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State of Minnesota
HOUSE OF REPRESENTATIVES
Unofficial Engrossment
House Engrossment of a Senate File

SPECIAL SESSION

S. F. No. 2

06/25/2021 Companion to House File No. 12. (Authors:Nelson, M.,)
Read First Time and Referred to the Committee on Ways and Means
06/28/2021 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

1.1 A bill for an act

1.2 relating to state government operation; appropriating money for certain

1.3 constitutional offices, legislature, certain state agencies, offices, departments,

1.4 boards, commissions, certain retirement accounts, general contingent accounts,

1.5 tort claims, state lottery, Minnesota Historical Society, Minnesota Humanities

1.6 Center, and military and veterans affairs; canceling certain fiscal year

1.7 appropriations; making changes to policy provisions in state government operations;

1.8 changing military and veterans affairs policy provisions; modifying election policy

1.9 provisions; establishing provisions for federal funds; amending Minnesota Statutes

1.10 2020, sections 10.578; 14.389, subdivision 5; 15.057, as amended; 16A.06, by

1.11 adding a subdivision; 16B.24, by adding a subdivision; 138.38; 155A.23,

1.12 subdivision 16; 190.07; 197.791, subdivisions 4, 5, 5a, 5b; 198.006; 198.03,

1.13 subdivision 2; 201.071, subdivision 2; 201.121, subdivision 3; 203B.08,

1.14 subdivisions 1, 3; 203B.121, subdivision 1; 204B.14, subdivision 3; 204B.16,

1.15 subdivision 1; 204B.18, subdivision 1; 204B.40; 204C.13, subdivision 3; 204C.35,

1.16 subdivision 3, by adding a subdivision; 240.01, subdivision 18; 240.06, subdivision

1.17 7; 240.11; 240.131, subdivision 7; 240.24, subdivisions 2a, 3; 240.30, subdivision

1.18 5; 270C.21; 477A.03, subdivision 2b; 609.095; 645.071; Laws 2019, First Special

1.19 Session chapter 10, article 1, section 40; Laws 2020, chapter 77, section 3,

1.20 subdivision 6; Laws 2020, Fifth Special Session chapter 3, article 9, section 13;

1.21 proposing coding for new law in Minnesota Statutes, chapters 3; 10; 16A; 16B;

1.22 43A; 196; 198; 203B; 609.

1.23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.24 style="text-align: center;">**ARTICLE 1**

1.25 style="text-align: center;">**APPROPRIATIONS**

1.26 Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

1.27 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.28 and for the purposes specified in this article. The appropriations are from the general fund,

1.29 or another named fund, and are available for the fiscal years indicated for each purpose.

1.30 The figures "2022" and "2023" used in this article mean that the appropriations listed under

1.31 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

2.1 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"
 2.2 is fiscal years 2022 and 2023.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2022</u>	<u>2023</u>

2.7 **Sec. 2. LEGISLATURE**

2.8 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>98,819,000</u>	<u>\$</u>	<u>99,738,000</u>
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2.9 The amounts that may be spent for each
 2.10 purpose are specified in the following
 2.11 subdivisions.

2.12 <u>Subd. 2. Senate</u>	<u>37,430,000</u>	<u>37,545,000</u>
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2.13 <u>Subd. 3. House of Representatives</u>	<u>39,932,000</u>	<u>40,431,000</u>
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2.14 <u>Subd. 4. Legislative Coordinating Commission</u>	<u>21,457,000</u>	<u>21,762,000</u>
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2.15 The base for this appropriation in fiscal year
 2.16 2024 and each year thereafter is \$21,737,000.

2.17 From its funds, \$10,000 each year is for
 2.18 purposes of the legislators' forum, through
 2.19 which Minnesota legislators meet with
 2.20 counterparts from South Dakota, North
 2.21 Dakota, and Manitoba to discuss issues of
 2.22 mutual concern.

2.23 **Legislative Auditor.** \$7,689,000 the first year
 2.24 and \$7,817,000 the second year are for the
 2.25 Office of the Legislative Auditor.

2.26 The legislative auditor may use any unspent
 2.27 amounts appropriated under Laws 2017, First
 2.28 Special Session chapter 6, article 18, section
 2.29 2, subdivision 3, paragraph (b), and
 2.30 subdivision 5, paragraph (b); and Laws 2019,
 2.31 First Special Session chapter 9, article 14,
 2.32 section 2, subdivision 3, paragraphs (i) and
 2.33 (j), to conduct audits required by Minnesota

3.1 Statutes, section 3.972, subdivision 2a, in
 3.2 fiscal years 2022 and 2023.

3.3 **Revisor of Statutes.** \$7,298,000 the first year
 3.4 and \$7,419,000 the second year are for the
 3.5 Office of the Revisor of Statutes.

3.6 **Legislative Reference Library.** \$1,793,000
 3.7 the first year and \$1,822,000 the second year
 3.8 are for the Legislative Reference Library.

3.9 **Legislative Budget Office.** \$1,536,000 the
 3.10 first year and \$1,570,000 the second year are
 3.11 for the Legislative Budget Office.

3.12 **Sec. 3. GOVERNOR AND LIEUTENANT**
 3.13 **GOVERNOR** **\$ 3,622,000 \$ 3,622,000**

3.14 (a) This appropriation is to fund the Office of
 3.15 the Governor and Lieutenant Governor.

3.16 (b) \$19,000 each year is for necessary
 3.17 expenses in the normal performance of the
 3.18 governor's and lieutenant governor's duties for
 3.19 which no other reimbursement is provided.

3.20 (c) By September 1 of each year, the
 3.21 commissioner of management and budget shall
 3.22 report to the chairs and ranking minority
 3.23 members of the legislative committees with
 3.24 jurisdiction over state government finance any
 3.25 personnel costs incurred by the Offices of the
 3.26 Governor and Lieutenant Governor that were
 3.27 supported by appropriations to other agencies
 3.28 during the previous fiscal year. The Office of
 3.29 the Governor shall inform the chairs and
 3.30 ranking minority members of the committees
 3.31 before initiating any interagency agreements.

3.32 **Sec. 4. STATE AUDITOR** **\$ 11,955,000 \$ 12,051,000**

3.33 The base for this appropriation in fiscal year
 3.34 2024 is \$12,061,000. The base for this

4.1 appropriation in fiscal year 2025 and each year
 4.2 thereafter is \$12,067,000.

4.3 Of these amounts, \$743,000 the first year and
 4.4 \$744,000 the second year are for a school
 4.5 finance accountability team in the audit
 4.6 practice division to allow for the audits of
 4.7 school districts that have volunteered with and
 4.8 been selected by the state auditor to have their
 4.9 annual audit performed by the state auditor at
 4.10 no cost to the district. The state auditor must
 4.11 establish a selection process. Notwithstanding
 4.12 Minnesota Statutes, section 6.56, the state
 4.13 auditor may not bill a school district for any
 4.14 work conducted by the school finance
 4.15 accountability team prior to July 1, 2025.

4.16 **Sec. 5. ATTORNEY GENERAL** **\$ 31,614,000 \$ 29,104,000**

4.17 Appropriations by Fund

	<u>2022</u>	<u>2023</u>
4.18 <u>General</u>	<u>28,698,0000</u>	<u>26,188,000</u>
4.19 <u>State Government</u>		
4.20 <u>Special Revenue</u>	<u>2,521,000</u>	<u>2,521,000</u>
4.21 <u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
4.22 <u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

4.23 **Sec. 6. SECRETARY OF STATE** **\$ 9,684,000 \$ 9,152,000**

4.24 \$750,000 each year is for transfer to the voting
 4.25 equipment grant account under Minnesota
 4.26 Statutes, section 206.95.

