for decanting a trust.

Uniform Probate Code

Effect May 7, 2025, a parent is prohibited from inheriting from a child when the child died after reaching the age of 18, and during the child's minority the parental rights of a parent could have been terminated under the laws of the state and the parent and child were estranged. It also clarifies that this provision of law does not affect inheritance related to federal Indian trust land.

And the law clarifies how a divorce affects a trust that provides for a spouse or their family.

Civil Law

2025-2026 Regular Session

Limited confidentiality established for restorative justice participants

A privilege has been established for communications that take place within restorative justice programs, similar to confidentiality protections between attorneys and clients or doctors and patients.

Restorative justice programs allow an offender to meet with the victim or victims of their crimes and other community members to discuss the impact of the offense. In some cases, a prosecutor will dismiss a case if the person successfully completes a restorative process and in others a court may order participation as part of a sentence.

The law's intent is to encourage program participants to share honest information with other parties without fear the information could be used against them.

Under the law that takes effect Aug. 1, 2025, a restorative practice participant will be prohibited from disclosing any communication, documents, or other information made or used in the course of the program.

Several exceptions and limitations to privileged communications are provided for, including:

- the prohibition does not exempt mandatory reporters from complying with existing statutes requiring reporting of maltreatment of children or vulnerable adults;
- establishing exceptions allowing disclosure of information necessary to prevent reasonably certain death, great bodily harm or criminal activity;
- allowing disclosure when the information relates to professional misconduct by a participant; and
- allowing disclosure of information to verify to a court that a person ordered to participate in a program is participating.

A cross-reference will be added to the Government Data Practices Act, thus classifying individual data on restorative practice participants as private.

Grantees who receive state funds to conduct restorative practice programs will be required to report data on recidivism, public safety impacts, and financial investments in restorative practices to the Restorative Practices Office.

Rep. Sandra Feist (DFL-New Brighton) and Sen. Sandra Pappas (DFL-St. Paul) are the sponsors.

HF104/SF2200*/CH24

Economic Development

2025-2026 Regular Session

New law funds economic development, jobs programs

State spending on jobs, economic development, labor and industry will total about \$460 million during the 2026-27 biennium. The law authorizing these appropriations also makes scores of accompanying policy changes, including reexamining grant processes, beefing up some labor law enforcement and realigning inspection fee structures.

Rep. Dave Pinto (DFL-St. Paul) and Senate President Bobby Joe Champion (DFL-Mpls) sponsor the law that takes effect July 1, 2025, unless otherwise noted.

2025 Special Session: SSHF15/SSSF17*/CH6

DEED spending

The law provides \$356.62 million to the Department of Employment and Economic Development from the General Fund and Workforce Development Fund.

Appropriations include:

- \$95 million for business and community development and \$92.34 million for workforce development services, much of it distributed through grants of \$500,000 to \$1.5 million to community organizations;
- \$88.4 million for vocational rehabilitation services, including \$17.33 million annually for extended employment services for people with severe disabilities;
- \$41.44 million previously earmarked for the Paid Family and Medical Leave program to fund benefits until premium payments are collected;
- \$16.85 million to provide services for the blind; and
- \$4.5 million to the Minnesota Trade Office.

Among other appropriations are:

- \$41.46 million for Explore Minnesota, including \$5 million for costs related to the World Junior Hockey Championships, \$825,000 for Explore Minnesota Film, and \$671,000 for a grant to the 2026 Special Olympics USA Games;
- \$3 million to provide lead service line replacement grants; and
- \$1.32 million to the Department of Children, Youth, and Families for child care subsidies and scholarships.

Labor and Industry

Of the Department of Labor and Industry's \$109 million appropriation, about \$69.43 million comes from the Workers' Compensation Fund to operate the workplace insurance program. The budget includes \$35 million for claims, \$18.11 million for general support and \$15.68 million to address workplace safety.

Other labor department funding includes \$23 million provided by the Workforce Development Fund and \$16.4 million from the General Fund.

About \$18 million is appropriated to enforce labor standards such as prevailing wage enforcement and wage theft prevention. There is an additional \$350,000 per year for enforcement, education and training related to employee misclassification.

Additionally, \$13.84 million from the Workforce Development Fund is provided for apprenticeship programs and \$1 million will address mental health and suicide prevention for people in the construction industry.

DEED policy

Premiums for Paid Family and Medical Leave can be no more than 1.1% of taxable wages instead of a maximum rate of 1.2%. Premiums will be collected starting Jan. 1, 2026, at a rate of 0.88%. (Art. 4, Sec. 27)

Approximately 640 workers impacted by temporary closures of Iron Range mines are eligible for an additional 26 weeks of unemployment benefits. This is retroactive to March 15, 2025.

A Task Force on Workforce Development System Reform is established with a preliminary report due the Legislature by Feb. 15, 2026, and a final report by Jan. 15, 2027. Its purpose is to examine current workforce development programs, their funding streams, metrics and to propose improvements to practices, programs, funding and laws related to state workforce development efforts. This took effect June 15, 2025.

The law clarifies and makes modest changes to earned sick and safe time policies, such as allowing employers to request documentation such as a doctor's note for employees taking two or more days of earned time off – instead of after three days. (Art. 4, Secs. 27, 35, 37; Art. 5, Secs. 10-13)

Grant adjustments, other DEED policy

Plants and plant-based products will be considered agricultural processing projects eligible for Greater Minnesota Business Infrastructure Grants.

The maximum CanStartup loan to a cannabis business will increase from \$50,000 to \$75,000, and \$150,000 to \$200,000 if matched by new private investment. Loans may not be used to refinance debt.

An Office of Public Service will be established to promote, expand, create and strengthen career pathways aligned with public service opportunities.

Partnership and Pathways workforce development grants to educational institutions may be up to \$500,000 instead of the current \$400,000, and schools can charge up to 30% over costs.

Organizations providing mentorship and preemployment services, such as resume writing, can receive grants under the Youth At Work program.

Membership of the governor's Workforce Development Board will be reduced.

Individuals are no longer eligible for CanTrain grants, which provide training for organizations entering the cannabis industry.

Grant recipients will have a uniform report card for its outcome reporting, and DEED may withhold disbursements to recipients who haven't submitted the required information.

Explore Minnesota's mission and programs will be described in law to better match its actual practices, including having its director oversee Explore Minnesota Film.

The penalty for intentional misrepresentation regarding unemployment benefits will be 100% of the overpayment or underpayment for infractions on or after Oct. 1, 2025.

The minimum loan for the community wealth program will decrease from \$50,000 to \$10,000.

Eligibility for Promise Grants will expand to businesses with less than \$1.5 million in revenue (formerly capped at \$1 million) with a 20-year loan term instead of 10 years. Funds may now be used for equipment purchases. Partner organizations may not use repaid funds for speculative loans or investments in rental real estate. The provision took effect June 15, 2025.

The small business growth acceleration program is now called "Made in Minnesota." (Art. 4, Secs. 1-2, 6, 8-9, 11, 14, 16-17, 19-23, 26, 29, 32-34, 38).

Labor and Industry policy

Effective Jan. 1, 2026, workers will be allowed a minimum 15-minute rest break for every four hours worked. It should be longer if more time is needed to access a restroom. An unpaid meal break of at least 30 minutes must be allowed for six-hour shifts. Employees are owed double-time for any violations.

The Department of Labor and Industry may seek injunctions in its efforts to enforce labor laws.

By Jan. 15, 2027, and every six years thereafter, the state will produce a report examining how misclassifying employees as independent contractors affects workers, employers and tax revenue.

The law will modify many construction licensing and inspection fees and procedures including:

- providing a \$10 virtual fee for chairlifts in private residences;
- increasing elevator operating permits from \$100 to \$145; and
- making graduated fee structures for prefabricated buildings plan reviews and for plumbing inspections. (Art. 5, Secs. 1-4, 6, 9, 15-33)

Education

2025-2026 Regular Session

The \$25.73 billion K-12 education finance and policy law will increase funding to schools by \$4.2 million in the 2026-27 biennium.

The law will provide a one-time \$55.64 million compensatory revenue increase and \$22.96 million more “to develop, continue or expand Grow Your Own new teacher programs ... to develop a teaching workforce that more closely reflects the state's increasingly diverse student population and ensure all students have equitable access to effective and diverse teachers.” It will also provide inflationary increases to the basic education formula in the next biennium and beyond.

However, in addition to calling for a \$420 million funding cut in the 2028-29 biennium when the state is forecast to have a multi-billion dollar budgetary shortfall, there are some 2026-27 biennial budget cuts, including reductions in teacher pipeline programs and a trim to the reimbursement for special education pupil transportation.

With special education costs continuing to grow dramatically, a Blue Ribbon Commission on Special Education is created. “By October 1, 2026, the commission must develop and present to the legislature and the governor an action plan for transforming special education services while maintaining a free appropriate public education for students with disabilities.”

If the commission’s action plan does not result in the 2027 Legislature passing at least \$250 million in biennial cuts to special education funding beginning with the 2028-29 biennium, the department must reduce the special education cross subsidy factor until the total is reached.

Sponsored by Rep. Cheryl Youakim (DFL-Hopkins) and Sen. Mary Kunesh (DFL-New Brighton), the law takes effect July 1, 2025, unless otherwise noted.

2025 Special Session: SSHF5*/SSSF5/CH10

Dollars

In most cases, the law calls for funding to mirror that of the 2024-25 with annual inflationary increases; however, there are 24 spending increases, offset by 10 reductions to get to the net \$4.2 million increase.

Increases include:

- \$6 million in fiscal year 2026 for Department of Education legal costs;
- \$4 million for a special education apprenticeship program to recruit and retain teachers with past experience;
- \$2.04 million for a Department of Education operating adjustment;
- \$1.1 million for General Counsel and Inspector General staff and case management and fiscal analysis technology to support program compliance and integrity at the Department of Education;
- \$1.01 million operating adjustment for Minnesota State Academies for the Deaf and the Blind;
- \$1 million in fiscal year 2026 for the Minnesota math corps program;
- \$1 million in fiscal year 2026 for licenses to online databases for school media centers, public libraries, state government agency libraries, and public or private college or university libraries;
- \$880,000 to assist school districts and charter schools implementing cardiac emergency response plans;
- \$875,000 for READ Act implementation;
- \$750,000 for activities of the Minnesota Youth Council;
- \$535,000 operating adjustment for the Perpich Center for Arts Education;
- \$492,000 to complete the licensure via portfolio online platform to streamline the portfolio submission and review process;
- \$487,000 in additional consolidation transition aid;
- \$120,000 for a working group to evaluate the use of seclusion as an emergency procedure and not as discipline;
- \$110,000 for a compensatory revenue task force; and
- \$30,000 in fiscal year 2026 for a working group on the age limit for children receiving special education services for developmental delay. (Art. 1, Secs. 5, 28; Art. 2, Sec. 24; Art. 3, Secs. 15-16; Art. 4, Sec. 30; Art. 7, Secs. 11-12; Art. 8, Sec. 18; Art. 9, Sec. 11; Art. 12, Secs. 8-10)

School districts will be reimbursed 95% for transporting students with disabilities in fiscal year 2026 and 90% beginning in fiscal year 2027. This will result in a reduction of \$43.2 million in the 2026-27 biennium and \$48.2 million in the 2028-29 biennium. (Art. 7, Sec. 6)

Other reductions include:

- \$28.73 million for student support personnel aid;
- \$19.63 million in school library aid;
- \$1.05 million in fiscal year 2027 to the Sanneh Foundation;
- \$1 million to support the development and implementation of the MTSS framework and the Collaborative Minnesota Partnerships to Advance Student Success school improvement model;
- \$800,000 for Come Teach in Minnesota hiring bonuses;
- \$300,000 for summer school food service replacement aid;
- \$240,000 for adult-use cannabis education. (Art. 2, Sec. 24; Art. 3, Sec. 15; Art. 9, Secs. 8, 11)

A Compensatory Revenue Task Force will be established “to analyze the general education compensatory revenue formula, including the purpose of the program, the revenue levels of the program, the distribution formula for the revenue, the uses of compensatory revenue, and methods to evaluate the outcomes of compensatory revenue spending.” A preliminary report is due to the Legislature by Feb. 25, 2026, the final report by Oct. 15, 2026. (Art. 1, Sec. 27)

READ Act

Provisions in the law will change the READ Act local literacy plan to curricula that is evidence-based and will extend the deadline for implementing evidence-based literacy interventions to the 2026-2027 school year.

Several provisions deal with the relationship ending between the Department of Education and the Center for Applied Research and Educational Improvement (CAREI) in July 2025.

The law establishes training requirements linked to licensure for Tier 1 and Tier 2 teachers, clarifies that benchmarks determine grade level expectations, and requires the Department of Education to establish an advisory committee on the needs of dual language immersion programs’ implementation of the Read Act. (Art. 4, Sec. 8; Art. 5, Secs. 5, 11, 14-15, 18, 25, 29)

American Indian mascots, teacher training

Effective June 15, 2025, the law authorizes a school district to retain an American Indian mascot and symbols when approved by the geographically closest American Indian Tribe and the school district’s American Indian Parent Advisory Committee.

It also clarifies that Minnesota Indian Teacher Training Program scholarships are only available to students progressing toward educational goals in an early education through grade 12 educational setting. (Art. 6, Secs. 2-3)

Policy

Other policy provisions include:

- a district can begin the school year on or after Sept. 1 for the 2026-27 and 2027-28 school years because Labor Day is as late as it can be in 2026 and 2027;
- school boards are encouraged to adopt a process to include student representation to advise the board;
- the short-call emergency substitute teacher pilot program is made permanent;
- effective June 15, 2025, students will be required to learn overdose recognition, prevention and response as part of courses on substance use;
- a high school student can possess and administer an opiate antagonist to another high school student;
- school districts and charter schools will be encouraged to teach courses on healthy aging and dementia;
- a school district can dispose of surplus schoolbooks by donating them to a student in the district or a charitable organization;
- a statutory process is established to file a complaint over a violation of the federal Individuals with Disabilities Education Act;
- a school board can now adopt a P-TECH program without Education Department approval;
- a capital project referendum authority for a school district may continue if the district consolidates with another before the current authority expires, unless the consolidation plan provides otherwise;

- effective for taxes payable in 2026 and later, multiple school districts can apportion the levy for the costs of cooperative operation of an ice arena among cooperating districts;
- new standards are established for the Department of Education grant-awarding process; and
- educational agencies must comply with federal regulations when sharing special education student information. (Art. 1, Sec. 26; Art. 2, Secs. 3, 9-10, 12; Art. 3, Sec. 4, Art. 7, Sec. 5; Art. 8, Secs. 4, 6; Art. 12, Secs. 1, 3, 17)

Charter schools

To ensure financial and program integrity, several provisions make changes and modifications dealing with charter school standards, including prohibiting anyone who has violated the law from serving on more than one charter school board at the same time.

Further, charter schools must establish a finance committee; charter school board members, directors or chief administrators are subject to gift bans; and a school must publish information about charter contracts, school performance reviews, notices to terminate or not renew, and certain other notices to the school website. (Art. 5, Secs. 4, 9, 11, 16)

Employment

2025-2026 Regular Session

New law sets safety standards for underwater weed-clearing operations

Scuba training, safety equipment and a stand-by diver are now required for companies using divers to clear lakes and ponds of unwanted aquatic plants under the Brady Aune and Joseph Anderson Safety Act.

Named after two young men who died in separate workplace drownings, the law sets training and equipment standards for commercial operations that employ scuba divers to make improvements to the land. Often this means pulling underwater weeds, which had largely been an unregulated industry.

Sponsored by Rep. Dave Baker (R-Willmar) and Sen. Liz Boldon (DFL-Rochester), the law mostly took effect May 2, 2025.