4.27 \$1,000,000 each year is for grants to local
 4.28 units of government to implement the
 4.29 provisions of Minnesota Statutes, section
 4.30 203B.082.

4.31 **Sec. 7. CAMPAIGN FINANCE AND PUBLIC**
 4.32 **DISCLOSURE BOARD** **\$ 1,145,000 \$ 1,167,000**

4.33 **Sec. 8. STATE BOARD OF INVESTMENT** **\$ 139,000 \$ 139,000**

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

7.4 (c) The commissioner of administration must
7.5 consider the recommendations of the
7.6 Minnesota Public Television Association
7.7 before allocating the amounts appropriated in
7.8 paragraphs (a) and (b) for equipment or
7.9 matching grants.

7.10 **Public Radio.** (a) \$492,000 each year is for
7.11 community service grants to public
7.12 educational radio stations. This appropriation
7.13 may be used to disseminate emergency
7.14 information in foreign languages.

7.15 (b) \$142,000 each year is for equipment grants
7.16 to public educational radio stations. This
7.17 appropriation may be used for the repair,
7.18 rental, and purchase of equipment including
7.19 equipment under \$500.

7.20 (c) \$510,000 each year is for equipment grants
7.21 to Minnesota Public Radio, Inc., including
7.22 upgrades to Minnesota's Emergency Alert and
7.23 AMBER Alert Systems.

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

7.27 (e) The commissioner of administration must
7.28 consider the recommendations of the
7.29 Association of Minnesota Public Educational
7.30 Radio Stations before awarding grants under
7.31 Minnesota Statutes, section 129D.14, using
7.32 the appropriations in paragraphs (a) and (b).
7.33 No grantee is eligible for a grant unless they
7.34 are a member of the Association of Minnesota

8.1 Public Educational Radio Stations on or before
8.2 July 1, 2021.

8.3 (f) Any unencumbered balance remaining the
8.4 first year for grants to public television or
8.5 public radio stations does not cancel and is
8.6 available for the second year.

8.7 **Sec. 12. CAPITOL AREA ARCHITECTURAL**
8.8 **AND PLANNING BOARD** \$ **386,000** \$ **365,000**

8.9 **Sec. 13. MINNESOTA MANAGEMENT AND**
8.10 **BUDGET** \$ **29,270,000** \$ **29,691,000**

8.11 **Sec. 14. REVENUE**

8.12 **Subdivision 1. Total Appropriation** \$ **174,647,000** \$ **177,569,000**

8.13 Appropriations by Fund

	<u>2022</u>	<u>2023</u>
8.14 <u>General</u>	<u>170,387,000</u>	<u>173,309,000</u>
8.15 <u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
8.16 <u>Highway User Tax</u>		
8.17 <u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
8.18 <u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

8.19 **Subd. 2. Tax System Management** 144,774,000 147,179,000

8.20 Appropriations by Fund

	<u>2022</u>	<u>2023</u>
8.21 <u>General</u>	<u>140,514,000</u>	<u>142,919,000</u>
8.22 <u>Health Care Access</u>	<u>1,760,000</u>	<u>1,760,000</u>
8.23 <u>Highway User Tax</u>		
8.24 <u>Distribution</u>	<u>2,195,000</u>	<u>2,195,000</u>
8.25 <u>Environmental</u>	<u>305,000</u>	<u>305,000</u>

8.26 **Taxpayer Assistance.** (a) \$700,000 the first
8.27 year and \$750,000 the second year are for the
8.28 commissioner of revenue to make grants to
8.29 one or more eligible organizations, qualifying
8.30 under section 7526A(e)(2)(B) of the Internal
8.31 Revenue Code of 1986, to coordinate,
8.32 facilitate, encourage, and aid in the provision
8.33 of taxpayer assistance services. The
8.34
8.35

9.1 unencumbered balance in the first year does
 9.2 not cancel but is available for the second year.

9.3 (b) For purposes of this section, "taxpayer
 9.4 assistance services" means accounting and tax
 9.5 preparation services provided by volunteers
 9.6 to low-income, elderly, and disadvantaged
 9.7 Minnesota residents to help them file federal
 9.8 and state income tax returns and Minnesota
 9.9 property tax refund claims and to provide
 9.10 personal representation before the Department
 9.11 of Revenue and Internal Revenue Service.

9.12 <u>Subd. 3. Debt Collection Management</u>	<u>29,873,000</u>	<u>30,390,000</u>
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9.13 Sec. 15. <u>GAMBLING CONTROL</u>	<u>\$ 5,728,000</u>	<u>\$ 5,123,000</u>
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9.14 These appropriations are from the lawful
 9.15 gambling regulation account in the special
 9.16 revenue fund. The base for this appropriation
 9.17 in fiscal year 2024 is \$5,093,000. The base for
 9.18 this appropriation in fiscal year 2025 and each
 9.19 year thereafter is \$4,923,000.

9.20 \$865,000 the first year and \$260,000 the
 9.21 second year are to create an information
 9.22 system and to update the board's website. The
 9.23 base for this appropriation in fiscal year 2024
 9.24 is \$230,000. The base for this appropriation
 9.25 in fiscal year 2025 and each year thereafter is
 9.26 \$60,000.

9.27 Sec. 16. <u>RACING COMMISSION</u>	<u>\$ 913,000</u>	<u>\$ 913,000</u>
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9.28 These appropriations are from the racing and
 9.29 card playing regulation accounts in the special
 9.30 revenue fund.

9.31 **Sec. 17. STATE LOTTERY**

9.32 Notwithstanding Minnesota Statutes, section
 9.33 349A.10, subdivision 3, the State Lottery's

10.1	<u>operating budget must not exceed \$36,500,000</u>		
10.2	<u>in fiscal year 2022 and \$36,500,000 in fiscal</u>		
10.3	<u>year 2023.</u>		
10.4	Sec. 18. <u>AMATEUR SPORTS COMMISSION</u>	\$ <u>311,000</u>	\$ <u>317,000</u>
10.5	Sec. 19. <u>COUNCIL FOR MINNESOTANS OF</u>		
10.6	<u>AFRICAN HERITAGE</u>	\$ <u>544,000</u>	\$ <u>552,000</u>
10.7	Sec. 20. <u>COUNCIL ON LATINO AFFAIRS</u>	\$ <u>534,000</u>	\$ <u>544,000</u>
10.8	Sec. 21. <u>COUNCIL ON ASIAN-PACIFIC</u>		
10.9	<u>MINNESOTANS</u>	\$ <u>525,000</u>	\$ <u>534,000</u>
10.10	Sec. 22. <u>INDIAN AFFAIRS COUNCIL</u>	\$ <u>855,000</u>	\$ <u>864,000</u>
10.11	Sec. 23. <u>MINNESOTA HISTORICAL</u>		
10.12	<u>SOCIETY</u>		
10.13	<u>Subdivision 1. Total Appropriation</u>	\$ <u>23,968,000</u>	\$ <u>23,918,000</u>
10.14	<u>The amounts that may be spent for each</u>		
10.15	<u>purpose are specified in the following</u>		
10.16	<u>subdivisions.</u>		
10.17	<u>Subd. 2. Operations and Programs</u>	<u>23,397,000</u>	<u>23,597,000</u>
10.18	<u>Notwithstanding Minnesota Statutes, section</u>		
10.19	<u>138.668, the Minnesota Historical Society may</u>		
10.20	<u>not charge a fee for its general tours at the</u>		
10.21	<u>Capitol, but may charge fees for special</u>		
10.22	<u>programs other than general tours.</u>		
10.23	<u>Subd. 3. Fiscal Agent</u>		
10.24	<u>(a) Global Minnesota</u>	<u>39,000</u>	<u>39,000</u>
10.25	<u>(b) Minnesota Air National Guard Museum</u>	<u>17,000</u>	<u>17,000</u>
10.26	<u>(c) Hockey Hall of Fame</u>	<u>100,000</u>	<u>100,000</u>
10.27	<u>(d) Farmamerica</u>	<u>365,000</u>	<u>115,000</u>
10.28	<u>\$250,000 the first year is for site</u>		
10.29	<u>improvements, including classroom, upgrades,</u>		
10.30	<u>visitor center remodeling, and expanded</u>		
10.31	<u>agricultural literacy programming.</u>		
10.32	<u>(e) Minnesota Military Museum</u>	<u>50,000</u>	<u>50,000</u>