Workers must have, at minimum, a valid open-water scuba diver certificate and be trained in first aid and cardiopulmonary resuscitation.

Companies must provide buoyancy-control devices, quick-release weight systems and illuminated dive beacons for their divers. On request of the diver, companies must provide a depth-monitoring device, an alternative air source, and a dive computer or recreational dive planner.

Companies that willfully violate safety standards may not be issued a license to operate for two years and could not get a license simply by reorganizing.

Before receiving a permit to operate, companies must declare if they will be using scuba equipment. If so, their work must be reviewed by a third-party qualified safety professional, which includes a Labor Department workplace safety consultant, a worker's compensation loss-control representative or a private safety consultant. This section is effective Oct. 1, 2025.

HF1355*/SF1346/CH8

Employment

2025-2026 Regular Session

Pensions law especially benefits educators and public safety personnel

Teachers with decades of experience will be able to retire sooner with a lower early retirement reduction from the full retirement benefit they would have received at age 65.

That is a key provision in the omnibus pension and retirement law sponsored by Rep. Leon Lillie (DFL-North St. Paul) and Sen. Nick Frentz (DFL-North Mankato). The new benefit for teachers is effective June 30, 2025.

The law provides about \$78 million in pension funding for firefighters, police officers, state patrol, and teachers in the 2026-27 biennium. About half is targeted to the Minnesota Teachers Retirement Association.

[MORE: [View the spreadsheet](#)]

For that pension plan, the law reduces the age at which a member becomes eligible for the enhanced early retirement reduction from 62 to 60 and lowers the associated benefit reduction percentage from 6% to 5% (which is further reduced by the 2.5% or 3% augmentation under current law).

Per a summary from the Legislative Commission on Pensions and Retirement, “This change means that if a member has reached age 60 (instead of 62) with 30 years of service, the member’s retirement benefit is reduced by approximately 2-2.5%.”

Teachers hired before July 1, 1989, have a career “Rule of 90,” meaning they can retire with full pension benefits if their age plus years of service adds up to 90. Educators hired after that date who elect early retirement (before age 65) have their pension reduced for each year that the start of the pension precedes age 65.

The law will also increase employer contributions to the Teachers Retirement Association from 9.5% to 9.81% for each coordinated member and from 13.5% to 13.81% for members who do not receive Social Security based on their teaching service. An appropriation to school districts and other employers in TRA funds the increase. This is effective June 30, 2025.

For public safety personnel who are members of the Public Employees Retirement Association (PERA) Police and Fire Plan, the law reduces the delay in receiving the first cost-of-living adjustment from three years to two. It also provides a one-time, compounded 3% cost-of-living increase in calendar year 2026, which thereafter reverts to the 1% COLA under current law. These changes come with a \$17.7 million cost in each fiscal year.

At a cost of \$2.3 million per fiscal year, every state patrol retiree will get a 1.25% annual cost of living increase – up from 1%.

Other parts of the law include:

- for peace officers and firefighters who are members of the Police and Fire Plan and who leave active service due to a duty disability, the period of time that that employers must continue health insurance coverage is capped at 60 months, and once a duty disability determination is made, cities and counties are prohibited from challenging the continuation and payment of health coverage;
- increasing the multiplier used to calculate the retirement annuity for members of the Minnesota State Retirement System (MSRS) General State Employees Retirement Plan from 1.7% to 1.9% for years of service earned after June 30, 2025;
- effective for cost-of-living adjustments on or after Jan. 1, 2026, increasing the cost-of-living adjustment from 1.5% to 1.75% for the MSRS General Plan, Legislators Plan and Unclassified Employees Retirement Program;
- effective for cost-of-living adjustments on or after Jan. 1, 2026, increasing the maximum cost-of-living adjustment for the PERA General Plan so it is 1% annually unless the Social Security cost-of-living adjustment is greater than 1%, in which case the COLA matches the Social Security adjustment, not to exceed 1.75%;
- upping the cap on employer matching contributions to the Minnesota State higher education supplemental retirement plan from \$2,700 to \$4,300 per year;
- implementing legislation recommended by the MSRS correctional plan eligibility work group, the amortization work group, and the state auditor’s fire relief association working group, which met during the interim;
- for defined benefit firefighter relief associations, increasing the maximum lump-sum pension amount for each year of service from \$15,000 to \$20,000 annually;
- adding penalties for noncompliance by employers required to participate in the Minnesota Secure Choice Retirement Program; and
- requiring a working group to be convened to recommend the features of new pension plans to be administered by MSRS and PERA for probation officers and 911 telecommunicators who are public employees. A report is due to the Legislature by Jan. 15, 2026.

HF1889/SF2884*/CH37

Employment

2025-2026 Regular Session

Summer unemployment insurance for hourly school workers boosted by \$100 million

A new law that takes effect July 1, 2025, will provide a onetime \$100 million appropriation in fiscal year 2026 to reimburse school districts to fund the summer unemployment insurance program.

Funds in the account are used to reimburse school districts, charter schools, intermediate school districts, and other cooperative units for costs associated with providing unemployment benefits to hourly school employees over the summer.

Sponsored by Rep. Emma Greenman (DFL-Mpls) and Sen. Jennifer McEwen (DFL-Duluth), the law will cancel a \$77.23 million appropriation made in 2023 for the Northern Lights Express rail project – a proposed passenger rail service between Minneapolis and Duluth – and reduce \$683,000 for fiscal year 2026 and \$22.09 million for fiscal year 2027 from special education aid to provide the \$100 million to the school unemployment aid account.

However, the special education reductions in the bill are not an actual loss in revenue to schools since these costs are fully covered by the direct state unemployment insurance aid payments for the 2026-27 biennium. In subsequent years, if no direct unemployment aid is provided to schools, the special education formula will reimburse a portion of the unemployment insurance costs for special education paraprofessionals in the same manner as other eligible special education expenditures.

Hourly workers will remain eligible for the summer unemployment insurance program in future years, but districts will eventually have to absorb the cost.

HF1143*/SF906/CH33

Employment

2025-2026 Regular Session

New law funds economic development, jobs programs

State spending on jobs, economic development, labor and industry will total about \$460 million during the 2026-27 biennium. The law authorizing these appropriations also makes scores of accompanying policy changes, including reexamining grant processes, beefing up some labor law enforcement and realigning inspection fee structures.

Rep. Dave Pinto (DFL-St. Paul) and Senate President Bobby Joe Champion (DFL-Mpls) sponsor the law that takes effect July 1, 2025, unless otherwise noted.

2025 Special Session: SSHF15/SSSF17*/CH6

DEED spending

The law provides \$356.62 million to the Department of Employment and Economic Development from the General Fund and Workforce Development Fund.

Appropriations include:

- \$95 million for business and community development and \$92.34 million for workforce development services, much of it distributed through grants of \$500,000 to \$1.5 million to community organizations;
- \$88.4 million for vocational rehabilitation services, including \$17.33 million annually for extended employment services for people with severe disabilities;
- \$41.44 million previously earmarked for the Paid Family and Medical Leave program to fund benefits until premium payments are collected;
- \$16.85 million to provide services for the blind; and
- \$4.5 million to the Minnesota Trade Office.

Among other appropriations are:

- \$41.46 million for Explore Minnesota, including \$5 million for costs related to the World Junior Hockey Championships, \$825,000 for Explore Minnesota Film, and \$671,000 for a grant to the 2026 Special Olympics USA Games;
- \$3 million to provide lead service line replacement grants; and
- \$1.32 million to the Department of Children, Youth, and Families for child care subsidies and scholarships.

Labor and Industry

Of the Department of Labor and Industry's \$109 million appropriation, about \$69.43 million comes from the Workers' Compensation Fund to operate the workplace insurance program. The budget includes \$35 million for claims, \$18.11 million for general support and \$15.68 million to address workplace safety.

Other labor department funding includes \$23 million provided by the Workforce Development Fund and \$16.4 million from the General Fund.

About \$18 million is appropriated to enforce labor standards such as prevailing wage enforcement and wage theft prevention. There is an additional \$350,000 per year for enforcement, education and training related to employee misclassification.

Additionally, \$13.84 million from the Workforce Development Fund is provided for apprenticeship programs and \$1 million will address mental health and suicide prevention for people in the construction industry.

DEED policy

Premiums for Paid Family and Medical Leave can be no more than 1.1% of taxable wages instead of a maximum rate of 1.2%. Premiums will be collected starting Jan. 1, 2026, at a rate of 0.88%. (Art. 4, Sec. 27)

Approximately 640 workers impacted by temporary closures of Iron Range mines are eligible for an additional 26 weeks of unemployment benefits. This is retroactive to March 15, 2025.

A Task Force on Workforce Development System Reform is established with a preliminary report due the Legislature by Feb. 15, 2026, and a final report by Jan. 15, 2027. Its purpose is to examine current workforce development programs, their funding streams, metrics and to propose improvements to practices, programs, funding and laws related to state workforce development efforts. This took effect June 15, 2025.

The law clarifies and makes modest changes to earned sick and safe time policies, such as allowing employers to request documentation such as a doctor's note for employees taking two or more days of earned time off – instead of after three days. (Art. 4, Secs. 27, 35, 37; Art. 5, Secs. 10-13)

Grant adjustments, other DEED policy

Plants and plant-based products will be considered agricultural processing projects eligible for Greater Minnesota Business Infrastructure Grants.

The maximum CanStartup loan to a cannabis business will increase from \$50,000 to \$75,000, and \$150,000 to \$200,000 if matched by new private investment. Loans may not be used to refinance debt.

An Office of Public Service will be established to promote, expand, create and strengthen career pathways aligned with public service opportunities.

Partnership and Pathways workforce development grants to educational institutions may be up to \$500,000 instead of the current \$400,000, and schools can charge up to 30% over costs.

Organizations providing mentorship and preemployment services, such as resume writing, can receive grants under the Youth At Work program.

Membership of the governor's Workforce Development Board will be reduced.

Individuals are no longer eligible for CanTrain grants, which provide training for organizations entering the cannabis industry.

Grant recipients will have a uniform report card for its outcome reporting, and DEED may withhold disbursements to recipients who haven't submitted the required information.

Explore Minnesota's mission and programs will be described in law to better match its actual practices, including having its director oversee Explore Minnesota Film.

The penalty for intentional misrepresentation regarding unemployment benefits will be 100% of the overpayment or underpayment for infractions on or after Oct. 1, 2025.

The minimum loan for the community wealth program will decrease from \$50,000 to \$10,000.

Eligibility for Promise Grants will expand to businesses with less than \$1.5 million in revenue (formerly capped at \$1 million) with a 20-year loan term instead of 10 years. Funds may now be used for equipment purchases. Partner organizations may not use repaid funds for speculative loans or investments in rental real estate. The provision took effect June 15, 2025.

The small business growth acceleration program is now called "Made in Minnesota." (Art. 4, Secs. 1-2, 6, 8-9, 11, 14, 16-17, 19-23, 26, 29, 32-34, 38).

Labor and Industry policy

Effective Jan. 1, 2026, workers will be allowed a minimum 15-minute rest break for every four hours worked. It should be longer if more time is needed to access a restroom. An unpaid meal break of at least 30 minutes must be allowed for six-hour shifts. Employees are owed double-time for any violations.

The Department of Labor and Industry may seek injunctions in its efforts to enforce labor laws.

By Jan. 15, 2027, and every six years thereafter, the state will produce a report examining how misclassifying employees as independent contractors affects workers, employers and tax revenue.

The law will modify many construction licensing and inspection fees and procedures including:

- providing a \$10 virtual fee for chairlifts in private residences;
- increasing elevator operating permits from \$100 to \$145; and
- making graduated fee structures for prefabricated buildings plan reviews and for plumbing inspections. (Art. 5, Secs. 1-4, 6, 9, 15-33)

Energy

2025-2026 Regular Session

Energy law funds agencies, establishes safety net for natural gas price spikes

With its appropriations devoted chiefly to keeping the Public Utilities Commission and the Commerce Department's energy division in working order, the energy finance and policy law limits the bulk of its policy changes to initiating a financial safety net for unexpected natural gas price spikes.

The law's net General Fund spending will be \$48.84 million in the 2026-27 biennium. Of that, \$26.75 million will go to the Public Utilities Commission – including \$3.8 million in new appropriations – while \$22.09 million will go to the Commerce Department's energy resources division.

Appropriations for programs directly administered by the Commerce Department include \$1.92 million for community solar gardens and \$602,000 to implement energy benchmarking. A \$1 million grant will support activities of the Clean Energy Resource Teams.

Additional appropriations are made to support the department's review of plans and participation in Public Utilities Commission proceedings with respect to the following programs:

- \$530,000 to review electric transmission line owners' plans to deploy grid-enhancing technologies;
- \$378,000 to review utility natural gas innovation plans;
- \$328,000 to review public utility transportation electrification plans;
- \$300,000 to remediate vermiculite insulation from households;
- \$154,000 for appeals of consumer complaints; and
- \$92,000 for energy transmission planning along trunk highway rights-of-way.

The law also includes \$3.19 million to reimburse costs incurred in responding to petroleum tank leaks and \$2.4 million for pre-weatherization programs.

A General Fund appropriation of \$1 million will go toward an air ventilation pilot project established in 2023. The law will also extend Xcel Energy's Solar Rewards appropriations through 2035 and maintain the requirement that 50% of that funding support low-income households.

For the 2028-29 biennium, the law appropriates \$46.29 million in net General Fund spending, including \$26.37 million for the Public Utilities Commission and \$21.56 million for the Commerce Department's energy resources division.

Renewable Development Account

The law also includes \$600,000 in outlays from the Renewable Development Account, a fund that Xcel Energy customers pay into to fund renewable energy projects in the state, such as those employing solar, wind or geothermal power. Xcel Energy pays into the account based on the number of casks of nuclear waste stored at its Prairie Island and Monticello nuclear power plants.

The timelines to expend previous Renewable Development Account appropriations are extended through the 2026-27 biennium for a solar array at the National Sports Center in Blaine (\$4.2 million) and the University of St. Thomas Center for Microgrid Research (\$3.2 million). The latter also receives \$400,000 in new funding.

There will also be an outlay of \$200,000 from the account to make payments to homeowners who installed solar panels under the “Made in Minnesota” solar energy production incentive program. And the Department of Administration will receive \$184,000 for software and administration of a state building energy conservation improvement revolving loan program.

Policy

The only major policy change in the law is a “Securitization” section dealing with “extraordinary events” that can lead to significant costs for natural gas customers.

Inspired by an historic Texas freeze in February 2021 that caused natural gas prices to temporarily soar, this provision will allow public utilities to issue “extraordinary event bonds” at lower rates of interest to reduce the costs for consumers in the event of such price spikes.

Sponsored by Rep. Patty Acomb (DFL-Minnetonka) and Sen. Nick Frenz (DFL-North Mankato), the law took effect June 15, 2025.

2025 Special Session: SSHF7/SSSF2*/CH7

Environment and Natural Resources

2025-2026 Regular Session

Environment law spends \$1.19 billion, makes changes to PCA permitting processes

A new law funds state agencies and departments charged with preserving the quality of the state’s air, water, land and wildlife.

It also makes reforms to the permitting processes used by the Pollution Control Agency, modifies regulations prohibiting intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS) in consumer products and expands the enforcement authority of the Department of Natural Resources (DNR) regarding abandoned watercraft.

Sponsored by Rep. Josh Heintzeman (R-Nisswa) and Sen. Fong Hawj (DFL-St. Paul), the omnibus environment and natural resources law is effective July 1, 2025, unless otherwise noted.

The law appropriates \$1.19 billion from the General Fund and other special funds in the 2026-27 biennium for the DNR, Pollution Control Agency, Board of Water and Soil Resources, Conservation Corps, Minnesota Zoo, Metropolitan Council and the Science Museum of Minnesota.

It also spends \$103.3 million in fiscal year 2026 from the state lottery-funded Environment and Natural Resources Trust Fund for more than 100 grants to protect the state’s air, water, land, fish, wildlife, and other natural resources.

There are also cancellations totaling \$14.735 million of previous appropriations made in fiscal years 2023-25 to the DNR, Pollution Control Agency, and Board of Water and Soil Resources.

2025 Special Session: SSHF8/SSSF3*/SSCH1

Pollution Control Agency finance

Of the \$305.3 million going to the Pollution Control Agency, \$246.4 million is from the Environmental Fund, \$44.2 million from the Remediation Fund and \$14.5 million from the General Fund.

New Environmental Fund spending includes \$760,000 for a public awareness campaign warning about the mercury levels in skin-lightening creams and to fund enforcement efforts to reduce or eliminate these products.

The law extends a provision appropriating money from the Closed Landfill Investment Fund to the Pollution Control Agency from June 30, 2025, to June 30, 2029, and increases the amount each fiscal year from \$4.5 million to \$6.5 million.

The law cuts \$3 million from a 2025 agency appropriation for a local government climate resiliency and water infrastructure grant program. This is effective retroactively from July 1, 2023. (Art. 1, Secs. 2, 12-13; Art. 4, Sec. 17)

Pollution Control Agency policy

The law reforms many of the agency's permitting processes with the goal of making them more efficient and speedier for businesses needing environmental permits to operate in the state.

These reforms include:

- requiring the agency's annual permitting efficiency report to focus on the more complicated Tier 2 permits, and include additional information about permits that have not met the statutory goal;
- allowing the agency to not provide expedited permitting when it lacks the staff or contractor capacity to do so;
- providing permit applicants five business days to remedy identified deficiencies in permit applications; and
- limiting who can file discretionary environmental assessment worksheets to people residing in the county in which a proposed project will be undertaken or in one or more adjoining counties.

The new law relaxes regulations prohibiting intentionally added perfluoroalkyl and polyfluoroalkyl substances (PFAS) in consumer products and other substances by:

- exempting the internal components of products from the prohibition on selling products that contain intentionally added PFAS;
- excluding certain children's recreational vehicles, including all-terrain vehicles and snowmobiles, electric-assisted bicycles, and replacement parts for these items, from the prohibition on selling juvenile products containing intentionally added PFAS; and
- providing a temporary exemption from the ban on PFAS-containing firefighting foam when used in fixed firefighting systems at airport hangars.

The agency must ensure its outreach efforts are suitable for culturally diverse communities and that its interactions with the public include audiovisual communication components and do not rely exclusively on written forms of communication. (Art. 4, Secs. 18-21, Art. 6, Secs. 1-7)

Department of Natural Resources finance

The DNR is to receive \$796.9 million in the 2026-27 biennium, including money from three separate funds: \$268.5 million from the General Fund; \$266.1 million from the Natural Resources Fund; and \$260.7 million from the Game and Wildlife Fund.

The latter two are dedicated revenue sources generated by natural resource-related fees and sales, and hunting and fishing licenses and fees, respectively.

The law cuts \$5.5 million of a 2024 appropriation for enhancing prairies and grasslands and restoring wetlands on state-owned wildlife management areas. This cut is effective retroactively from July 1, 2023. And the law cuts \$2.8 million from a 2023 to replace drought-killed tree seedlings and repurposes the money for reforestation needs associated with wildfires. (Art. 1, Secs. 11, 17)

DNR policy

The new law includes many policy changes regarding fees the DNR charges, the scope of its law enforcement duties, and regulations on hunting and angling.

Effective March 1, 2027, a resident veteran with a 50-99% service-connected disability could purchase an angling license for \$5 and a license to take deer or small game for \$5.

Peace or conservation officers will be able to ticket watercraft "unlawfully located on public accesses, public lands, and waters of this state or unlawfully located on property adjacent to waters of this state." Unlawfully located is determined "if the watercraft appears to be (1) inoperative and neglected, wrecked, stranded or substantially dismantled; (2) in immediate danger of sinking; or (3) unmoored and unattended."

An owner who knowingly fails to remedy the condition within 14 days of being notified is guilty of a misdemeanor. The DNR must investigate tagged watercraft 14 days after sending the notice to the registered owner. If the condition that led to tagging has not been remedied, the watercraft is considered abandoned and must be seized and disposed of by the DNR.

A person convicted of failing to remedy a condition that led to the tagging of a watercraft is subject to the following penalties until the person has reimbursed the DNR for all of its costs: voiding of their annual game and fish licenses, prohibiting acting under any lifetime game and fish license, voiding of all licenses and registrations needed to operate a watercraft, off-highway vehicle and snowmobile.

A "shotgun zone" that restricted deer hunters to using only shotguns, muzzleloaders, and handguns in the southern portion of the state is repealed. After Jan. 1, 2026, hunters anywhere in the state can use all legal firearms for deer hunting during the regular firearms season unless a county in the former shotgun zone adopts an ordinance restricting their use.

A Minnesota Sustainable Foraging Task Force is created to provide legislative recommendations by Feb. 28, 2026, on science-based foraging guidelines for state lands. The DNR is prohibited from beginning or completing any rulemaking on foraging before July 1, 2026. A combined \$327,000 is appropriated to assist and administer the task force.

Other policy modifications include:

- requiring the DNR to ensure its work is carried out in a manner that facilitates enhanced outreach to all Minnesotans;
- effective Jan. 1, 2026, increasing the annual watercraft surcharge assessed to fund invasive species control from the current \$10.60 to between \$14 and \$62, depending on boat size, type and use;
- extending by one year the ability of a person to hunt and fish with a crossbow during the respective archery seasons;
- making the open season for taking largemouth and smallmouth bass year-round; and
- increasing water-use permit fees and water-use permit application fees, effective Jan. 1, 2026. (Art. 1, Secs. 3, 9; Art. 4, Secs. 1, 4-5, 7-16, 24, 27-28)

Board of Water and Soil Resources

To continue its mission of improving and protecting state water and soil resources by working in partnership with local organizations and private landowners, the board will receive \$32.2 million in the 2026-27 biennium.

Big-ticket funding items include:

- \$14.2 million for administration and operation purposes;
- \$6.8 million for natural resources block grants to local governments to implement the Wetland Conservation Act and shoreland management program;
- \$6.2 million for grants and payments to soil and water conservation districts; and
- \$2.9 million for conservation projects undertaken by soil and water conservation districts, including perennially vegetated riparian buffers, erosion control, and water retention and treatment.

The law cuts \$2.8 million of a 2025 appropriation for conservation easements and restoration and enhancement for purposes of climate resiliency, adaptation, and carbon sequestration. This is effective retroactively from July 1, 2023. (Art. 1, Secs. 4, 18)

Other appropriations

For the 2026-27 biennium, the law appropriates \$28.7 million for the Minnesota Zoo; \$25.1 million for the Metropolitan Council; \$2.72 million for the Science Museum of Minnesota; \$2.1 million for Conservation Corps Minnesota and Iowa; and \$888,000 for additional business permitting assistance through the Minnesota Business First Stop Program. (Art. 1, Secs. 5-8, and 10)

Environment and Natural Resources Trust Fund

The law appropriates \$103.3 million in fiscal year 2026 from the Environment and Natural Resources Trust Fund for more than 100 projects aimed at environmental protection, conservation, preservation and enhancement. This includes land acquisition, data collection and research, environmental education, invasive species management, and habitat restoration.

Generated by the state lottery proceeds, the money was appropriated as recommended by the Legislative-Citizen Commission on Minnesota Resources.

Amounts distributed in fiscal year 2026 range from \$120,000 to study trace metals in municipal yard waste and compost to \$5.8 million to the Minnesota Aquatic Invasive Species Research Center at the University of Minnesota.

A November 2024 constitutional amendment approved by state voters renewed the lottery-based funding through 2035 and increased the amount that may be annually appropriated by 1.5% with the extra money used for community grants distributed by the DNR.

The law appropriates \$28.18 million in fiscal year 2026 and specifies regulations for distributing the community grants, including that they be expended for benefits across all regions and residents of the state. It also expands the scope of projects eligible to receive grants to include aquatic invasive species management, trail maintenance and improvement on current state, regional, or local trails.

Effective June 1, 2025, community grants cannot be awarded to state agencies, the University of Minnesota, a for-profit business or for a scientific research project. (Art. 2, Sec. 2; Art. 3, Secs. 1-4)

State lands

Also in the law are DNR provisions to change the statutory boundary of a state park and legislative authorization for select land sales. This includes additions to Carley State Park in Wabasha County and the selling of surplus state land or tax-forfeited land acquired by the state in Aitkin, Cass, Itasca, Sibley and St. Louis counties. (Art. 5, Secs. 1-7)

Environment and Natural Resources

2025-2026 Regular Session

Legacy dollars will fund \$777 million to outdoors, clean water, parks and trails, and the arts

A new law will appropriate nearly \$777 million from legacy funds to protect drinking water sources; protect, enhance, and restore wetlands, prairies, forests, and fish, game, and wildlife habitat; preserve arts and cultural heritage; support parks and trails; and protect, enhance, and restore lakes, rivers, streams, and groundwater.

The Legacy Amendment approved by voters in 2008 increases the state sales tax by three-eighths of 1% from July 1, 2009 until 2034. That additional revenue is dedicated to four funds: 33% Clean Water Fund; 33% Outdoor Heritage Fund; 19.75% Arts and Cultural Heritage Fund; and 14.25% Parks and Trails Fund.

Rep. Samantha Vang (DFL-Brooklyn Center) and Sen. Fong Hawj (DFL-St. Paul) sponsor the law that takes effect July 1, 2025, unless otherwise noted.

HF2563*/SF2865/CH36

The Outdoor Heritage Fund is the only one of the four funds to be distributed annually rather than biennially, and \$162.11 million will be appropriated in fiscal year 2026 broken down as:

- \$77.65 million for 21 habitat projects, and a conservation partners grant program;
- \$33.43 million for 10 prairie projects;
- \$29.03 million for eight wetland protection or restoration projects;
- \$19.96 million for seven forest projects; and
- \$2.04 million for administration purposes.

[MORE: View the spreadsheet for all fund categories]

Almost \$303.93 million from the Clean Water Fund is appropriated for 2026-27 biennium projects, including:

- \$139.34 million for 17 Board of Water and Soil Resources projects; including \$88.1 million to implement state-approved watershed-based plans;
- \$49.2 million for the Pollution Control Agency for nine projects, including \$18.9 million to complete statewide assessments of surface water quality and trends;
- \$33.35 million for the Department of Agriculture for 11 projects;
- \$30.14 million for six Department of Health projects;
- \$28.8 million for the Department of Natural Resources for 10 projects, including \$5.65 million for stream flow monitoring;
- \$16.54 million for Public Facilities Authority with all but \$100,000 for the point source implementation grants program;
- \$4.15 million for the Metropolitan Council, including \$2.75 million for projects to address emerging drinking water supply threats and overall water sustainability; and
- \$2.4 million for University of Minnesota, largely “for a program to evaluate performance and technology transfer for stormwater best management practices.”

The Parks and Trails Fund appropriations are \$130.17 million for the 2026-27 biennium.

Of the \$78.63 million for the Department of Natural Resources, \$51.53 million is to “connect people to the outdoors; acquire land and create opportunities; maintain existing holdings; and improve cooperation by coordinating with partners to implement the 25-year long-range parks and trails legacy plan.”

Also at \$51.53 million is the Metropolitan Council appropriation “to fund the list of projects approved by the elected representatives of each of the metropolitan parks implementing agencies.”

The Arts and Cultural Heritage Fund will receive \$179.91 million for projects in fiscal years 2026-27. Funding can only be spent for arts, arts education and access, and to preserve Minnesota's history and cultural heritage:

- \$84.56 million to the Minnesota State Arts Board, of which, \$67.65 million is for arts and arts access initiatives;
- \$36.39 million for the Minnesota Historical Society, including \$13.94 million for historic and cultural programs and purposes related to state heritage, and \$12.95 million for statewide historic and cultural grants to local, county, regional, or other historical or cultural organizations or for activities to preserve significant historic and cultural resources;
- \$26.44 million for the Minnesota Humanities Center, including \$16.17 million for a community identity and heritage grant program;
- \$19.61 million for the Department of Administration, including \$8.37 million to public television production and acquisition grants, \$3.61 million for public radio, \$3.04 million for Como Zoo program development, \$2 million for Minnesota Public Radio, and \$100,000 for cultural programming at the Minnesota African American Heritage Museum and Gallery;
- \$5.4 million for Department of Education for “the 12 Minnesota regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota”;
- \$3.4 million for the Minnesota Zoo “to provide access and education related to programs on the cultural heritage of Minnesota”;
- \$2.61 million for the Indian Affairs Council, including \$1.3 million to preserve and foster education programs and services for Dakota and Ojibwe language; and
- \$1.5 million for the Department of Agriculture for grants to county fairs and Minnesota FFA programming.

With a few exceptions, such as accessibility accommodations, money from the arts and cultural heritage fund cannot be used for new construction or capital construction projects except for preservation of historic structures or sites.

Family

2025-2026 Regular Session

New law continues recodifying Department of Children, Youth, and Families legislation

A new law continues to recodify 2023 legislation that established the Department of Children, Youth, and Families while also making technical changes.

Sponsored by Rep. Carlie Kotyza-Witthuhn (DFL-Eden Prairie) and Sen. Melissa Wiklund (DFL-Bloomington) the law, effective Aug. 1, 2025, contains technical and conforming statutory and reference changes that were missed in previous legislation.

The conforming changes maintain the continuity of authorities, powers, and duties that the transferred programs had at the originating agency, update statutory cross-references, and add department representatives to state advisory councils.

HF2551*/SF2706/CH21

Family

2025-2026 Regular Session

Law updates training for mandatory child maltreatment reporters

Local welfare agencies must offer training for people mandated to report child maltreatment. The training on child maltreatment will change.

Effective Aug. 1, 2025, a new law requires that at least half of the training time must be spent on how to identify signs of suspected maltreatment or abuse. Training also must cover the definition of each maltreatment type.

In addition, the Department of Children, Youth, and Families must create trainings with input from professionals with specialized knowledge related to maltreatment, including but not limited to medical professionals, attorneys, mental health professionals and social workers.

Rep. Jim Nash (R-Waconia) and Sen. Rich Draheim (R-Madison Lake) are the sponsors.

HF1346*/SF2350/CH13

Health and Human Services

2025-2026 Regular Session

Adult ‘undocumented noncitizens’ no longer eligible for subsidized health insurance

A new law that took effect June 15, 2025, limits a 2023 law that expanded access to MinnesotaCare to “undocumented noncitizens.”

Sponsored by Rep. Jeff Backer (R-Browns Valley) and Sen. Jordan Rasmusson (R-Fergus Falls), the law states “undocumented noncitizens who are age 18 years old or older” who are enrolled in MinnesotaCare will no longer eligible after Dec. 31, 2025.

Further, undocumented adult immigrants not enrolled in MinnesotaCare by June 15, 2025, are ineligible for the state’s subsidized health insurance program.

2025 Special Session: SSHF1*/SSSF8/CH2

Health and Human Services

2025-2026 Regular Session

Health, human services law aims to maintain services while curbing spending growth

A new law directing billions in spending supports subsidized health insurance, foster care, drinking water testing, and dozens of other initiatives designed to improve Minnesotans’ well-being.

The law’s net General Fund appropriation for the Departments of Health, Human Services and Children, Youth, and Families is \$7.01 billion for the 2026-27 biennium.