12.1	Sec. 26. <u>BOARD OF ACCOUNTANCY</u>	\$	<u>688,000</u>	\$	<u>698,000</u>
12.2	Sec. 27. <u>BOARD OF ARCHITECTURE</u>				
12.3	<u>ENGINEERING, LAND SURVEYING,</u>				
12.4	<u>LANDSCAPE ARCHITECTURE,</u>				
12.5	<u>GEOSCIENCE, AND INTERIOR DESIGN</u>	\$	<u>863,000</u>	\$	<u>874,000</u>
12.6	Sec. 28. <u>BOARD OF COSMETOLOGIST</u>				
12.7	<u>EXAMINERS</u>	\$	<u>2,923,000</u>	\$	<u>2,923,000</u>
12.8	Sec. 29. <u>BOARD OF BARBER EXAMINERS</u>	\$	<u>348,000</u>	\$	<u>353,000</u>
12.9	Sec. 30. <u>GENERAL CONTINGENT</u>				
12.10	<u>ACCOUNTS</u>	\$	<u>1,000,000</u>	\$	<u>500,000</u>
12.11	<u>Appropriations by Fund</u>				
12.12		<u>2022</u>		<u>2023</u>	
12.13	<u>General</u>	<u>500,000</u>		<u>-0-</u>	
12.14	<u>State Government</u>				
12.15	<u>Special Revenue</u>	<u>400,000</u>		<u>400,000</u>	
12.16	<u>Workers'</u>				
12.17	<u>Compensation</u>	<u>100,000</u>		<u>100,000</u>	
12.18	<u>(a) The appropriations in this section may only</u>				
12.19	<u>be spent with the approval of the governor</u>				
12.20	<u>after consultation with the Legislative</u>				
12.21	<u>Advisory Commission pursuant to Minnesota</u>				
12.22	<u>Statutes, section 3.30.</u>				
12.23	<u>(b) If an appropriation in this section for either</u>				
12.24	<u>year is insufficient, the appropriation for the</u>				
12.25	<u>other year is available for it.</u>				
12.26	<u>(c) If a contingent account appropriation is</u>				
12.27	<u>made in one fiscal year, it should be</u>				
12.28	<u>considered a biennial appropriation.</u>				
12.29	Sec. 31. <u>TORT CLAIMS</u>	\$	<u>161,000</u>	\$	<u>161,000</u>
12.30	<u>These appropriations are to be spent by the</u>				
12.31	<u>commissioner of management and budget</u>				
12.32	<u>according to Minnesota Statutes, section</u>				
12.33	<u>3.736, subdivision 7. If the appropriation for</u>				
12.34	<u>either year is insufficient, the appropriation</u>				
12.35	<u>for the other year is available for it.</u>				

14.1 needed under Minnesota Statutes, section

14.2 353.505.

14.3 **Sec. 34. TEACHERS RETIREMENT**

14.4 **ASSOCIATION**

\$ 29,831,000 \$ 29,831,000

14.5 The amounts estimated to be needed are as

14.6 follows:

14.7 **Special Direct State Aid. \$27,331,000 each**

14.8 year is for special direct state aid authorized

14.9 under Minnesota Statutes, section 354.436.

14.10 **Special Direct State Matching Aid.**

14.11 \$2,500,000 each year is for special direct state

14.12 matching aid authorized under Minnesota

14.13 Statutes, section 354.435.

14.14 **Sec. 35. ST. PAUL TEACHERS RETIREMENT**

14.15 **FUND**

\$ 14,827,000 \$ 14,827,000

14.16 The amounts estimated to be needed for

14.17 special direct state aid to the first class city

14.18 teachers retirement fund association authorized

14.19 under Minnesota Statutes, section 354A.12,

14.20 subdivisions 3a and 3c.

14.21 **Sec. 36. MILITARY AFFAIRS**

14.22 **Subdivision 1. Total Appropriation**

\$ 24,393,000 \$ 24,589,000

14.23 The amounts that may be spent for each

14.24 purpose are specified in the following

14.25 subdivisions.

14.26 **Subd. 2. Maintenance of Training Facilities**

9,772,000 9,842,000

14.27 **Subd. 3. General Support**

3,507,000 3,633,000

14.28 **Subd. 4. Enlistment Incentives**

11,114,000 11,114,000

14.29 The appropriations in this subdivision are

14.30 available until June 30, 2025, except that any

14.31 unspent amounts allocated to a program

14.32 otherwise supported by this appropriation are

14.33 canceled to the general fund upon receipt of

- 16.1 are homeless or in danger of homelessness,
16.2 including assistance with the following:
- 16.3 (1) utilities;
16.4 (2) employment; and
16.5 (3) legal issues.
- 16.6 The assistance authorized under this paragraph
16.7 must be made only to veterans who have
16.8 resided in Minnesota for 30 days prior to
16.9 application for assistance and according to
16.10 other guidelines established by the
16.11 commissioner. In order to avoid duplication
16.12 of services, the commissioner must ensure that
16.13 this assistance is coordinated with all other
16.14 available programs for veterans.
- 16.15 **(d) State's Veterans Cemeteries. \$6,172,000**
16.16 the first year and \$1,672,000 the second year
16.17 are for the state's veterans cemeteries. Of these
16.18 amounts, \$4,500,000 the first year is to
16.19 construct and equip the new veterans cemetery
16.20 in Redwood Falls.
- 16.21 **(e) Honor Guards. \$200,000 each year is for**
16.22 compensation for honor guards at the funerals
16.23 of veterans under Minnesota Statutes, section
16.24 197.231.
- 16.25 **(f) Minnesota GI Bill. \$200,000 each year is**
16.26 for the costs of administering the Minnesota
16.27 GI Bill postsecondary educational benefits,
16.28 on-the-job training, and apprenticeship
16.29 program under Minnesota Statutes, section
16.30 197.791.
- 16.31 **(g) Gold Star Program. \$100,000 each year**
16.32 is for administering the Gold Star Program for

- 17.1 surviving family members of deceased
17.2 veterans.
- 17.3 **(h) County Veterans Service Office.**
17.4 \$1,100,000 each year is for funding the
17.5 County Veterans Service Office grant program
17.6 under Minnesota Statutes, section 197.608.
- 17.7 **(i) Veteran Homelessness Initiative.**
17.8 \$3,165,000 each year is for an initiative to
17.9 prevent and end veteran homelessness. The
17.10 commissioner of veterans affairs may provide
17.11 housing vouchers and other services to
17.12 alleviate homelessness among veterans and
17.13 former service members in Minnesota. The
17.14 commissioner may contract for program
17.15 administration and may establish a vacancy
17.16 reserve fund. The base for this appropriation
17.17 in fiscal year 2024 and each year thereafter is
17.18 \$1,311,000.
- 17.19 **(j) Camp Bliss.** \$75,000 each year is for a
17.20 grant to Independent Lifestyles, Inc. for
17.21 expenses related to retreats for veterans at
17.22 Camp Bliss in Walker, Minnesota, including
17.23 therapy, transportation, and activities
17.24 customized for veterans.
- 17.25 **(k) Veterans On The Lake.** \$50,000 in the
17.26 first year is for a grant to Veterans on the Lake
17.27 for expenses related to retreats for veterans,
17.28 including therapy, transportation, and activities
17.29 customized for veterans.
- 17.30 **(l) Veterans Resilience Project.** \$400,000
17.31 each year is for a grant to the veterans
17.32 resilience project. Grant funds must be used
17.33 to make eye movement desensitization and
17.34 reprocessing therapy available to veterans and

18.1 current military service members who are
 18.2 suffering from posttraumatic stress disorder
 18.3 and trauma. The base for this appropriation in
 18.4 fiscal year 2024 and each year thereafter is
 18.5 \$200,000.

18.6 The veterans resilience project must report to
 18.7 the commissioner of veterans affairs and the
 18.8 chairs and ranking minority members of the
 18.9 legislative committees with jurisdiction over
 18.10 veterans affairs policy and finance by January
 18.11 15 of each year on the program. The report
 18.12 must include an overview of the program's
 18.13 budget, a detailed explanation of program
 18.14 expenditures, the number of veterans and
 18.15 service members served by the program, and
 18.16 a list and explanation of the services provided
 18.17 to program participants.

18.18 (m) 9/11 Task Force. \$500,000 the first year
 18.19 is for the Advisory Task Force on 9/11 and
 18.20 Global War on Terrorism Remembrance. The
 18.21 task force must collect, memorialize, and
 18.22 publish stories of Minnesotans' service in the
 18.23 Global War on Terrorism and impacts on their
 18.24 dependents. The task force must host a
 18.25 remembrance program in September 2021.
 18.26 This is a onetime appropriation.

18.27 Subd. 3. Veterans Health Care 62,457,000 71,033,000

18.28 The base for this appropriation in fiscal year
 18.29 2024 and each year thereafter is \$70,086,000.

18.30 (a) \$61,457,000 the first year and \$70,383,000
 18.31 the second year may be transferred to a
 18.32 veterans homes special revenue account in the
 18.33 special revenue fund in the same manner as
 18.34 other receipts are deposited according to

19.1 Minnesota Statutes, section 198.34, and are
19.2 appropriated to the commissioner of veterans
19.3 affairs for the operation of veterans homes
19.4 facilities and programs. The base for this
19.5 transfer in fiscal year 2024 and each year
19.6 thereafter is \$69,536,000.

19.7 Of the amounts transferred under this
19.8 paragraph, \$337,000 the first year and
19.9 \$8,347,000 the second year are for the
19.10 operation of the new veterans homes in
19.11 Bemidji, Montevideo, and Preston.

19.12 The department shall seek opportunities to
19.13 maximize federal reimbursements of
19.14 Medicare-eligible expenses and provide annual
19.15 reports to the commissioner of management
19.16 and budget on the federal Medicare
19.17 reimbursements received. Contingent upon
19.18 future federal Medicare receipts, reductions
19.19 to the homes' general fund appropriation may
19.20 be made.

19.21 (b) \$1,000,000 the first year and \$650,000 the
19.22 second year are to address the problem of
19.23 death by suicide among veterans in Minnesota.

19.24 The commissioner of veterans affairs may use
19.25 funds for personnel, training, research,
19.26 marketing, and professional or technical
19.27 contracts. The base for this appropriation in
19.28 fiscal year 2024 and each year thereafter is
19.29 \$550,000.

19.30 **Sec. 38. CANCELLATIONS; FISCAL YEAR 2021.**

19.31 (a) \$379,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First
19.32 Special Session chapter 10, article 1, section 10, is canceled.

20.1 (b) \$300,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First
20.2 Special Session chapter 10, article 1, section 11, subdivision 1, is canceled. This amount is
20.3 from the fiscal year 2021 appropriation for government and citizen services.

20.4 (c) \$1,367,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First
20.5 Special Session chapter 10, article 1, section 13, is canceled.

20.6 (d) \$8,274,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First
20.7 Special Session chapter 10, article 1, section 14, subdivision 1, is canceled. Of this amount,
20.8 \$7,305,000 is from the fiscal year 2021 appropriation for tax system management and
20.9 \$969,000 is from the fiscal year 2021 appropriation for debt collection management.

20.10 (e) \$86,000 of the fiscal year 2021 general fund appropriation for moving and relocation
20.11 expenses under Laws 2019, First Special Session chapter 10, article 1, section 24, subdivision
20.12 2, as amended by Laws 2020, chapter 104, article 2, section 4, is canceled.

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

20.14 **Sec. 39. CANCELLATIONS; ITA ACCOUNT.**

20.15 (a) \$179,000 from the information and telecommunications technology systems and
20.16 services account established under Minnesota Statutes, section 16E.21, is canceled to the
20.17 general fund.

20.18 (b) \$14,000 from the information and telecommunications technology systems and
20.19 services account established under Minnesota Statutes, section 16E.21, is canceled to the
20.20 workers' compensation fund.

20.21 (c) \$5,000 from the information and telecommunications technology systems and services
20.22 account established under Minnesota Statutes, section 16E.21, is canceled to the state
20.23 government special revenue fund.

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

20.25 **Sec. 40. CANCELLATION; DATA SECURITY ACCOUNT.**

20.26 On July 1, 2023, \$1,200,000 from the data security account established under Minnesota
20.27 Statutes, section 3.9741, subdivision 5, is canceled to the general fund.

21.1 Sec. 41. **HELP AMERICA VOTE ACT ACCOUNT; LOCAL GOVERNMENT**
21.2 **GRANTS.**

21.3 \$3,000,000 of the total amount appropriated to the secretary of state by Laws 2019, First
21.4 Special Session chapter 10, article 1, section 40, and Laws 2020, chapter 77, section 3, must
21.5 be distributed as grants to political subdivisions for activities authorized by those laws.

21.6 Sec. 42. Laws 2019, First Special Session chapter 10, article 1, section 40, is amended to
21.7 read:

21.8 Sec. 40. **HELP AMERICA VOTE ACT TRANSFERS AND APPROPRIATIONS;**
21.9 **SECRETARY OF STATE.**

21.10 (a) \$6,595,610 is appropriated in fiscal year 2019 from the HAVA account established
21.11 in Minnesota Statutes, section 5.30, to the secretary of state for the purposes of improving
21.12 the administration and security of elections as authorized by federal law. Use of the
21.13 appropriation is limited to the following activities:

21.14 (1) modernizing, securing, and updating the statewide voter registration system and for
21.15 cybersecurity upgrades as authorized by federal law;

21.16 (2) improving accessibility;

21.17 (3) preparing training materials and training local election officials; and

21.18 (4) implementing security improvements for election systems.

21.19 (b) Any amount earned in interest on the amount appropriated under paragraph (a) is
21.20 appropriated from the HAVA account to the secretary of state for purposes of improving
21.21 the administration and security of elections as authorized by federal law.

21.22 (c) The appropriations under paragraphs (a) and (b) are onetime and available until
21.23 March 23, ~~2023~~ 2027.

21.24 (d) \$167,000 expended by the secretary of state in fiscal years 2018 and 2019 for
21.25 increasing secure access to the statewide voter registration system is deemed:

21.26 (1) to be money used for carrying out the purposes authorized under the Omnibus
21.27 Appropriations Act of 2018, Public Law 115-1410, and the Help America Vote Act of 2002,
21.28 Public Law 107-252, section 101; and

21.29 (2) to be credited toward any match required by those laws.