Sponsored by Rep. Robert Bierman (DFL-Apple Valley) and Sen. Melissa Wiklund (DFL-Bloomington), the law takes effect July 1, 2025, unless otherwise noted.

Special Session 2025: SSHF2*/SSSF6/CH3

Social media warning

Effective July 1, 2026, social media platforms must have a mental health warning that appears each time a user accesses the platform and only disappears when the user either exits the platform or acknowledges the potential for harm and chooses to proceed.

The warning label’s text must warn the user of potential mental health impacts from using social media and provide resources to address potential mental health impacts, including the national suicide hotline number and website.

Social media platforms will be banned from allowing a user to disable the warning label, providing the warning label in only the platform’s terms and conditions and including extraneous information in the warning label that obscures its visibility or prominence. (Art. 19, Secs. 13-14)

Health care finance

To respond to projected budget shortfalls driven in part by rising health care costs, the law includes targeted adjustments to revenues and spending. Modifications to MinnesotaCare and Medical Assistance programs aim to reduce spending while maintaining or increasing payments to struggling sectors of the health care industry.

To that end, the law will:

- seek federal approval for a directed payment system, which would increase Medical Assistance payments to hospitals without affecting state spending by shifting more of the cost to the federal government;
- seek federal approval to provide an assessment on managed care organizations — expected to raise an additional \$207.42 million — to help increase Medical Assistance reimbursement rates for some mental health services;

- pay certain independent pharmacies an additional \$4.50 per prescription filled through the Medical Assistance program;
- establish a uniform non-emergency medical transport program for Medical Assistance and MinnesotaCare, anticipated to save \$48.34 million;
- repeal permission to seek federal approval for a public option, saving \$21 million;
- establish a Minnesota-specific prescription drug cost survey and contract with a single pharmacy benefits manager for the Medical Assistance and MinnesotaCare programs, which together are expected to produce net savings of \$960,000 for the 2026-27 biennium; and
- establish a county-administered rural Medical Assistance program to “facilitate integration of health care, public health, and social services to address health-related social needs in rural communities.” Rural areas could see savings through longer-term contracts with services providers. (Art. 4, Sec. 8; Art. 8, Secs. 3-5, 7-8, 13-14, 18-25, 28-29, 33, 35, 41-43)

Additionally, nonprofit health care organizations will be able to access capital to finance health care facility construction projects, similar to educational institutions, with the formation of the Minnesota Health and Education Facilities Authority, which has an upper limit of \$2.75 billion in bonding for health care facilities. (Art. 7, Secs. 1-31)

The law will also modify some Medical Assistance reimbursements beginning Jan. 1, 2026. This includes setting annual limits on visits to occupational and physical therapists, ending payments for chiropractic care for adults, and establishing coverage for home births and long-term ambulatory electrocardiograms.

Additionally, Medical Assistance will cover traditional health care practices starting Jan. 1, 2027, given federal approval. (Art. 8, Secs. 10-11, 12, 17, 27, 39)

Health care policies

Scores of policy provisions address how health care is provided and paid for, along with some operations overseen by the Departments of Health and Human Services.

The law will establish a dementia service program to coordinate policies and programs, share data and incorporate detection and risk-reduction strategies into Health Department programs.

Except in certain circumstances, prior consent must be given before physicians or students perform sensitive exams, such as pelvic or prostate exams.

Hot tubs at short-term rentals (such as VRBO) won't be regulated as public pools and can be used by renters, provided warnings are posted, the water temperature is not above 106 degrees Fahrenheit, and the tub is tested before check-in.

Pediatricians will have to inform parents about the signs of abuse in infants and how to report suspected physical abuse.

Access to audio-only telehealth will be extended through June 30, 2027.

Mid-year changes to drug formularies won't be allowed starting Jan. 1, 2026. (Art. 1, Secs. 24, 45, 47; Art. 2, Sec. 30; Art. 4, Secs. 1-2, 4; Art. 8, Secs. 1, 9)

Health Department fee increases

The law increases fees charged for a range of Health Department activities to fund its work inspecting and licensing everything from restaurants to water supplies to nuclear medicine to assisted living facilities.

The new fees will include:

- \$1,600 to inspect a pool (up from \$1,500);
- \$325 to apply for a variance on a well (up from \$275);
- \$2,000 plus \$125 per resident to license an assisted living facility (up from \$2,000 plus \$75 per resident); and
- \$75 for a special event food stand license (up from \$55 annually). (Art. 1, Secs. 1-23, 27-44, 46, 49-51, 57, 66-67, 76, 80-84, 87, 92-95, 98-99)

Long-term care, assisted living

The law will create a fifth level of violations at home care or assisted living facilities, with a Level 5 violation being a violation that results in serious injury or death. Fines start at level 2 at \$500. Level 5 has a fine of \$5,000 per violation and possible loss of license.

Additionally, the law will give some flexibility to a critical access hospital in Cook County in its use of beds for long-term care. (Art. 1, Secs. 59-65, 68-75)

Emergency medical services

The law aims to support emergency responders, especially in areas with fewer calls, where overhead costs can be overwhelming.

Among the budgeted items are:

- \$16.42 million for an ambulance operating deficit program;
- \$8.58 million to establish an uncompensated care payment program for rural emergency medical services;
- \$2 million for a training and staffing grant program; and
- \$400,000 to increase reimbursements for educational costs for attendants working at services responding to 5,000 or fewer calls per year. (Article 5)

Health commissions, committees

The law will alter, extend and create several new advisory councils, committees or boards. This includes:

- making the Newborn Hearing Screening Advisory Council permanent, effective June 15, 2025;
- creating a Maternal and Child Health Advisory Committee out of a task force;
- creating a Spoken Language Health Care Interpreter work group to improve access to critical health care interpreting services across the state. A report is due the Legislature by Nov. 1, 2026; and
- establishing a dental access working group to make recommendations to the Department of Human Services on a dental payment rate structure for Medical Assistance and MinnesotaCare. By March 1, 2027, the department must develop an implementation plan and timeline to effectuate the working group recommendations. (Art. 1, Secs. 58, 77, 96; Art. 8, Sec. 36)

Information collection, dissemination

The Health Department must collect data on epilepsy and seizure disorders, including outcomes and mortality rates to be used for a statewide coordination plan. Information without identification attached will be made public.

Explanations of insurance benefits can be transferred electronically, though people can continue to get paper copies should they choose.

Hospitals closing emergency rooms, inpatient or emergency department services, including inpatient maternity care, must schedule a public hearing to include remote participation. The hearing room must be big enough for anticipated attendance and must be scheduled so there's an opportunity for at least one hour of public input.

Health care facilities will have to report facility fees charged in 2026 to recoup costs outside physicians' services such as building maintenance, medical record systems, administrative costs and other operational expenses.

Within funding limits, the Health Department must conduct maternal death studies. (Art. 1, Sec. 97, Art. 2, Secs. 4-5, 27; Art. 6, Sec. 3)

Accreditation, scope of practice

The law will expand the scope of practice for optometrists, allowing them to perform some procedures previously limited to ophthalmologists; establish a limited license for graduates of foreign medical schools; and establish a new certified midwife licensure process, available to those with a graduate-level degree in midwifery. (Art. 3, Secs. 1-5, 20-77, 124-125; Art. 6, Secs. 5-6)

Department of Children, Youth, and Families funding

The budget for the Department of Children, Youth, and Families includes an additional \$35 million to upgrade the child welfare information technology system; \$5 million for regional food banks; and \$5 million for food shelf programs.

Child protection and welfare policy

Several provisions modify existing law when a relative such as a grandparent, sibling, aunt or uncle seeks to provide foster care for their relative.

The definition of a "person who is related" will include an important friend of the child or their parent.

A relative seeking to provide family foster care must be licensed, but their domestic partner does not.

A child foster care license holder who is related to the child will be required to complete a minimum of six hours of in-service training per year.

The African American Child and Family Well-Being Advisory Council will be established in the Department of Children, Youth, and Families.

The definition of "habitual truant" will be changed to mean a child who is at least 12 years old and less than 18 years old, instead of anyone under age 17. A person mandated to report school attendance will be required to immediately report if a child has at least seven unexcused absences in a current school year.

The court will be required to conduct a review during the 90-day period prior to the 18th birthday of a child in foster care, which should include a report on future plans, such as extended foster care, independent living or reunification with family.

The local welfare agency will be responsible for investigating an allegation of sexual abuse, neglect, physical abuse, or labor trafficking, including if the alleged abuse occurred in another state or country, but the child's residence is in Minnesota. (Art. 10, Secs. 1-7, 11, 14, 21, 27, 33-34, 39)

Child protection and welfare finance

The Department of Children, Youth, and Families may contract with a licensed child-placing agency or Tribal social services agency to provide permanency services for children in out-of-home care.

The law will modify the Minnesota Indian Family Preservation Act grant payment timelines and reporting requirements from quarterly to at least annually and will remove the annual cap on special focus grant awards under the program.

A scan of out-of-school and youth programming for youth under 21 years of age is required. (Art. 11, Secs. 1-4, 7)

Early care and learning policy, finance

The Diaper Bank of Minnesota will be the sole-source grant holder for the diaper distribution grant program.

The Office of Restorative Practices will be established within the Department of Children, Youth, and Families.

Effective July 1, 2026, licensed child care centers that are required to post a maltreatment investigation memorandum must have video security cameras in public and shared areas. Recordings must be kept at least 28 days. Child care centers may apply for technology grants up to \$4,000 to help cover the costs of video security cameras and related training.

A legal, non-licensed family child care provider who is unrelated to the child they care for will be required to complete two hours of training in caring for children every 12 months, effective Oct. 1, 2025.

The quality parenting initiative grant program will be administered by the Department of Children, Youth, and Families instead of the Department of Human Services. (Art. 12, Sec. 1; Art. 13, Secs. 1-4, 11, 13-14)

Children, Youth, and Families licensing and certification policy

The law will define "education" to determine qualifications to work in a child care center, effective Aug. 1, 2025.

Child foster care license holders will be required to apply for and be granted a new license to operate the program or the program will be required not to be operated after the expiration date.

Effective July 1, 2026, an applicant or license holder may ask the Department of Children, Youth, and Families to provide interpretive guidance on the applicable rule or statute underlying the correction order.

The law will direct a child care program to publicly post licensing actions accompanied by a maltreatment investigation for four years.

The law makes permanent a temporary policy that allows an aide in a licensed child care center to substitute for a teacher during morning arrival and afternoon departure times if the total arrival and departure time does not exceed 25% of the center's daily hours of operation.

Substitutes and unsupervised volunteers at child care centers will be required to complete at least two hours of training each year.

A standardized timeline and standards will be required to be developed for the conduct of licensors when conducting inspections of licensed child care centers, effective July 1, 2026.

The law establishes a timeframe for county licensors to respond to requests from family child care providers and will require that county licensors use the electronic licensing inspection tool when doing an inspection of family child care programs. (Art. 14, Secs. 1-4, 8, 11, 20-21)

Behavioral Health

The definition of “child” in the Children’s Mental Health Act will include a person 18 to 21 years of age receiving continuous children’s mental health targeted case management services.

Evidence-based interventions will be added for youth and young adults at risk of developing or experiencing an early episode of bipolar disorder to children’s mental health grants.

The Department of Human Services will be required to support the Mental Health Collaboration Hub's pilot project.

A pilot project for the Lower Sioux Indian community will be established to provide mental health case management services to individuals with complex post-traumatic stress disorder. (Art. 15, Secs. 4-6, 8)

Foster care fees, adoption background studies

Fees for child foster care and adoption background studies will be set at a maximum of \$44 per study. The law will add child torture to the list of crimes that permanently disqualifies an individual for licensed family foster. (Art. 16, Secs. 10, 13)

Human services program integrity

The law will allow the Department of Human Services to exchange information, including claims data, with state or federal agencies, professional boards, departments, or programs for the purpose of investigating or prosecuting a criminal, civil, or administrative proceedings related to suspected fraud or exclusion from any program administered by a state or federal agency.

The department may temporarily suspend a license if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency. (Art. 17, Secs. 3, 6)

Miscellaneous policy

The Health Department will fund distribution of opiate antagonists to Tribal colleges.

People may instruct health care providers not to administer an opioid through a prior directive. (Art. 19, Secs. 1-6)

Health and Human Services

2025-2026 Regular Session

Nearly \$17 billion human services finance law funds Department of Human Services and Direct Care and Treatment

The human services finance law appropriates \$16.8 billion from the General Fund in the 2026-27 biennium.

In addition to funding the Human Services Department, the law will expand funding for the creation of the new Department of Direct Care and Treatment, the Minnesota Sex Offender Program, and for wage increases for nursing home workers and other human services workers.

Sponsored by Rep. Mohamud Noor (DFL-Mpls) and Sen. John Hoffman (DFL-Champlin), the law takes effect July 1, 2025, unless otherwise noted.

2025 Special Session: SSHF3*/SSSF7/CH9

Funding

Most of the budget, \$15.4 billion, will go to program spending, including:

- \$15.04 billion for Medical Assistance;
- \$263.4 million for the behavioral health fund; and
- \$112 million for alternative care. (Art. 12, Secs. 10-12)

Major spending for grant programs includes:

- \$92.7 million for disability grants;
- \$79.53 million for aging and adult services grants;

- \$10.8 million for chemical dependency treatment support grants;
- \$5.77 million for deaf, deafblind and hard of hearing grants; and
- \$4.97 million for other long-term care grants (Art. 12, Secs. 15-18, 21).

The Direct Care and Treatment Executive Board will receive \$1.18 billion for fiscal years 2026-27:

- \$384 million for mental health and substance abuse;
- \$324 million for forensic services;
- \$259 million for Minnesota Sex Offender Program;
- \$183.8 million for administration; and
- \$28.1 million for community-based services. (Art. 13, Sec. 2)

For new rate adjustments, the nursing home license surcharge will be increased to \$2,815 per licensed bed and to \$5,900 on Jan. 1, 2026, or the first day of the month following federal approval. This took effect June 15, 2025. (Art. 1, Sec. 5).

A one-time \$10 million appropriation in fiscal year 2026 will supplement the demolition, site preparation and construction of a replacement facility for the Miller Building on the Anoka Metro Regional Treatment Center campus. (Art. 14, Sec. 8)

Aging issues

Effective Aug. 1, 2025, nursing facilities will be removed from eligibility for long-term services and supports loan program.

Organizations receiving funds allocated for nutrition support services may partner with schools, restaurants, and others to provide meals to seniors.

The law will prohibit facilities from coercing a resident to become an elderly waiver participant. (Art. 1, Secs. 4, 7, 29)

Disability service changes

A Minnesota Caregiver Retirement Fund Trust will be established to create, implement and administer a retirement program for direct support services.

Settings that provide out-of-home respite care services for children will be exempt if they meet certain criteria, effective Jan. 1, 2026, or upon federal approval whichever is later.

Swimming lessons for children under age 12 whose disability puts them at a higher risk of drowning will be an allowable use of family and consumer support grants and as a covered service under the disability waivers.

Effective July 1, 2026, MnCHOICES assessor qualifications, training and certifications will be modified and MnCHOICES lead agencies will be able to contract with hospitals to perform assessments of patients.

Effective the latter of Jan. 1, 2026, or upon federal approval, the Department of Human Services shall allow for verbal attestation or another alternative to replace required reassessment signatures for service initiation. This took effect June 15, 2025.

Different rates in the Disability Waiver Rate System are established for awake and asleep night supervision and took effect June 15, 2025.

Beginning the latter of Jan. 1, 2026, or upon federal approval, the law limits billing for individualized home supports with training and individualized home supports with family training to six hours per day. This provision took effect June 15, 2025.

The Department of Human Services is required to develop a proposal for a long-term care consultation services payment methodology that does not rely on a time study to determine reimbursement to counties.