22.1 Sec. 43. Laws 2020, chapter 77, section 3, subdivision 6, is amended to read:

22.2 Subd. 6. **Availability of appropriations.** The appropriations provided in this section
22.3 are onetime and available until December 21, ~~2024~~ 2028.

22.4 ARTICLE 2

22.5 STATE GOVERNMENT OPERATIONS

22.6 Section 1. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

22.7 Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists
22.8 of the following eight members:

22.9 (1) four senators, including two senators appointed by the senate majority leader and
22.10 two senators appointed by the senate minority leader; and

22.11 (2) four members of the house of representatives, including two members appointed by
22.12 the speaker of the house and two members appointed by the minority leader of the house.

22.13 Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term
22.14 beginning on appointment and expiring on appointment of a successor after the opening of
22.15 the next regular session of the legislature in the odd-numbered year. A vacancy in the
22.16 membership of the commission must be filled for the unexpired term in a manner that will
22.17 preserve the representation established by this section.

22.18 Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity
22.19 measures. The commission shall review the policies and practices of state agencies with
22.20 regard to cybersecurity and may recommend changes in policy to adequately protect the
22.21 state from cybersecurity threats. The commission may develop recommendations and draft
22.22 legislation to support and strengthen the state's cybersecurity infrastructure.

22.23 Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members
22.24 present. If the commission is unable to elect a chair by a majority vote at its first meeting
22.25 of a biennium, the ranking member of the majority party shall serve as chair. The officers
22.26 shall alternate between a member of the senate and a member of the house of representatives.
22.27 A chair shall serve a two-year term expiring upon election of a new chair after the opening
22.28 of the next regular session of the legislature in the odd-numbered year.

22.29 Subd. 5. **Meetings.** The commission must meet at least three times per calendar year.
22.30 The meetings of the commission are subject to section 3.055, except that the commission
22.31 may close a meeting when necessary to safeguard the state's cybersecurity. The minutes,
22.32 recordings, and documents from a closed meeting under this subdivision shall be maintained

23.1 by the Legislative Coordinating Commission and shall not be made available to the public
23.2 until eight years after the date of the meeting.

23.3 Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide
23.4 administrative services for the commission.

23.5 Subd. 7. **Expiration.** The commission expires December 31, 2028.

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

23.7 Sec. 2. [10.551] INDIA DAY.

23.8 (a) August 15 of each year is designated India Day to commemorate and celebrate the
23.9 diverse culture, heritage, traditions, and contributions of Minnesotans of Indian ancestry.

23.10 (b) The diverse culture, traditions, and values of this community have contributed to the
23.11 vitality of Minnesota. Each year, the governor shall issue a proclamation honoring the
23.12 observance of India Day and shall encourage Minnesotans to take the opportunity to learn
23.13 about and appreciate the community and its contributions.

23.14 Sec. 3. Minnesota Statutes 2020, section 14.389, subdivision 5, is amended to read:

23.15 Subd. 5. **Option.** A law authorizing or requiring rules to be adopted under this section
23.16 may refer specifically to this subdivision. If the law contains a specific reference to this
23.17 subdivision, as opposed to a general reference to this section:

23.18 (1) the notice required in subdivision 2 must include a statement that a public hearing
23.19 will be held if ~~100~~ 50 or more people request a hearing. The request must be in the manner
23.20 specified in section 14.25; and

23.21 (2) if ~~100~~ 50 or more people submit a written request for a public hearing, the agency
23.22 may adopt the rule only after complying with all of the requirements of chapter 14 for rules
23.23 adopted after a public hearing.

23.24 **EFFECTIVE DATE.** This section is effective July 1, 2021, and applies to rules proposed
23.25 on or after that date.

23.26 Sec. 4. Minnesota Statutes 2020, section 16A.06, is amended by adding a subdivision to
23.27 read:

23.28 Subd. 12. **Audit of state's use of federal funds.** The commissioner shall contract with
23.29 a qualified auditor to conduct the annual audit required by the Single Audit Act of 1984,
23.30 Public Law 98-502; the Single Audit Act Amendments of 1996, Public Law 104-156; and

24.1 Code of Federal Regulations, title 2, part 200, Uniform Administrative Requirements, Cost
24.2 Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The cost of
24.3 the audit shall be billed to the agencies audited during the subsequent fiscal year. Amounts
24.4 paid by state agencies shall be deposited in the general fund.

24.5 **Sec. 5. [16A.401] VIRTUAL PAYMENTS AUTHORIZED.**

24.6 Subdivision 1. **Virtual payments.** The commissioner may establish a program to issue
24.7 virtual payments from the state treasury. Any rebate to the state generated by the program
24.8 must be deposited in the general fund unless retained under subdivision 3.

24.9 Subd. 2. **Rebates.** Notwithstanding subdivision 1, rebates attributable to expenditures
24.10 in funds established in the state constitution or protected by federal law must be returned
24.11 to the account from which the expenditure originated.

24.12 Subd. 3. **Rebates retained.** The commissioner may retain a portion of rebates for the
24.13 administration of this section. Money retained under this subdivision must be deposited in
24.14 an account in the special revenue fund and is appropriated to the commissioner for the
24.15 purposes of this section.

24.16 Sec. 6. Minnesota Statutes 2020, section 16B.24, is amended by adding a subdivision to
24.17 read:

24.18 Subd. 13. **Electric vehicle charging.** The commissioner shall require that a user of a
24.19 charging station located on the State Capitol complex used to charge a private electric
24.20 vehicle pay an electric service fee. The commissioner shall set the electric service fee rate
24.21 to cover electricity costs for charging an electric vehicle and for the administrative costs
24.22 associated with providing electric charging stations.

24.23 **Sec. 7. [16B.2406] CAPITOL AREA BUILDING ACCOUNT TO ADDRESS**
24.24 **HEALTH, LIFE SAFETY, AND SECURITY NEEDS.**

24.25 Subdivision 1. **Account established; appropriations and use of funds.** (a) A Capitol
24.26 Area building account is established in the state treasury. The commissioner of management
24.27 and budget shall deposit the proceeds from the lease revenue bonds or certificates of
24.28 participation received under subdivision 2 to the account. Net income from investment of
24.29 the proceeds, as estimated by the commissioner of management and budget, must be credited
24.30 to the appropriate accounts in the Capitol Area building account.

24.31 (b) Funds in the Capitol Area building account are appropriated to the commissioner of
24.32 administration for capital expenditures that address identified critical health, life safety, and

25.1 security needs of buildings located on the State Capitol complex that were constructed
25.2 before 1940 and for expenditures to ensure the continued operations of affected tenants
25.3 while those needs are being addressed. The funds may be used for predesign, design,
25.4 construction, equipping, and hazardous materials abatement activities related to these
25.5 authorized uses including but not limited to addressing necessary accessibility, infrastructure,
25.6 function, and building systems changes. This appropriation may only be used for renovation
25.7 or rehabilitation of existing buildings in the State Capitol complex and to expand an existing
25.8 building as part of a renovation or rehabilitation project funded under this section. This
25.9 appropriation may not be used to demolish an existing building in its entirety.