Payment rates will increase for family residential services by 25.84%, effective Jan. 1, 2026, or upon federal approval. Rates for life sharing services must be 10% higher than the corresponding family residential services rate. (Art. 2, Secs. 1, 9, 10, 14-16, 18, 29, 32, 34, 41, 56, 64, 66-68)

Working groups

An Advisory Task Force on Waiver Reimagine will be established, effective June 15, 2025, to make findings and recommendations related to Waiver Reimagine in Minnesota, including consolidation of the existing four disability home and community-based waiver service programs into two waiver programs, budgets based on the needs of the individual that are not tied to location of services,

individual budget methodologies, and appropriate assessments.

A Long-Term Services and Supports Advisory Council will be established. By Dec. 1, 2026, the council must submit to the governor and Legislature “recommendations to reduce cost growth in long-term services and supports, to build greater efficiencies into the long-term care services system, and to promote better outcomes for Minnesotans with long-term care needs.”

A working group is established to develop recommendations specific to recovery residences. A report to the Legislature is due by Jan. 1, 2027.

The Priority Admissions Review Panel is established to evaluate the 48-hour priority admissions timeline and measure progress toward implementing recommendations from the Task Force on Priority Admissions to State-Operated Treatment Programs. A report to the Legislature, including any recommendations, is due by Feb. 1, 2026. (Art. 2, Secs. 29, 58; Art. 4, Sec. 51; Art. 5, Sec. 11)

Other policy provisions

- The law will, among other things, also:
 - require the Department of Human Services to immediately approve a limited exception for up to 10 civilly committed patients per year in hospital settings to be added to the Direct Care and Treatment admissions wait list, until Jun 30, 2027;
 - remove exemptions for the county cost of care requirements for the Anoka-Metro Regional Treatment Center and community behavioral health hospitals that expired June 30, 2025;
 - provide for provisional licensure of early intensive developmental and behavioral intervention providers;
 - require an expedited disability determination process be established for applicants in high-risk categories;
 - effective June 15, 2025, prohibit new room and board service vendors from receiving payments from the behavioral health fund;
 - adjust rates for substance use disorder treatment services and add annual inflation;
 - require compliance training for recovery community organization owners active in day-to-day management and operations of organization, effective Jan. 1, 2027;
 - require the Department of Human Services to develop legislative recommendations “that would eliminate any limitations on licensed health professionals’ ability to provide substance use disorder treatment services while practicing within their licensed or statutory scopes of practice”;
 - require background studies on individuals with at least a 5% ownership stake, operator, and employees or volunteers who have direct contact with people receiving services with housing stabilization services providers;
 - increase and add fees for various Department of Human Services licensing services;
 - require the Department of Human Services to establish voluntary certification for recovery residences (formerly “sober homes”) effective January 1, 2027; and
 - limit behavioral health fund service eligibility to 60 consecutive days per year, and require DHS or the Tribal Nation, rather than the county, to make behavioral health fund eligibility determinations. (Art. 3, Sec. 1; Art. 4, Secs. 32-35, 48, 52; Art. 5, Secs. 1, 11-12; Art. 6, Sec. 1; Art. 7, Sec. 1; Art. 10, Secs. 4-11)

Health and Human Services

2025-2026 Regular Session

Illegal remuneration part of human services policy law

A new law makes numerous human services policy changes that include cracking down on fraud and updating laws to accommodate the new Department of Direct Care and Treatment.

The law also establishes a review process for changes to long-term services and supports, provides a designated support person for residents of long-term care facilities, excludes weekends and holidays from a mental health diagnostic assessment 10-day timeline; and makes changes to the peer recovery support services.

Sponsored by Rep. Joe Schomacker (R-Luverne) and Sen. John Hoffman (DFL-Champlin), it takes effect Aug. 1, 2025, unless otherwise noted.

HF2115*/SF2443/CH38

Illegal remuneration

This bill establishes a Minnesota anti-kickback statute for health care programs that mirrors federal law and also applies to behavioral health programs and child care assistance programs. An anti-kickback provision related to grant programs is also established making it illegal to solicit or receive something of value in exchange for awarding a grant or facilitating the award of a grant, and makes it illegal to offer or provide something of value to induce another to award a grant or facilitate the award of a grant.

Felony penalties are established consistent with the those for the theft of public funds, with a maximum penalty of 20 years in prison. (Art. 5, Sec. 32)

Aging and disability services

The law will modify the positive support analyst qualifications by adding demonstrated expertise in positive support services for those who have obtained a baccalaureate degree in one of the behavioral sciences or a related field.

It will eliminate the needs determination process for community-based adult day services providers to align with employment first requirements, effective July 1, 2025.

Rates for day training and habilitation services are clarified for people receiving services in an intermediate care facility for persons with developmental disabilities, effective Jan. 1, 2026.

It will allow parents to provide personal assistance services to a minor child while traveling temporarily out of state if the child has an assessed activity of daily living dependency requiring supervision, direction, cueing, or hands-on assistance.

Medical Assistance providers will be required to grant the state medical review team access to electronic health records and accept electronically signed authorizations to release medical records provided by the state medical review team.

Case managers will be required to annually complete an informed choice curriculum and pass a competency evaluation, in a form determined by the department, on informed decision-making standards.

Effective July 1, 2025, the department will be required to consult with the Disability Waiver Rate System advisory committee and other community partners as required to periodically review, update, and revise the format by which initiators of rate exception requests and lead agencies collect and submit information about individuals with exceptional needs. (Art. 1, Secs. 1, 5, 13-14, 16, 20, 23)

Department of Health policy

A facility will be required to allow, at a minimum, one designated support person chosen by the resident to be physically present with the resident at times of the resident's choosing while the resident resides at the facility.

The law will require the Health Department to review and approve curricula used to train unlicensed personnel to administer medications, to approve significant updates or amendments to the curricula, and to maintain a current list of acceptable medication administration curricula to be used for medication aide training programs for nursing home and boarding care home employees.

At least a vertical two-hour fire barrier will be required between any licensed assisted living facility area and unlicensed entity areas of a shared building.

An assisted living facility will be prohibited from terminating or declining to renew an assisted living contract on the grounds that the resident changes from using private funds to using public funds for housing or services if certain conditions are met. (Art. 2, Secs. 6-7, 15, 21)

These provisions are effective Jan. 1, 2026.

Direct Care and Treatment

The law makes numerous technical changes related to the creation of Direct Care and Treatment as a separate department. These provisions take effect July 1, 2025.

Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the Direct Care and Treatment Office of Special Investigations' staff and by the Minnesota Sex Offender Program's executive director and the executive director's staff will be required to register and display passenger vehicle classification license number plates, furnished by the registrar at cost.

The executive board shall establish standard admission and continued-stay criteria for state-operated services facilities to ensure that appropriate services are provided in the least restrictive setting. (Art. 3, Secs. 26, 33)

Behavioral Health

The law contains provisions modifying mental health and substance use disorder treatment services, including:

- a person convicted of certain offenses won't be ordered to pay comprehensive assessment costs if the assessment is eligible for reimbursement under Medical Assistance or the behavioral health fund;
- county boards will be prohibited from charging for emergency services provided to clients experiencing emotional crisis or mental illness;
- a grant program must be established to improve behavioral health outcomes for youth attending a qualifying school unit;
- tardive dyskinesia will be added to required training on psychotropic medications and side effects
- recovery community organizations will be required to be certified by the Minnesota Alliance of Recovery Community Organizations to be eligible vendors of peer recovery support services for purposes of the behavioral health fund; and
- weekends and holidays will be excluded from the requirement to complete a mental health diagnostic assessment within 10 days of admission for certain clients. (Art. 4, Secs. 5-8, 16-19, 23-24, 26, 31-32)

Terminology

The new law will update terminology deleting the terms "emotional disturbance" and "severe emotional disturbance" and replace them with "mental illness" and "serious mental illness." It will also remove the term "out-of-home placement" and replace it with "residential treatment and therapeutic foster care" throughout the Children's Mental Health Act.

Higher Education

2025-2026 Regular Session

Higher education law appropriates \$4 billion, addresses grant program deficit

The higher education budget and policy law appropriates \$4.01 billion for the 2026-27 biennium to the Office of Higher Education, Minnesota State and University of Minnesota.

Sponsored by Rep. Dan Wolgamott (DFL-St. Cloud) and Sen. Omar Fateh (DFL-Mpls), the law contains \$1.76 billion in the 2026-27 biennium for Minnesota State, \$1.49 billion for the University of Minnesota, and \$760 million for the Office of Higher Education. The Mayo Foundation's \$3.6 million appropriation is eliminated.

The law takes effect July 1, 2025, unless otherwise noted.

2025 Special Session: SSHF6/SSSF1*/CH5

Appropriation changes

The Office of Higher Education that administers the state's financial aid programs will receive \$760.98 million. Of that, \$494.6 million is targeted to the State Grant Program, a \$44.47 million increase to remedy a program deficit.

In addition to the funding increase, the law uses policy changes to attack the deficit including:

lowering the maximum lifetime credit cap on state grant awards from 180 credits to 120 credits;

imposing a tuition cap for four-year programs;

reducing the default living-and-miscellaneous-expense allowance from 115% of federal poverty guidelines to 106% for a one-person household for nine months; and

changing the deadline for applications for state grant awards for an academic term from the end of the fiscal year following the term to 30 days after the start of that term.

For the State Grant Program, the definition of assigned family responsibility is amended. Per the law, the assigned family responsibility for dependent students is 95% (was 79%) of the parental contribution. If the parental contribution is between \$0 and negative \$1,500, the assigned family responsibility is 50% (was 100%) of the parental contribution. If the parental contribution is less than negative \$1,500, the recognized parental contribution is negative \$1,500. For independent students, the responsibility is set at 50% of the negative student contribution, subject to a minus-\$1,500 floor, if the federally determined student contribution is less than zero.

The office will also receive increases of \$8 million for fostering independence higher education grants; \$1.25 million for agency administration, and \$500,000 more for child care grants.

However, the law will reduce by \$6.06 million emergency assistance for postsecondary students, funds that will instead go directly to Minnesota State and the University of Minnesota to be used for similar purposes; \$5.5 million to the state work-study program; \$1.6 million for hunger-free campus grants (also shifted directly to the systems); and \$500,000 in grants to student teachers in shortage areas.

Minnesota State will receive \$1.76 billion, a \$6.2 million increase: \$4.5 million for emergency assistance for postsecondary students grants; \$1.2 million for hunger-free campus grants; and \$500,000 for Lake Superior College PFAs remediation.

The five-campus University of Minnesota will receive \$1.49 billion, including \$15.26 million in fiscal year 2026 for a partnership with the Mayo Clinic for Amyotrophic lateral sclerosis (ALS) research; \$3 million for residency programs in St. Cloud and Willmar as part of a partnership between the medical school and CentraCare; \$1.56 million for emergency assistance for postsecondary students grants; and \$400,000 for hunger-free campus activities.

No longer funded is \$14.98 million for the university and Mayo Foundation partnership for biotechnology and medical genomics and Alzheimer's research grants.

Other decreases include \$2 million for the cannabis research center, \$1.4 million for Research and Innovation Office; \$1 million for Alzheimer's research grants; \$588,000 for University of Minnesota Talented Youth Mathematics Program; \$184,000 for Humphrey Forum; and \$58,000 for economic development research.

Policy provisions

Policy in the law includes changes to existing programs and regulatory laws.

For example, the law requires Minnesota State and requests the University of Minnesota to maintain a supply of nasal opiate antagonist at each campus residential building. A nurse or other institution personnel can be authorized by a physician to administer opiate antagonists.

When it comes to campus sexual misconduct, the law amends postsecondary institution requirements regarding procedures for adjudicating campus sexual misconduct allegations, including letting institutions use the "preponderance of evidence" standard of proof or any higher standard, including "clear and convincing evidence," and require institutions to hold a hearing related to disciplinary action if requested by either the reporting or responding party in adjudicating campus sexual misconduct allegations.

The law also:

allows Minnesota State universities to offer applied doctoral degrees in cybersecurity;

requires Minnesota State and requests University of Minnesota that all North Star Promise eligible students – Minnesota residents with a family Adjusted Gross Income below \$80,000 – receive resident tuition rates;

sets the deadline for scholarship applications for the North Star Promise program to 30 days after the start of the term for which the scholarship is applied, to align with the State Grant Program deadline;

establishes that a student who has completed the degree requirements for their first baccalaureate degree is no longer eligible for North Star Promise, even if the student has not yet graduated with the degree;

removes "the number of late payments in the previous 12 months" from the list of data elements the Office of Higher Education may disclose to a consumer credit reporting agency with borrower consent;

expands tribal college supplemental grant assistance to tribal colleges based on beneficiary and nonbeneficiary students;

allows only postsecondary institutions and nonprofit organizations to receive a spinal cord and traumatic brain injury research grants;

expands the existing free unlimited access to the Landscape Arboretum for disabled veterans to also include one guest of the veteran;

establishes a working group to develop policy recommendations to prevent fraudulent enrollment in online courses; and

establishes within Minnesota State, a temporary pilot program to provide last-dollar, full tuition and fee grants for Minnesota law enforcement officers and their dependents attending state colleges and universities. This program will expire June 30, 2027.

Housing

2025-2026 Regular Session

Service dog trainers gain housing protections

A new law effective Aug. 1, 2025, will ensure people who have a service dog in training are entitled to “full and equal access to all housing accommodations,” that apply to people who have a service dog with them permanently.

About 1,000 volunteers across the state help train and socialize assistance dogs, who are typically ready to go to permanent homes at age 3. Some who want to train dogs have been unable to because of homeowner association restrictions on any pets or those of a certain breed or weight.

Trainers can’t be charged extra to have the dog but are liable for any damage it might cause.

The dogs must be actively trained under the guidance of an accredited organization. Landlords or homeowners may require written notice of that fact, ensuring pets aren’t kept under the guise of being a service dog-in-training.

Rep. Cedrick Frazier (DFL-New Hope) and Sen. Bonnie Westlin (DFL-Plymouth) sponsor the law.

HF688*/SF1317/CH16

Housing

2025-2026 Regular Session

Budget includes \$184 million for Minnesota Housing, \$50 million in housing infrastructure bonds

A new law provides \$184 million from the General Fund to a variety of loan and grant programs operated by the Minnesota Housing Finance Agency. It also authorizes the sale of \$50 million in housing infrastructure bonds.

Sponsored by Rep. Spencer Igo (R-Wabana Township) and Sen. Lindsey Port (DFL-Burnsville) the omnibus housing law mostly takes effect July 1, 2025.

HF2309/SF2298*/CH32

The law provides \$46 million for the state’s rental assistance program, which offers help to lower income, and rent-burden Minnesotans.

It also appropriates \$23.29 million for the Housing Trust Fund Account, which offers loans or grants to develop, acquire, preserve and rehabilitate low-income rental or co-op housing along with providing support programs for families with school-aged children.

Among other appropriations are:

- \$28.89 million for a family homelessness prevention and assistance program. Base funding is set at \$10.72 million starting in fiscal year 2028;
- \$27.85 million for the Challenge Grant Program;
- \$10.68 million for rental assistance for individuals with a mental illness;
- \$8.46 million affordable rental investment fund which supports federally assisted rental property;
- \$7.49 million to rehabilitate rental housing;
- \$5.54 million for rehabilitation of owner-occupied housing;
- \$5.5 million for the Homework Starts with Home program to provide assistance to families who are highly mobile, homeless or at risk of becoming homeless;
- \$4 million for a Greater Minnesota workforce housing development program;
- \$2.5 million for the workforce homeownership program, with the base set at \$250,000 in fiscal year 2028 and beyond;
- \$3.77 million (\$2 million over base) for a fund aiming to address significant racial gaps in home ownership; and
- \$2 million for manufactured home park infrastructure grants.

One-time funding includes \$2 million for Greater Minnesota housing infrastructure grants and \$2 million for community-based, first-generation homebuyer downpayment assistance grants.

The law also provides less than \$1 million per year for homeownership education and training programs, capacity building grants, and Build Wealth Minnesota, which offers resources in financial literacy, budgeting and debt counseling. (Art. 1, Sec. 2)

Policy

The law encourages communities to reduce some zoning regulations by offering a boost to competitive grant scores. The Housing Finance Agency shall award points, capped at 5% of total points available, to applicants in communities that do at least one of the following:

- allow multifamily housing in at least 50% of the area in commercial zones;
- allow smaller units such as duplexes, accessory dwelling units, or townhomes in 50% of areas zoned for single-family housing;
- don't require more than one parking space per unit;
- don't require lot sizes bigger than 1/8-acre for new single-family home construction;
- don't have aesthetic mandates on new home construction such as a specific exterior finish, decks, porches, shutters or a minimum garage size;
- have density bonus for affordable housing; or
- have adopted inclusionary zoning to increase the supply of affordable homes.

This scoring boost took effect May 24, 2025, and expires after five years. The boost only applies in the next scoring system developed by the agency. (Art. 3, Sec. 13)

The law also requires the Minnesota Housing Finance Agency to work with stakeholders and develop a framework by Feb. 15, 2026, to preserve regulated affordable housing. Per the law, "The goal of this framework is to preserve and sustain affordable housing development organizations, the affordable rental buildings they own, and the housing for the people who live in the buildings today and in the future."

Additionally, the Community-Based First-Generation Homebuyers program administered by the Midwest Minnesota Community Development Corporation will not be a pilot project, but a program. The law makes eligibility apply to a homebuyer, not household. Grants can be up to 10% of the median home sales price, beginning in 2027. (Art. 1, Secs. 9, 11)

Other policy provisions include those that will:

- require the agency to inform manufactured home park owners about a tax credit for selling to cooperatives;
- require Minnesota Housing to post rights and responsibilities of landlords and tenants on its website;
- clarify that income needs to be recertified annually for rental assistance, not eligibility;
- allow rental assistance to be distributed by formula;
- make contract alternative schools and contract tribal schools eligible for Housing Challenge Grants;
- allow housing infrastructure bonds to be used for adaptive reuse, such as converting former school buildings into apartments;
- require Local Housing Trust Fund Grants to be used within five years instead of eight;
- change the high-rise sprinkler grant and loan program so more buildings are eligible;
- require Minnesota Housing to report its asset management portfolio, including operating expenses compared to revenue and a summary of tenant receivables, including late rent, fees and damages; and
- require a report on accessible housing. (Art. 3, Secs. 1-8, 10, 12, 15-16)

Other changes include: landlords must ensure living quarters, including kitchens and bathrooms, are capable of maintaining a temperature of at least 68 degrees Fahrenheit in the winter and may not disclose information about a tenant who is a victim of violence even if the renter needs to break their lease; anti-wage theft laws apply to all agencies allocating low-income housing tax credits; and, in a provision effective May 24, 2025, counties cannot charge to remove illegal restrictive covenants from title documents. (Art. 4, Secs. 1, 4-5, 9).

Local Government**2025-2026 Regular Session****North Koochiching Sanitary Sewer Board, Crane Lake Water and Sanitary District reorganized**

A new law will reorganize the North Koochiching Sanitary Sewer Board and the Crane Lake Water and Sanitary District.

Four member positions are removed; however, two are redistributed. The result is International Falls loses a member, the East Koochiching county sewer district gains one, and an at-large member position is created.

The law also allows the Crane Lake Water and Sanitary District to be reduced from five members to three and makes technical corrections to the election process once the district has three members. This takes effect upon the Crane Lake Water and Sanitary District's compliance with the local approval requirements.

The rest of the law takes effect the day after the North Koochiching board's compliance with local approval.

Rep. Roger Skraba (R-Ely) and Sen. Grant Hauschild (DFL-Hermantown) are the sponsors.

HF1058*/SF563/CH6

Military and Veterans Affairs**2025-2026 Regular Session****Omnibus veterans and military affairs law includes new funding, policy changes**

A new law will provide a \$50.5 million increase over base for veterans and military affairs funding and make a handful of policy changes.

Sponsored by Rep. Matt Bliss (R-Pennington) and Sen. Aric Putnam (DFL-St. Cloud), the law, effective July 1, 2025, will spend \$365.23 million from the General Fund in the 2026-27 biennium.

Of the increased funding, \$40.9 million is targeted to the Department of Veterans Affairs, with \$39.17 million to support operations at the state's eight veterans' homes, including staffing increases for the Bemidji, Montevideo and Preston facilities (each opened early in 2024) to reduce the waitlist of veterans seeking to live there.

Other department increases include a nearly \$1.19 million operating adjustment; \$300,000 to increase suicide prevention; \$300,000 to expand home-delivered meals to veterans, including in Greater Minnesota; \$120,000 to provide technical assistance to county veterans service officers for three areas: women veterans, suicide prevention and justice-involved veterans; and \$100,000 to Hometown Hero Outdoors to fund outdoor recreational activities and mental health services for currently serving military personnel and veterans.

A fiscal year 2026 allocation of \$118,000 is for a task force to develop eligibility requirements for "Veteran of the Secret War in Laos" status. The task force must first meet by Sept. 15, 2025, and it will expire Feb. 15, 2026.

Such status will be granted under state law to certain people who served with special guerilla units or other irregular forces in Laos: naturalized under the federal Hmong Veterans' Naturalization Act of 2000 or whom the Department of Veterans Affairs has determined "served honorably with a special guerrilla unit or other irregular forces that operated from a base in Laos in support of the armed forces of the United States at any time during the period beginning Feb. 28, 1961, and ending May 14, 1975, and is a citizen of the United States or an alien lawfully admitted for permanent residence in the United States." An eligibility certificate for the benefits and privileges will be provided to show a veteran's status.

Five spending increases are targeted to the Department of Military Affairs: \$8 million to maintain enlistment and retention bonuses, a \$599,000 operating adjustment, \$750,000 to sustain the agency's current Cyber Coordination Cell program that provides "sustained support for Cyber operations readiness within the Minnesota National Guard," \$242,000 in fiscal year 2026 to operate the Holistic Health and Fitness program for the Army National Guard, and \$4,000 so 5% of service member base pay is a pension offset for those activated for state active duty. Prior to the law taking effect, only federal active service days are credited towards a National Guard member's pension.

The law eliminates a \$200,000 appropriation each year to the veterans resilience project, an organization that makes eye movement and desensitization and reprocessing therapy available to veterans, current military members and the spouses of each, suffering from posttraumatic stress disorder and trauma.

Other policy in the law will:

- increase the maximum bonded indebtedness allowed for the State Armory Building Commission from \$15 million to \$45 million;
- increase to \$160,000 the annual grant amount that can be made from the Department of Veterans Affairs to the Minnesota Association of County Veterans Services Officers, and allowing up to \$60,000 be used “to train technical assistance coordinators and for technical assistance coordinators to travel to consult with Minnesota counties on specific areas of expertise upon request”;
- extend the Department of Veterans Affairs’ read-only access to MAXIS, a computer system used to determine eligibility for public assistance;
- update state statutes governing burial provisions to align with federal laws governing eligibility for burial in veterans cemeteries;
- allow surviving spouses of service members who die because of their military service to remain eligible to use the service member’s education benefits even if the surviving spouse remarries; and
- require placement of a memorial plaque in the Court of Honor on State Capitol grounds to recognize the service and sacrifices of Minnesota’s Gold Star and Blue Star families.

HF2444/SF1959*/CH30

Public Safety

2025-2026 Regular Session

New law clarifies intent of Hometown Heroes Assistance Program

Legislative intent is clarified regarding the types of care eligible for reimbursement under the Hometown Heroes Assistance Program created in 2021 to assist firefighters experiencing critical illnesses and mental health issues.

The law specifies that expenses related to peer-to-peer counseling are reimbursable under the program. It also provides that each firefighter is eligible for two hours of training in understanding and mitigating the risk of job-related critical illnesses and emotional trauma.

Sponsored by Rep. Cheryl Youakim (DFL-Hopkins) and Sen. Jeff Howe (R-Rockville), the law took effect May 7, 2025.

HF1163*/SF1427/CH17

Public Safety

2025-2026 Regular Session

Department of Corrections gets \$9 million in to fill budget deficiency

The Department of Corrections will receive \$9.09 million from the General Fund in fiscal year 2025 to eliminate a funding deficiency in incarceration and prerelease services.

Increased staffing costs associated with the agency hiring additional staff created the shortfall.

Sponsored by Rep. Kelly Moller (DFL-Shoreview) and Sen. Ron Latz (DFL-St. Louis Park), the law also authorizes the department to reallocate \$10 million in unspent fiscal year 2025 appropriations.

The law took effect May 9, 2025.

HF3006/SF3196*/CH19

Public Safety

2025-2026 Regular Session

Rules set for gifts related to the death of public safety officers killed in the line of duty

A new law allows state agencies and political subdivisions to receive certain gifts after a public safety officer from the same agency or political subdivision is killed in the line of duty.

The gift must honor or commemorate the fallen officer, or provide team morale and cohesion services to the recipients, and the gift must follow applicable government gift policies.

Public safety officers include peace officers, corrections officers, firefighters, emergency medical service providers and others in public safety roles.

A state agency or political subdivision shall report any gifts received within three months of use or distribution to the Department of Public Safety. The report must specify the amount or description of the gift, its source, and the use to which it was put. The state agency or political subdivision shall also post this information on its website.

The law also authorizes certain local governments to expend money for a funeral or memorial for a fallen officer, and for travel and participation costs for qualified individuals in national memorial events for fallen public safety officers that occur within 24 months of the death of an officer or local government employee.

Sponsored by Rep. Kaela Berg (DFL-Burnsville) and Sen. Zach Duckworth (R-Lakeville), the law took effect May 1, 2025.

HF124*/SF1266/CH7

Public Safety

2025-2026 Regular Session

Performing national criminal background checks on adult business license applicants

Cities and counties can conduct a criminal background check that includes the national database for applications for a license to operate an adult entertainment establishment or provide massage services.

Prior to a new law taking effect Aug. 1, 2025, cities and counties could only conduct a criminal background check that includes records within the state.

Rep. Bernie Perryman (R-St. Augusta) and Sen. Jeff Howe (R-Rockville) sponsor the law.

HF286*/SF803/CH22

Public Safety

2025-2026 Regular Session

Law modifies reporting requirements for biennial report on child sex trafficking prevention

A 2013 law established a director for child sex trafficking prevention within the Department of Health and required the director to submit an evaluation of the statewide program for Safe Harbor for sexually exploited youth to the commissioner every two years.

This law requires the director to also submit the evaluation to the chairs and ranking minority members of the Senate and House of Representatives committees with jurisdiction over health and public safety by Sept. 1 of each odd-numbered year.

Rep. Aaron Repinski (R-Winona) and Sen. Paul Utke (R-Park Rapids) sponsor the law that takes effective Aug. 1, 2025.

HF129*/SF2210/CH12

Public Safety

2025-2026 Regular Session

Increased use of ignition interlock approved for monitoring repeat impaired driving offenders

People with more than one DWI offense and wish to be licensed to drive again will be required to participate in an ignition interlock program, thus having to establish before driving that they are not at a certain alcohol concentration level.

A new law, effective Aug. 1, 2025, will consolidate license revocation requirements into one section of law, maintaining the existing revocation requirements for those with no prior incidents while extending the lookback period for prior offenses from 10 years to 20 years. It will also specify the time a person must participate in the ignition interlock program before becoming eligible for reinstatement of a standard driver's license.

Eligibility for ignition interlock is expanded to include criminal vehicular homicide. For someone who commits criminal vehicular homicide or criminal vehicular operation, the license revocation period will be extended, as it will for anyone with a DWI-related offense who has had a prior incident. A gross misdemeanor penalty is established for driving with a license that's been revoked for a DWI-related offense unless the vehicle is equipped with an ignition interlock device.

All participants in the ignition interlock program must complete a licensed substance use disorder treatment or rehabilitation program.

Prior to the law, a person had to pay the \$680 license reinstatement fee before starting interlock. With the change they can start the program without making any payment, but the fee must be fully paid before reinstatement of a standard license.

Rep. Larry Kraft (DFL-St. Louis Park) and Sen. Ron Latz (DFL-St. Louis Park) are the sponsors.

An appropriation from the driver and vehicle services operating account of \$382,000 for fiscal year 2026 to expand the ignition interlock program is effective July 1, 2025.

HF2130*/SF2068/CH29

Public Safety

2025-2026 Regular Session

Public safety, judiciary law funds – and makes changes to – courts, cops, and corrections

The omnibus public safety and judiciary policy and finance law appropriates \$3.5 billion in the 2026-27 biennium to fund the Corrections, Human Rights and Public Safety departments, Minnesota courts, civil legal services, Guardian ad Litem Board, Tax Court, Uniform Laws Commission, and the Judicial Standards, Public Defense and Peace Officers Standards and Training boards.

The wide-ranging law, effective July 1, 2025, unless noted, also makes several policy changes, including increasing penalties for assaulting a firefighter, extending the statute of limitations for first-degree arson from five to 10 years, authorizing county attorneys to use administrative subpoenas in wage theft investigations and making it a crime to knowingly cause or permit a child to inhale, be exposed to, have contact with, or ingest fentanyl.

Rep. Paul Novotny (R-Elk River) and Sen. Ron Latz (DFL-St. Louis Park) are the sponsors.

HF2432*/SF1417/CH35

Judiciary appropriations

District Courts are funded with \$792.8 million, including \$5.4 million to increase the pay of forensic navigators who perform psychiatric or psychological examinations assessing civil commitment proceedings and criminal competency from \$136 per hour to \$165 per hour.

Other appropriations include \$105.2 million for the Supreme Court, \$31.2 million for the Court of Appeals and \$4.7 million for the Tax Court.

The law includes a \$4 million grant in fiscal year 2026 to the Judicial Branch to make documents and court information assessable electronically. Courts will be permitted to charge a reasonable fee to private attorneys for this improved access and to retain any money collected.

Other judiciary appropriations are:

- \$335.2 million for the Board of Public Defense;
- \$70.7 million for the Board of Civil Legal Aid;
- \$53.5 million for the Guardian Ad Litem Board, including money to hire two guardian ad litem supervisors;

- \$22.2 million for the Competency Attainment Board;
- \$17.8 million for the Department of Human Rights;
- \$10.7 million for the Cannabis Expungement Board;
- \$2.4 million for the Office of Appellate Counsel and Training;
- \$2.2 million for the Sentencing Guidelines Commission;
- \$1.3 million for the Board of Judicial Standards; and
- \$230,000 for the Uniform Laws Commission.

Department of Public Safety

The Department of Public Safety will receive \$553.3 million in the 2026-27 biennium, including: \$226.9 million for the Bureau of Criminal Apprehension, \$151.2 million for Emergency Communications Networks, and \$103.6 for the Office of Justice Programs.

Of the \$23.4 million for the Peace Officer Standards and Training Board, \$9.9 million is for the “Philando Castile Memorial Training Fund” that’ll support and strengthen law enforcement training and implement best practices.

Within Emergency Communications Network funding, \$14 million is a one-time fiscal year 2026 transfer from the E911 fund for critical infrastructure maintenance of the ARMER public safety radio system.

Department of Corrections

The law funds the Department of Corrections with a \$1.68 billion appropriation, including \$1.15 billion for incarceration and pre-release services, \$404.7 million for community supervision and post-release services, \$118.3 million for administrative services, \$2.3 million for the Ombudsperson for Corrections and \$2 million for the Clemency Review Commission.