25.10 (c) Amounts necessary for predesign, design, and tenant relocation for projects authorized
25.11 by this subdivision are appropriated from the general fund to the commissioner of
25.12 administration. The predesign must include a needs assessment prepared by an independent
25.13 contractor. To prepare the needs assessment, the contractor must consider the needs of all
25.14 tenants of the building. The assessment should identify goals to be achieved by the renovation
25.15 or rehabilitation project and must address needs for health, life safety, security, and function,
25.16 including space and layout needs for each tenant. The commissioner must not prepare final
25.17 plans and specifications until the program plan and cost estimates for all elements necessary
25.18 to complete the project are approved by the affected building's primary tenant. The final
25.19 plans and specifications must resolve the needs identified in the needs assessment.

25.20 (d) The commissioner of administration may not prepare final plans and specifications
25.21 for any project authorized by this subdivision until at least 60 days after the commissioner
25.22 has submitted the results of the needs assessment to the Capitol Area Architectural and
25.23 Planning Board. Projects authorized by this section are exempt from the design competition
25.24 requirement of section 15B.10.

25.25 Subd. 2. **Lease-purchase agreement authorization.** (a) The commissioner of
25.26 administration may enter into a long-term lease-purchase agreement for a term of up to 25
25.27 years for activities authorized by subdivision 1. The commissioner of management and
25.28 budget may issue by public or private sale lease revenue bonds or certificates of participation
25.29 associated with the lease-purchase agreement. The lease-purchase agreements must not be
25.30 terminated except for nonappropriation of money. The lease-purchase agreements must
25.31 provide the state with a unilateral right to purchase the leased equipment or premises at
25.32 specified times for specified amounts. The lease-purchase agreements are exempt from
25.33 section 16B.24, subdivisions 6 and 6a.

25.34 (b) The amount needed to make lease payments with respect to a lease-purchase
25.35 agreement entered into under this section is appropriated each fiscal year from the general

26.1 fund to the commissioner of administration subject to repeal, unallotment under section
26.2 16A.152, or cancellation otherwise pursuant to subdivision 4. By January 1 in each
26.3 odd-numbered year, the commissioner of administration must certify to the chairs and
26.4 ranking minority members of the committees in the house of representatives and senate
26.5 with jurisdiction over state government finance the amount of appropriations received by
26.6 the commissioner under this paragraph during each fiscal year of the fiscal biennium ending
26.7 June 30 of that year and specify the amount of appropriations anticipated to be received
26.8 under this paragraph for each year of the fiscal biennium beginning July 1 of that year.

26.9 (c) The commissioner of administration may enter into a ground lease for state-owned
26.10 property on the State Capitol complex in conjunction with the execution of a lease-purchase
26.11 agreement entered into under this section for any improvements constructed on that site.
26.12 Notwithstanding the requirements of section 16A.695, subdivision 2, paragraph (b), the
26.13 ground lease must be for a term equal to the term of the lease-purchase agreement and must
26.14 include an option to purchase the land at its then fair market value, if the improvements are
26.15 not purchased by the state at the end of the term of the lease-purchase agreement or at any
26.16 earlier time that the lease-purchase agreement is terminated.

26.17 (d) Certificates of participation or lease revenue bonds may be issued in one or more
26.18 series on the terms and conditions the commissioner of management and budget determines
26.19 to be in the best interests of the state, shall be dated and bear interest at a fixed or variable
26.20 rate, may be includable in or excludable from the gross income of the owners for federal
26.21 income tax purposes, and may be sold at any price or percentage of par value. Any bid
26.22 received may be rejected.

26.23 (e) At the time of, or in anticipation of, issuing the lease revenue bonds or certificates
26.24 of participation, and at any time thereafter, so long as the bonds or certificates are outstanding,
26.25 the commissioner of management and budget may enter into agreements and ancillary
26.26 arrangements relating to the bonds or certificates, including but not limited to trust indentures,
26.27 grant agreements, lease or use agreements, operating agreements, management agreements,
26.28 liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance
26.29 policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest
26.30 exchange agreements. Any payments made or received according to the agreement or
26.31 ancillary arrangement shall be made from or deposited as provided in the agreement or
26.32 ancillary arrangement. The determination of the commissioner of management and budget
26.33 included in an interest exchange agreement that the agreement relates to a certificate or
26.34 bond shall be conclusive.

27.1 (f) The commissioner of management and budget may enter into written agreements or
27.2 contracts relating to the continuing disclosure of information necessary to comply with or
27.3 facilitate the issuance of the lease-purchase agreement and the related lease revenue bonds
27.4 or certificates of participation in accordance with federal securities laws, rules, and
27.5 regulations, including Securities and Exchange Commission rules and regulations in Code
27.6 of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of
27.7 covenants with purchasers and holders of certificates or bonds set forth in the order or
27.8 resolution authorizing the issuance of the certificates or bonds or in a separate document
27.9 authorized by the order or resolution.

27.10 Subd. 3. **Lease-purchase not public debt.** A lease-purchase agreement does not
27.11 constitute or create a general or moral obligation or indebtedness of the state in excess of
27.12 the money from time to time appropriated or otherwise available for payments or obligations
27.13 under such agreement. Payments due under a lease-purchase agreement during a current
27.14 lease term for which money has been appropriated is a current expense of the state. A
27.15 lease-purchase agreement and the related lease revenue bonds or certificates of participation
27.16 shall be payable in each fiscal year only from amounts that the legislature may appropriate
27.17 for debt service for any fiscal year, provided that nothing in this section shall be construed
27.18 to require the state to appropriate money sufficient to make lease payments with respect to
27.19 the lease-purchase agreement in any fiscal year. The lease-purchase agreement and the
27.20 related lease revenue bonds or certificates of participation shall be canceled and shall no
27.21 longer be outstanding on the earlier of (1) the first day of a fiscal year for which the
27.22 legislature shall not have appropriated amounts sufficient for lease payments, or (2) the date
27.23 of final payment of the principal of and interest on the bonds or certificates.

27.24 Subd. 4. **Refunding certificates.** The commissioner of administration from time to time
27.25 may enter into a new lease-purchase agreement and the commissioner of management and
27.26 budget may issue and sell lease revenue bonds or certificates of participation for the purpose
27.27 of refunding any lease-purchase agreement and related lease revenue bonds or certificates
27.28 of participation then outstanding, including the payment of any redemption premiums, any
27.29 interest accrued or that is to accrue to the redemption date and costs related to the issuance
27.30 and sale of such refunding bonds or certificates. The proceeds of any refunding bonds or
27.31 certificates may, in the discretion of the commissioner of management and budget, be applied
27.32 to the purchase or payment at maturity of the bonds or certificates to be refunded, to the
27.33 redemption of outstanding lease-purchase agreements and bonds or certificates on any
27.34 redemption date, or to pay interest on the refunding lease-purchase agreements and bonds
27.35 or certificates and may, pending such application, be placed in escrow to be applied to such

28.1 purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use,
28.2 may be invested and reinvested in obligations that are authorized investments under section
28.3 11A.24. The income earned or realized on any authorized investment may also be applied
28.4 to the payment of the lease-purchase agreements and bonds or certificates to be refunded,
28.5 to interest or premiums on the refunded bonds or certificates, or to pay interest on the
28.6 refunding lease-purchase agreements and bonds or certificates. After the terms of the escrow
28.7 have been fully satisfied, any balance of proceeds and any investment income may be
28.8 returned to the general fund, or, if applicable, the Capitol Area building account, for use in
28.9 a lawful manner. All refunding lease-purchase agreements and bonds or certificates issued
28.10 under the provisions of this subdivision must be prepared, executed, delivered, and secured
28.11 by appropriations in the same manner as the lease-purchase agreements and bonds or
28.12 certificates to be refunded.

28.13 Subd. 5. **Waiver of immunity.** The waiver of immunity by the state provided for by
28.14 section 3.751, subdivision 1, shall be applicable to lease revenue bonds or certificates of
28.15 participation issued under this section and any ancillary contracts to which the commissioner
28.16 is a party.