The law mandates a four-year phased closure of the Stillwater prison, and appropriates \$1 million in fiscal year 2026 to fund a study on decommissioning the facility. The incarceration and pre-release services budget includes a \$90.3 million department-wide operating adjustment in the 2026-27 biennium for expenses associated with the closure and \$98 million in 2028-29.

Policy changes

Judiciary and civil and criminal law policy items in the law include:

- increasing electronic access to judicial court records;
- raising district court civil action filing fees by \$25, with revenue going to fund crime victim services;
- decriminalizing possession of bong water. This section became effective May 24, 2025, and applies retroactively from Aug. 1, 2023;
- making it a crime to knowingly cause or permit a child to inhale, be exposed to, have contact with, or ingest fentanyl;
- increasing penalties for assaulting a firefighter;
- establishing consecutive or executed sentences for an incarcerated person who assaults a sheriff or deputy;
- Codifying presumptive prison sentences for first-degree sex trafficking;
- expanding the crime of destruction of public utilities to include streetlights, electric vehicle charging stations, traffic signals and electronic warning signs;
- protecting all correctional employees from the reporting of fictitious crimes, also known as swatting;
- expanding child pornography crimes to include computer-generated depictions indistinguishable from an actual minor;
- extending the statute of limitations for first-degree arson from five to 10 years;
- conforming the dates of conviction for individuals who received relief from a conviction for first- or second-degree murder and were instead sentenced to another felony; establishing the Statewide Office of Appellate Counsel and Training as an agency in the executive branch;
- permitting anyone age 21 or older to perform civil marriages;
- modifying the definition of “custodian” in orders of protection;

- modifying the ways a guardian can restrict who can contact an individual under guardianship or conservatorship; and
- effective Jan. 1, 2026, modifying how courts issue orders for protection against financial exploitation of a vulnerable adult. (Art. 1, Secs. 19-20; Art. 4, Secs. 1-12, 14-15; Art. 11, Secs. 1, 6, 12-13, 16).

Policy items for the Corrections and Public Safety departments include:

- requiring the state fire marshal to conduct or contract with a third party to conduct a comprehensive assessment of how firefighting services are provided in Minnesota;
- formally transferring the Commerce Department Fraud Bureau to the Bureau of Criminal Apprehension;
- requiring certain criminal fines imposed by courts to be deposited into the Minnesota victims of crime account;
- requiring most law enforcement agencies to report recovered firearms to the federal eTrace system;
- establishing a task force on mandatory minimum sentences;
- requiring schools to report active shooter events and active shooter threats to the Minnesota Fusion Center;
- requiring local correctional facilities to provide inmates with the same medications prescribed to them prior to their incarceration;
- adding people with dementia, a traumatic brain injury, Alzheimer's disease, or other cognitive impairments to the scope of the missing and endangered persons program;
- authorizing county attorneys to use administrative subpoenas in wage theft investigations;
- prohibiting courtroom disclosure of communications between a domestic assault victim and domestic abuse advocate without victim consent;
- expanding police use of unmanned aerial vehicles (drones) without warrants;
- expanding police use of mobile tracking devices that can be attached to stolen and fleeing vehicles;
- allowing children's advocacy centers to receive a portion of criminal fines imposed following a conviction for certain assault and criminal sexual conduct offenses;
- requiring the Department of Corrections or other custodial authority to make a good faith effort to notify the victim that the offender has submitted a letter of apology;
- requiring prisons to maintain an ample supply of opiate antagonists for a rapid response to opioid overdoses; and
- modifying earned incentive release credits and earned compliance credits for inmates. (Art. 2, Secs. 3, 14, 26; Art. 3, Secs. 20-21; Art. 5, Secs. 4, 6-7, 10, 12-13, 23-25; Art. 6, Sec. 1, 4; Art. 7, Secs. 1, 11-13)

In the area of data practices, government agencies will be able to cease working to fulfill data requests if a requester does not inspect or collect any data provided within five business days after being notified that requested information is available.

Additionally, the law modifies the types of parental information that may be made public in student directories distributed by schools; expands to all judicial officials the prohibition on releasing data contained in real property records to the public; and limits the release of data to a patient registry without the individual's informed consent. (Art. 9, Secs. 1-3, 6-7, 13)

State Government

2025-2026 Regular Session

Annual revisor's law makes miscellaneous minor changes

The annual revisor's law makes miscellaneous and technical corrections to laws and statutes, corrects erroneous, obsolete, and omitted text and references, corrects poor grammar, and removes redundant, conflicting, and superseded provisions.

Sponsored by Rep. Peggy Scott (R-Andover) and Sen. Warren Limmer (R-Maple Grove), the effective dates are dependent on provisions needing clarification.

HF3022*/SF3289/CH20

State Government**2025-2026 Regular Session****Former Rep. Mary Murphy honored with library grant program name change**

Rep. Mary Murphy was the longest serving woman in the history of the House.

Representing her district near Duluth from 1977 to 2023, the DFLer from Hermantown championed the library construction grant program.

To honor the memory of Murphy, who died from complications of a stroke on Dec. 25, 2024, at age 85, the library construction grants program will be known as the "Mary C. Murphy Library Construction Grants Program."

A competitive dollar-for-dollar matching grant program, it provides public libraries with funding for renovation, construction, and improvement projects for more accessible facilities. Libraries can receive up to \$450,000 to remove architectural barriers and up to \$1 million to renovate or expand an existing building or construct a new library.

The law, effective May 20, 2025, is sponsored by Rep. Fue Lee (DFL-Mpls) and Sen. Sandra Pappas (DFL-St Paul).

HF1090*/SF1661/CH25

State Government**2025-2026 Regular Session****State and local government, elections funding and policy changes**

Ensuring the government functions for the people is a key component of the omnibus state and local government and elections law.

The \$1.35 billion spending package for the 2026-27 biennium is a \$46.5 million increase over forecast base and contains a plethora of policy provisions.

Rep. Ginny Klevorn (DFL-Plymouth) and Sen. Tou Xiong (DFL-Maplewood) sponsor the law that takes effect July 1, 2025, unless otherwise noted.

HF2783/SF3045*/CH39

State government funding

Most state agencies and departments will get an operating increase, in many cases to maintain current levels of service.

Among the increases are legislative operating adjustments of \$23.2 million, including \$13.92 million for the House, \$4.62 million for the Senate, and almost \$3.96 million for the Legislative Coordinating Commission.

Also included is \$579,000 for the Office of the Legislative Auditor to produce an annual report showing if identified recommendations by the office during the prior five years in a financial audit, program evaluation, or special review have been implemented.

Almost \$3.34 million in new funding is to the Office of the State Auditor: \$2.04 million operating adjustment, \$560,000 to add two auditors, \$456,000 for data warehouse purposes and \$283,000 for two trainers to support public finance staff.

For the Administration Department, a \$1.95 million increase is for in lieu of rent that covers maintenance and operations for entities that do not pay for their leased spaces and a \$911,000 operating adjustment. However, dissolving the Infrastructure Advisory Council will save \$946,000 and reducing enterprise translation office transfers will save another \$300,000.

The \$1.04 million increase for election purposes includes \$760,000 for the Campaign Finance and Public Disclosure Board for litigation expenses in the Minnesota Chamber of Commerce vs. Choi case and \$200,000 for a Help America Vote Act federal funds match.

Other non-operating adjustment increases include: \$717,000 to Minnesota Management and Budget for its Office of Strategic Planning, \$100,000 to the Latino Affairs Council, \$100,000 to the LGBTQIA2S+ Minnesotans Council, and \$55,000 in fiscal year 2026 so the Department of Children, Youth, and Families can integrate application information and a referral process for the transit assistance program into the MNbenefits web portal.

Effective May 24, 2025, the law permits agencies to carry forward unexpended and unencumbered non-grant operating balances from fiscal year 2025 into fiscal year 2026.

The law better specifies the use of a 2023 allocation and eliminates the Capitol Area community vitality account in the special revenue fund and instead appropriates the amount directly from the General Fund. It also appropriates \$3 million from the account “for the Ramsey County sheriff to implement a coordinated public safety and livability plan in the Capitol Area.” (Art. 1, Secs. 2-38, 44-46; Art. 2, Sec. 66)

Elections funding

Elections spending in the bill totals \$3.86 million in biennial spending, with a majority – \$1.81 million in fiscal year 2026 and \$1.84 million in fiscal year 2027 – going to the Campaign Finance and Public Disclosure Board.

Effective May 24, 2025, the secretary of state’s office must transfer \$3 million in fiscal years 2026 and 2027 from the General Fund to the voting operations, technology, and election resources account; \$200,000 in fiscal year 2026 from the General Fund to the Help America Vote Act; and \$25,000 in each fiscal year from the General Fund to the Voting Rights Act cost sharing account.

Minnesota Management and Budget is now allowed to transfer \$162,000 in the fiscal year of a gubernatorial election from the General Fund Contingent Account to establish a transition office for the governor-elect and to pay certain necessary and prudent expenses. The law adds transfers in fiscal year 2027 to provide the same for the attorney general-elect (\$75,000), secretary of state-elect (\$50,000) and state auditor-elect (\$50,000). (Art. 1, Sec. 46; Art. 7, Secs. 1-3)

Fighting fraud

By Feb. 1 each year, and as resources permit, the Office of the Legislative Auditor must report to the Legislature whether an entity subject to an audit “has implemented any recommendations identified by the legislative auditor during the prior five years in a financial audit, program evaluation, or special review.” And by July 1, a report is due listing the House and Senate committees to which the legislative auditor did or did not present their report in a public hearing.

An agency will be permitted to withhold payments to a program participant for up to 60 days if there is a preponderance of evidence the participant has committed fraud to obtain payments.

State agency staff assigned grant management responsibilities must complete initial grants management training before assuming grants management job duties and must complete continuing grants management training on an annual basis.

Grant agreements will require the grantee to clearly post on their website the names and contact information for organization leadership and the person who directly manages and oversees the grant for the grantee;

The commissioner or chief executive officer of each department, board, commission, office, or other agency, must ensure that employee and nonemployee concerns about the misuse of public money, other public resources, or government data is promptly directed to an obligated officer – including the chief executive officer, deputy or assistant chief executive officer, board chair, and division or department head – or the legislative auditor’s office.

The scope of existing whistleblower protections for state employees is expanded.

The list of officers who must notify the legislative auditor’s office when they obtain information indicating that public money or other public resources may have been used for an unlawful purpose is expanded to include deputy and assistant chief executive officers, chief administration officers, chief investigative officers, heads of divisions, bureaus, departments, institutes, or other organizational units, and board chairs, where applicable.

And the legislative auditor’s office is to establish a Special Reviews Division to fulfill relevant statutory duties, including to investigate allegations that an individual or organization subject to an audit has not complied with a legal requirement. The office may periodically conduct a follow-up special review to assess what changes have occurred.

Except where a provision of law to the contrary specifically prohibiting data sharing, any government entity can disclose data relating to suspected or confirmed fraud in public programs to any other government entity, federal agency, or law enforcement agency if the access promotes the protection of public resources, promotes the integrity of public programs, or aids the law enforcement process. (Art. 2, Secs. 8-11, 16, 22-23, 39-41, 57)

State government policy

Other state government policy in the law includes provisions that will:

- establish *Castoroides ohioensis*, commonly known as the giant beaver, or *capa* in Dakota and *amik* in Ojibwe, as the state fossil;
- designate *Ursa Minor* as the state constellation;
- effective June 30, 2025, establish a retained savings program to encourage state agencies to innovate and identify efficiencies and cost savings. This expires June 30, 2030;

- require Minnesota Management and Budget to submit an annual report to the Office of the Legislative Auditor detailing the implementation status of all office recommendations issued the previous five years;
- not permit expenditure estimates in the state budget forecasts related to the amount of state bonding to include assumptions of future authorizations of state general obligation bonds;
- prohibit state entities from agreeing to certain contract terms, including automatically renewing state funds in subsequent fiscal years;
- let a retired state employee's spouse purchase coverage for themselves under the State Employee Group Insurance Program if the retiree loses eligibility by enrolling in Medical Assistance, and has a disability that satisfies the categorical eligibility requirements of the federal Supplemental Security Income program;
- expand from 1% to 2% the regulatory fee imposed of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider;
- add the Office of Ombudsman for Long-Term Care to the list of people for whom state-provided motor vehicles are not required to be marked;
- change the Office of Administrative Hearings to the Court of Administrative Hearings;
- create a process for an agency to request a remand of a decision of an administrative law judge that may be a finding of fact, conclusion of law or recommendation;
- require state agencies to post an organizational chart online that includes the names and contact information for top officials;
- beginning Feb. 1, 2026 and annually for five subsequent years, require all state agencies to publish on their website for the previous fiscal year the total advertising spending by the agency and the total percent of advertising spent with local news organizations. This is effective Aug. 1, 2025;
- extend the due date and funding for a University of Minnesota geophysical study and hazard assessment of the St. Anthony Falls area and St. Anthony Falls cutoff wall in Minneapolis to June 30, 2026. This took effect May 24, 2025;
- define "responsible lottery official" for purposes of retailer eligibility criteria and contract conditions;
- require Minnesota Management and Budget to report to the Legislature three times in the 2026-27 biennium the number of posted executive branch job openings that have gone unfilled for at least six months;
- allow the Department of Administration to accept private funds for replacement of one of Minnesota's two statues in the U.S. Capitol;
- repeal the Legislative Commission on Minnesota Sports Facilities, Legislative Commission on Housing Affordability, Legislative COVID-19 Response Commission and Driver and Vehicle Systems Oversight Committee;
- make largely technical changes to statutes regarding state personnel management;
- modify education and reciprocity requirements for certified public accountants, including provisions effective May 24, 2025, and Jan. 1, 2026;
- modify Board of Cosmetology requirements for cosmetologists and hair technicians relating to textured hair;
- effective May 24, 2025, allow the Office of the Secretary of State to assess an up to \$40 late penalty when a person files for renewal or reinstatement of business entity that was administratively dissolved;
- effective May 24, 2025, establish a process to challenge and remove fraudulent business filings filed with the Office of the secretary of State; and
- effective May 24, 2025, require solicitations, as defined, to include certain information, be formatted in a specific way, and include a disclaimer. (Art. 1, Sec. 41; Art. 2, Secs. 1-3, 5, 17-18, 21, 24-26, 29-30, 45, 52, 58-62, 66, 69; Art. 3, Secs. 1-30; Art. 4, Secs. 1-4, 13-16; Art. 5, Secs. 1-2, 5-11, 13)

Local government policy

The law amends the state's open meeting laws by removing restrictions so members of a public body can participate remotely in a meeting from a location that is not open and accessible to the public without limitation. Before the change a member could participate from a nonpublic location up to three times a year and only if they were serving in the military or had personal or family medical reasons for not being in a public place.

The law will also:

- create a Ramsey County Economic Development Authority upon compliance with the local approval requirements. The Ramsey County Housing and Development Authority's powers will expand to include the economic authority's powers;
- permit St. Louis County to have more than two deputy administrators;
- give statutory cities the option to establish a public utilities commission with three, five, or seven members with staggered terms;
- allow statutory city public utility commission membership to be increased or decreased by ordinance, but will be subject to a reverse referendum;
- require cities and towns to provide landlords with a link to the attorney general's landlord-tenant guide upon issuance or renewal of a rental license, or registration or certificate of occupancy;
- let certain individuals who volunteer to provide emergency services to purchase tires for their personal vehicles under the contract that the city, town, or fire department uses to purchase vehicle tires;
- double the maximum reimbursement amounts – to \$3,000 for single- and two-family residential property and minimum damage acquisitions and \$10,000 for other types of property – for an appraisal of property conducted for a property owner whose property is to be acquired through eminent domain;
- permit public water district, sewer district, and combination water and sewer districts to install water and sewer lines and ancillary infrastructure within public road right-of-way;
- permit public notice postings on a political subdivision's website and the Minnesota Newspaper Association's statewide public notice website when no qualified newspaper is available for publication;
- effective Aug. 1, 2025, increase the annual revenue threshold that a town, standard plan statutory city, or statutory city, plan A, with combined the offices of clerk and treasurer must have an annual financial audit;
- decrease the Swift County Joint Powers Hospital District membership to six voting members. This is effective upon compliance with the local approval requirements. (Art. 6, Secs. 1-18)

Elections policy

The law establishes deadlines for the submission of absentee ballot applications.