28.17 Subd. 6. **Collection of rent.** Notwithstanding section 16B.24, subdivision 5, paragraph
28.18 (d), the commissioner of administration shall not collect rent to recover bond interest costs
28.19 or building depreciation costs for any projects funded from the Capitol Area building account.

28.20 Subd. 7. **Repair and replacement accounts.** Money collected as rent to fund future
28.21 building repairs must be credited to a segregated account for each building in the special
28.22 revenue fund and is appropriated to the commissioner to make the repairs. When the lease
28.23 revenue bonds are paid in full, the account for that building must be abolished and any
28.24 balance remaining in the account must be transferred to the appropriate asset preservation
28.25 and replacement account created under section 16B.24, subdivision 5, paragraph (d).

28.26 Subd. 8. **Schedule of activities; legislative report.** (a) Consistent with existing
28.27 requirements of law related to construction and improvement of state buildings, the
28.28 commissioner must take steps to ensure improvements to address identified critical needs
28.29 are completed in a timely manner.

28.30 (b) The commissioner must submit a report to the speaker of the house, the president of
28.31 the senate, and the minority leaders of the house of representatives and senate no later than
28.32 January 1, 2022, detailing the estimated costs and the expected timeline for design,
28.33 construction, and completion of necessary work to address identified needs.

29.1 Subd. 9. Expiration. The authority to issue lease revenue bonds or certificates of
29.2 participation, under subdivision 2, paragraph (a), expires December 31, 2023.

29.3 Sec. 8. [43A.231] PROCUREMENT OF A PHARMACY BENEFIT MANAGER
29.4 AND A PLATFORM TECHNOLOGY VENDOR.

29.5 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
29.6 the meanings given.

29.7 (b) "Market check" means a technology-driven evaluation of prescription drug pricing
29.8 based on benchmarks derived from reverse auction processes conducted in the United States
29.9 over the immediately preceding 12 months.

29.10 (c) "Pharmacy benefit management services" means:

29.11 (1) the procurement of prescription drugs at a negotiated rate for dispensation within
29.12 the State Employees Group Insurance Program (SEGIP) to enrollees;

29.13 (2) the administration and management of the prescription drug benefit under SEGIP;
29.14 and

29.15 (3) any services defined in section 62W.02, subdivisions 8, 12, and 15, paragraph (a).

29.16 (d) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision
29.17 15, paragraph (a).

29.18 (e) "Price" means the projected cost of a bid for providing pharmacy benefit management
29.19 services over the duration of the contract.

29.20 (f) "Reverse auction" means an automated bidding process conducted online that starts
29.21 with an opening price and allows qualified bidders to counteroffer a lower price for multiple
29.22 rounds of bidding.

29.23 (g) "SEGIP" means the State Employees Group Insurance Program under sections 43A.22
29.24 to 43A.31.

29.25 Subd. 2. Purpose. The purpose of this section is to optimize prescription drug savings
29.26 in SEGIP through:

29.27 (1) contracting with a pharmacy benefit manager to manage and administer the
29.28 prescription drug benefit for SEGIP;

29.29 (2) the adoption of a reverse auction process for the selection of a pharmacy benefit
29.30 manager;

30.1 (3) providing a process for the electronic review and validation of pharmacy benefit
30.2 manager claims invoices for the purpose of reconciling pharmacy bills;

30.3 (4) market checks of the pharmacy benefit manager's prescription drug pricing; and

30.4 (5) limiting independent pharmacies from unsustainable reimbursement practices.

30.5 Subd. 3. Procurement of a pharmacy benefit manager. (a) Notwithstanding any law
30.6 to the contrary, the commissioner of management and budget shall procure a contract for
30.7 the services of a pharmacy benefit manager to administer the prescription drug benefit and
30.8 pharmacy benefit management services, effective January 1, 2023.

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

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

30.16 (1) common definitions;

30.17 (2) prescription drug classifications;

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

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

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

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

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

30.31 (g) The commissioner must perform annual market checks on pharmacy benefit manager
30.32 services performed by the pharmacy benefit manager during the term of the contract. A

31.1 market check performed under this paragraph may include an evaluation of the effect of
31.2 alternative drug pricing metrics, such as the national average drug acquisition cost and
31.3 average wholesale price, on the cost of prescription drugs and savings to the state.

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

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

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

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

31.17 (2) automatically adjudicate prescription drug claims; and

31.18 (3) collect data on pharmacy reimbursement.

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

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

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

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

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

31.31 (3) simultaneously evaluate, within six hours, diverse and complex multiple proposals
31.32 from full-service pharmacy benefit managers that shall include at least guaranteed net cost,

32.1 Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing
32.2 models, as well as proposals from pharmacy benefit administrators and specialty drug and
32.3 rebate carve-out services providers;

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

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

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

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

32.16 (1) a pharmacy benefit manager;

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

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

32.21 (e) The vendor who is awarded the contract under this subdivision must not subcontract
32.22 any part of the reverse auction process or the review described under paragraph (b), clause
32.23 (5).

32.24 **Subd. 5. Report; savings determination; process for selecting successor pharmacy**
32.25 **benefit manager.** (a) The commissioner of management and budget, with the assistance of
32.26 an actuarial consultant, shall compare the following: (1) actual, electronically adjudicated
32.27 prescription drug costs under the first two years of the contract that begins on January 1,
32.28 2023, with a pharmacy benefit manager that was selected by the reverse auction; and (2) a
32.29 projection of what prescription drug costs would have been for those same two years under
32.30 the pharmacy benefit manager contract in effect from 2018 to 2022, with appropriate
32.31 adjustment for any adopted formulary or beneficiary utilization changes. The projection
32.32 must use industry-recognized data sources. The commissioner of management and budget
32.33 shall report the results of the comparison to the legislative auditor and to the chairs and

33.1 ranking minority members of the committees in the senate and house of representatives
33.2 with jurisdiction over state government finance and policy by March 1, 2025.

33.3 (b) The commissioner of management and budget must require the actuarial consultant
33.4 to take appropriate measures to ensure that the consultant's work is not compromised by a
33.5 conflict of interest.

33.6 (c) By April 1, 2025, the legislative auditor shall provide a report to the commissioner
33.7 of management and budget and to the chairs and ranking minority members of the committees
33.8 in the senate and house of representatives with jurisdiction over state government finance
33.9 and policy. The legislative auditor's report must make a determination as to whether the
33.10 commissioner's report accurately performs the comparison required under paragraph (a).

33.11 (d) The technology platform vendor shall provide to the commissioner of management
33.12 and budget and to the legislative auditor the electronically adjudicated prescription drug
33.13 data and any other support or assistance required by the commissioner of management and
33.14 budget to prepare a report and for the legislative auditor to validate the accuracy of the
33.15 commissioner's results of the comparison, by deadlines established by the commissioner of
33.16 management and budget and the legislative auditor. Individual-identifying data received
33.17 from the technology platform vendor is private data on individuals, as defined by section
33.18 13.02, subdivision 12.

33.19 (e) If the commissioner of management and budget determines that savings on
33.20 prescription drug costs were not achieved, based on the comparison required under paragraph
33.21 (a), with appropriate adjustment for any adopted formulary or beneficiary utilization changes,
33.22 the commissioner may forego the use of a reverse auction for procurement of a successor
33.23 pharmacy benefit manager contract. If the commissioner of management and budget
33.24 determines that savings have been achieved, the commissioner must select the successor
33.25 pharmacy benefit manager contract using the reverse auction process described in this
33.26 section. If the commissioner's comparison in paragraph (a) finds that savings are not achieved,
33.27 the commissioner's report under paragraph (a) must include the commissioner's findings
33.28 that support a determination that savings were not achieved, analysis of the factors that
33.29 caused a failure to achieve savings, and recommendations for how savings could be achieved
33.30 in the next contract with a pharmacy benefit manager.