Applications not submitted in person must be received at least seven days before the election. If an application is received after 5 p.m. seven days prior to the election, the official in charge of the absentee ballot board must attempt to contact the applicant by telephone or email to notify the applicant of other opportunities to vote in the election. Attempts must be documented.

Within seven days of an election, the secretary of state's office must replace the online absentee ballot application with information detailing the available options to vote before and on the upcoming election day.

A person using the online application to request an absentee ballot applicant will, effective Jan. 1, 2026, need to provide both a Minnesota driver's license or state ID card number and the last four digits of their Social Security Number, unless the applicant affirmatively certifies that they do not possess one of those numbers.

The delivery of an absentee ballot application by someone other than the voter must be returned within seven days, rather than the previous 10, after the voter dates the application, and no later than seven days prior to the election.

The law also makes changes about encouraging someone to request an absentee ballot.

Effective Jan. 1, 2026, a person or entity mailing an absentee ballot application or sample ballot must include the following statement in a way that is clearly visible when the mailing is opened: "This mailing is not an official election communication from a unit of government. This [absentee ballot application or sample ballot] has not been included at the request of a government official." If a sample ballot is enclosed, the statement must also include the following: "This is a sample ballot, not an official ballot. You cannot cast the enclosed sample ballot."

Further, the sender of the sample ballot or absentee ballot application must include their name and street address in the return address position on the mailing envelope. If an absentee ballot application is included, the space on the application to indicate the applicant's preference to join the permanent absentee voter list must be left blank and may only be marked by the applicant.

The law also amends the handling of absentee ballot signature envelopes. It requires counting, cross-checking, and accounting for empty signature and ballot envelopes at various steps in the process. Discrepancies in the count must be noted in the ballot board incident log and reported to the official responsible for the ballot board. All envelopes must be retained for the duration of the contest

period.

The law requires the early voting official to take certain actions to remove, secure, and document ballots each day during the early voting period. This takes effective upon the revisor of statute's receipt of the early voting certification and applies to elections held on or after the 85th day after the revisor receives the certification.

Effective May 24, 2025, a county auditor must develop a county elections chain of custody plan to be used in all state, county, municipal, school district, and special district elections held in that county. The plan must be filed with the secretary of state's office by June 1, 2026. (Art. 8, Secs. 18, 25, 33, 40, 52)

Other elections policy includes:

- effective Sept. 1, 2025, if additional early absentee polling places are authorized, the county auditor and secretary of state's office must post notice on their respective websites, including a polling place's address and the dates and times it will be open for voting;
- adding to the election judge oath that the judge will not share information about voting that the judge knows to be materially false and the judge will not intentionally hinder, interfere with, or prevent a person from voting, registering to vote, or aiding another person in voting. This is effective Jan. 1, 2026;
- effective Nov. 15, 2025, for elections beginning Jan. 1, 2026, jurisdictions that conduct elections by mail must send ballots no later than 28 days rather than 14 before any election;
- amending sections of law to specifically refer to or allow for updating voter registrations;
- allowing additional proof of residence for students during the 18 days before an election and on Election Day;
- effective Jan. 1, 2026, and for elections held after Feb. 6, 2026, requiring an updated residential student housing list to be certified to the county auditor no later than 35 days before each election, instead of 20 days;
- effective Jan. 1, 2026, the secretary of state's office and county auditors must provide a public information list within five business days of receiving a complete request. Current law is 10 days;
- effective Jan. 1, 2026, an affidavit of candidacy must include a phonetic spelling or pronunciation of the candidate's name or a certification that the candidate will use the applicable technology's default pronunciation;
- effective May 24, 2025, candidates for judicial office, county attorney, and county sheriff are not required to include their address on the affidavit of candidacy;
- polling places cannot be at, or in an adjoining room to, a location where cannabis products are served or sold;
- a notice must be posted in a conspicuous place if a polling place is changed. The notice must include the location of the new polling place; and
- each precinct using electronic rosters must — no longer shall — have a paper backup system to use if election judges cannot use the electronic roster (Art. 8, Secs. 1-23, 32, 41, 49-50, 53, 60-64, 67-71)

Campaign finance policy includes:

- effective May 24, 2025, the Campaign Finance and Public Disclosure Board must publish on its website by Jan. 15, 2026, a lobbying handbook "written in plain language";
- effective June 1, 2025, amending the definitions of expert witness, lobbyist, local official, noncampaign disbursement, official action of a political subdivision for campaign finance purposes;
- effective Jan. 1, 2026, a candidate or their principal campaign committee must not solicit or accept any contributions or make any expenditures for inaugural event expenses or transition expenses except through the candidate's principal campaign committee or as provided through the statutes providing state resources for transition funds; and
- also effective Jan. 1, 2026, a candidate for constitutional or legislative office must report to the board the next business day when they make a contribution or loan to their own campaign committee that exceeds the contribution limit. (Art. 7, Secs. 4-7, 11, 13)

State Government

2025-2026 Regular Session

Annual revisor's law makes technical changes

The annual revisor's law makes miscellaneous and technical corrections to laws and statutes, corrects erroneous, obsolete, and omitted text and references, corrects poor grammar, and removes redundant, conflicting, and superseded provisions.

Sponsored by Rep. Tina Liebling (DFL-Rochester) and Sen. Warren Limmer (R-Maple Grove), the effective dates are dependent on provisions needing clarification.

2025 Special Session: SSHF10/SSSF9*/CH11

Taxes

2025-2026 Regular Session

Tax bill increases cannabis tax, eliminates data centers' electricity exemption

The 2025 tax law helps balance the state's books by increasing the cannabis gross receipts tax and eliminating data centers' tax exemption for electricity use. It also makes the corporate research and development tax credit partially refundable.

Sponsored by Rep. Greg Davids (R-Preston) and Sen. Ann Rest (DFL-New Hope), the law includes provisions on individual and corporate income taxes, property taxes, sales and use taxes, aids and credits, and tax increment financing.

2025 Special Session: SSHF9*/SSSF20/CH13

Individual income taxes and corporate franchise taxes

Among other provisions, the law:

- requires the Campaign Finance and Public Disclosure Board to establish an electronic filing system for the political contribution refund and amends the law governing the processing of political refund contribution claims, effective in tax year 2027;
- clarifies the rollover of the sustainable aviation fuels credit;
- for tax year 2025 and later, establishes new income tax subtractions for coerced debt, certain consumer enforcement public compensation payments, and foreign service pensions;
- establishes new income tax subtractions for student loan payments made by critical access dental clinics, effective for tax year 2026 and later;
- makes the credit for increasing research partially refundable, with growth in the refundable amount subject to a cap, effective for tax year 2025 and thereafter;
- establishes an income tax subtraction for stipend payments that were included in a collective bargaining agreement between the state of Minnesota and SEIU Healthcare Minnesota and Iowa, effective June 15, 2025; and
- repeals the assignment process for the Minnesota education credit, effective for tax year 2026.

Property taxes

Changes to state tax policy regarding property taxes include the following, beginning with assessment year 2026, except where indicated:

- establishing and modifying property tax exemptions pertaining to charitable rental housing and certain property owned by tribes;
- allowing assessors in the metropolitan counties to reduce the valuation of property subject to a conservation easement;
- allowing property to qualify for the agricultural property tax classification if it is used to produce floriculture products;
- modifying the taxation of attachments and appurtenances of electric utility cooperatives' electric distribution systems, beginning with tax year 2025;
- setting the interest rate on confession of judgment payments equal to the prime rate charged by banks, effective Jan. 1, 2026;
- increasing from \$3,000 to \$10,000 the amount a city of the third class is allowed to levy for free musical entertainment, effective June 15, 2025;
- allowing abatements for certain land bank property;

- extending a property tax exemption for property owned by the Bloomington Port Authority that is being held for economic development purposes, effective upon approval by the Bloomington City Council;
- providing a property tax exemption for taxes paid in 2022 and a portion of taxes paid in 2021 for property in Minneapolis purchased by Red Lake Nation for the Red Lake Nation College, effective June 15, 2025; and
- repealing a requirement that a fiscal disparities adjustment be included on certain property tax notices.

Sales and use taxes, excise taxes

Among the tax policy changes in this area are:

- requiring certain vendors to remit a portion of their June sales tax liability early, effective for tax remitted after May 31, 2027;
- increasing the cannabis gross receipts tax from 10% to 15%, effective for sales after June 30, 2025;
- repealing the electricity sales tax exemption for qualified data centers, effective for sales and purchases after June 30, 2025; and
- allowing certain brewers to file alcohol excise tax returns annually without Department of Revenue approval, effective for returns filed in 2026.

Property tax aids

Changes related to property tax aids include:

- reducing Sustainable Forest Incentive Act payment rates by 10%, effective beginning with payments made in 2027;
- reducing the annual appropriation for aquatic invasive species prevention aid from \$10 million to \$5 million, effective beginning with aids payable in 2027;
- providing aid penalty forgiveness for the cities of Stewart, Alpha, Odin and Trosk, effective June 15, 2025; and
- providing an adjustment in the 2026 local government aid calculation for the city of Baldwin.

Tax increment financing and local sales taxes

The law allows some municipalities to establish tax increment financing districts and extends the deadlines for some previously approved districts. Among these changes, the law:

- extends the expiration of certain temporary tax increment financing authority from 2025 to 2026;
- extends to Dec. 31, 2025, the period of time for Ramsey to make an interfund loan agreement;
- expands the area in which increment can be spent for redevelopment districts in Maplewood;
- extends the five-year rule period for tax increment financing districts in Maple Grove, St. Paul, Edina, Minnetonka, Moorhead and St. Cloud;
- extends the deadline for temporary use of increment in Bloomington, Marshall and Oakdale; and
- allows tax increment financing authority to be established in Brooklyn Center, Brooklyn Park, Eden Prairie, Plymouth and St. Cloud.

The law also makes changes to the current local sales tax for the city of Hermantown, effective June 15, 2025.

Public finance

Provisions are modified regarding the financing of local government projects and the allocation of federal tax-exempt bonds, including shortening the notice periods for hearings regarding:

- issuance of county capital improvement bonds;
- adoption of certain municipal housing programs;
- proposed municipal industrial development projects;
- approval of an economic development abatement; and
- a city or town proposal to issue capital improvement bonds.

The law also expands the “debt obligations” definition and the state guarantee on payment of principal and interest of certain bonds. It modifies the applicability of the Minnesota Bond Allocation Act to certain economic development authority debt, and requires that recipients of allocations of tax-exempt bonds issue any bonds by the last business day of the year in which the allocation was received.

It also expands a list of county projects for which a county cannot enter a construction contract without first levying a tax or issuing county bonds.

Miscellaneous provisions

The law establishes a consumer protection restitution account to distribute consumer enforcement action public compensation to eligible consumers, effective July 1, 2025.

It also eliminates the local government cannabis aid account and removes the cannabis gross receipts tax dedication to that account, effective for revenues received after June 30, 2025. The local government cannabis aid account is eliminated effective Jan. 2, 2026.

The law reduces the penalty for failing to provide a renter with a certificate of rent paid from \$100 to \$50, establishes a \$50 penalty for failing to provide the Department of Revenue with a copy of the certificate of rent paid, and requires a manufactured home park owner or managing agent to provide such a certificate to the Department of Revenue. This takes effect for certificates issued after Dec. 31, 2025.

The law also:

- changes the purpose statement requirement for tax expenditures and makes changes related to the operation of the Tax Expenditure Review Commission, effective June 15, 2025;
- increases the State Agricultural Society’s debt limit for state fair bonds from \$30 million to \$50 million;
- establishes a permanent rate of 0.5% for the credit for research, under the provider tax;
- modifies the timing for when a pharmacy may claim a refund for the legend drugs tax paid on out-of-state drug shipments;
- extends until June 30, 2027, the availability of a 2023 grant to the city of Minneapolis; and
- repeals the marijuana and controlled substance tax, effective Aug. 1, 2025.

Corrections and clarifications

There are several technical corrections and clarifications in the law, effective June 15, 2025, including:

- limiting the sustainable aviation fuels sales tax exemption to materials, supplies and equipment purchased after June 30, 2027, and before July 1, 2034;
- modifying the transportation dedication of the sales taxes from the sale and purchase of motor vehicle repair and replacement parts;
- clarifying that a tax preparer may not take ownership or control or establish an account in the preparer’s name for any department payment paid to a client;
- lengthening the timelines for parties and the Office of Administrative Hearings to act in a contested case proceeding regarding a cease-and-desist order or administrative penalty issued to a tax preparer; and
- extending the expiration date for the film credit under the premium tax to match the expiration date for the credit under the individual income and corporate franchise taxes enacted in 2023.

Transportation

2025-2026 Regular Session

Appropriation for highway interchange redirected

A General Fund appropriation from a 2023 law for design and construction of an interchange at U.S. Highway 169, Trunk Highway 282 and Scott County Highway 9 in Jordan has been revised.

Instead of directing a grant to Scott County, the funds will instead be provided to the Department of Transportation.

The law also directs the Department of Transportation to authorize lighting for a Shakopee identification sign on a bridge over U.S. Highway 169 near its interchange with Trunk Highway 101. Installation and maintenance of the lighting is the responsibility of the city of Shakopee.

Sponsored by Rep. Ben Bakeberg (R-Jordan) and Sen. Eric Pratt (R-Prior Lake), the law took effect on April 11, 2025.

HF202/SF823*/CH3

Transportation

2025-2026 Regular Session

Speed limits raised for implements of husbandry, some trash hauling

The statutory maximum speed limit for implements of husbandry and vehicles carrying uncovered trash or debris will be raised from 30 mph to 35 mph, effective Aug. 1, 2025.

An implement of husbandry is a self-propelled or towed vehicle designed or adapted to be used exclusively for timber harvesting, agricultural, horticultural or livestock-raising operations.

The same change applies to a vehicle used to transport garbage, rubbish, trash, debris or similar material when the transported material is uncovered.

A similar operating speed increase also applies to towing implements of husbandry without taillights and license plate illumination being required as well as vehicles for which a slow-moving vehicle emblem is required to be displayed.

The law is sponsored by Rep. Bjorn Olson (R-Fairmont) and Sen. Ann Johnson Stewart (DFL-Wayzata).

HF739/SF1360*/CH4

Transportation

2025-2026 Regular Session

Medical exceptions to vehicle window tinting restrictions can be made permanent

While Minnesota has restrictions on the level of window tinting on vehicles, exceptions are made when a physician determines that a driver's light sensitivity requires deeper tinting. But such allowances have been required to expire after two years, necessitating renewals.

Effective July 1, 2025, the medical exception to tinting restrictions will not have an expiration date if a doctor determines that the driver's condition is permanent.

Rep. Jim Joy (R-Hawley) and Sen. Jeff Howe (R-Rockville) sponsor the new law.

HF1243/SF1075*/CH5

Years before 2005 are distributed in PDF format and are available through the new laws main page.

HPIS New Laws

[Main](#) [About](#) [Search](#)