33.31 Subd. 6. **Data protections.** The commissioner of management and budget may only
33.32 enter into an agreement with a technology platform vendor if the agreement provides privacy
33.33 protections for data collected and maintained by the technology platform vendor, including:

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

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

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

34.5 Sec. 9. Minnesota Statutes 2020, section 138.38, is amended to read:

34.6 **138.38 REPORTS OF STATE ARCHAEOLOGIST.**

34.7 The state archaeologist shall consult with and keep the Indian Affairs Council ~~and~~, the
34.8 director of the historical society, and the State Historic Preservation Office informed as to
34.9 significant field archaeology, projected or in progress, and as to significant discoveries
34.10 made. Annually, and also upon leaving office, the state archaeologist shall file with the
34.11 commissioner a full report of the office's activities including a summary of the activities of
34.12 licensees, from the date of the last full report of the state archaeologist. Copies of the report
34.13 must be sent upon completion to the Minnesota Historical Society ~~and~~, the Indian Affairs
34.14 Council, and the State Historic Preservation Office, and made available to other interested
34.15 parties.

34.16 Sec. 10. Minnesota Statutes 2020, section 155A.23, subdivision 16, is amended to read:

34.17 Subd. 16. **School manager.** A "school manager" is ~~a cosmetologist who is a salon~~
34.18 ~~manager and~~ who has a school manager license. A school manager must maintain an active
34.19 salon manager's license.

34.20 Sec. 11. Minnesota Statutes 2020, section 240.01, subdivision 18, is amended to read:

34.21 Subd. 18. **Racing meeting.** "Racing meeting" is a series of days in which racing days
34.22 are not separated by more than five nonracing days unless approved in advance by the
34.23 commission.

34.24 Sec. 12. Minnesota Statutes 2020, section 240.06, subdivision 7, is amended to read:

34.25 Subd. 7. **License suspension and revocation.** The commission:

34.26 (1) may revoke a class A license for (i) a violation of law, order, or rule which in the
34.27 commission's opinion adversely affects the integrity of horse racing in Minnesota, or for
34.28 an intentional false statement made in a license application, or (ii) a willful failure to pay
34.29 any money required to be paid by Laws 1983, chapter 214;

35.1 (2) may revoke a class A license for failure to perform material covenants or
35.2 representations made in a license application; and

35.3 (3) shall revoke a class A license if live racing has not been conducted on at least 50
35.4 racing days assigned by the commission during any period of 12 consecutive months, unless
35.5 the commission authorizes a shorter period because of circumstances beyond the licensee's
35.6 control pursuant to section 240.30, subdivision 5.

35.7 The commission may suspend a class A license for up to one year for a violation of law,
35.8 order, or rule which in the commission's opinion adversely affects the integrity of horse
35.9 racing in Minnesota, and may suspend a class A license indefinitely if it determines that
35.10 the licensee has as an officer, director, shareholder, or other person with a direct, indirect,
35.11 or beneficial interest a person who is in the commission's opinion inimical to the integrity
35.12 of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (4).

35.13 A license revocation or suspension under this subdivision is a contested case under
35.14 sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to criminal
35.15 penalties imposed for a violation of law or rule.

35.16 Sec. 13. Minnesota Statutes 2020, section 240.11, is amended to read:

35.17 **240.11 LICENSES NONTRANSFERABLE.**

35.18 (a) Except as provided in paragraph (b), a license issued under this chapter may not be
35.19 transferred.

35.20 (b) A class A, class B, class C, or class D license to provide advance deposit wagering
35.21 may be transferred with prior approval by the commission.

35.22 Sec. 14. Minnesota Statutes 2020, section 240.131, subdivision 7, is amended to read:

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

36.1 (b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all
36.2 amounts wagered by Minnesota residents with an authorized advance deposit wagering
36.3 provider. The fee shall be declared on a form prescribed by the commission. The ADW
36.4 provider must pay the fee to the commission no more than 15 days after the end of the month
36.5 in which the wager was made. Fees collected under this paragraph must be deposited in the
36.6 state treasury and credited to a racing and card-playing regulation account in the special
36.7 revenue fund and are appropriated to the commission to offset the cost of administering the
36.8 breeders fund and promote horse breeding in Minnesota.

36.9 Sec. 15. Minnesota Statutes 2020, section 240.24, subdivision 2a, is amended to read:

36.10 Subd. 2a. **Reimbursement.** Increased expenses related to the use of upgraded drug
36.11 testing technologies and procedures are deemed to be necessary costs within the meaning
36.12 of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from
36.13 receipts from card playing activities regulated by the commission.

36.14 Sec. 16. Minnesota Statutes 2020, section 240.24, subdivision 3, is amended to read:

36.15 Subd. 3. **Fees.** The commission shall establish by rule a fee or schedule of fees that may
36.16 be used to recover the costs of medical testing of horses running at racetracks licensed by
36.17 the commission. Fees charged for the testing of horses shall cover the cost of the medical
36.18 testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the
36.19 racing reimbursement account.

36.20 Sec. 17. Minnesota Statutes 2020, section 240.30, subdivision 5, is amended to read:

36.21 Subd. 5. **Limitation.** (a) The commission shall not authorize a licensee to operate a card
36.22 club if the licensee has not conducted at least 50 days of live racing at a class A facility
36.23 within the past 12 months or during the preceding calendar year unless the commission
36.24 authorizes a shorter period ~~because of~~ as a result of an epidemic, natural disaster, flood,
36.25 war, or other circumstances beyond the licensee's control that made conducting 50 days of
36.26 live racing untenable for either public or equine health, welfare, or safety.

36.27 (b) Any authorization by the commission for a shorter period under paragraph (a), must
36.28 be approved in writing by the horsepersons' organization representing the majority of
36.29 horsepersons racing the breed racing the majority of races at the licensee's class A facility
36.30 during the preceding 12 months.

37.1 Sec. 18. Minnesota Statutes 2020, section 270C.21, is amended to read:

37.2 **270C.21 TAXPAYER ASSISTANCE GRANTS.**

37.3 Subdivision 1. Taxpayer assistance. When the commissioner awards grants to ~~nonprofit~~
37.4 eligible organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer
37.5 assistance services, the commissioner must provide public notice of the grants in a timely
37.6 manner so that the grant process is completed and grants are awarded by October 1, in order
37.7 for recipient eligible organizations to adequately plan expenditures for the filing season. At
37.8 the time the commissioner provides public notice, the commissioner must also notify
37.9 ~~nonprofit~~ eligible organizations that received grants in the previous biennium.

37.10 Subd. 2. Eligible organization. "Eligible organization" means an organization that meets
37.11 the definition of eligible organization provided in section 7526A(e)(2)(B) of the Internal
37.12 Revenue Code.

37.13 EFFECTIVE DATE. This section is effective for grants awarded after June 30, 2021.

37.14 Sec. 19. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

37.15 Subd. 2b. **Counties.** (a) For aids payable in 2018 and 2019, the total aid payable under
37.16 section 477A.0124, subdivision 3, is \$103,795,000, of which \$3,000,000 shall be allocated
37.17 as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020,
37.18 the total aid payable under section 477A.0124, subdivision 3, is \$116,795,000, of which
37.19 \$3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section
37.20 6. For aids payable in 2021 through 2024, the total aid payable under section 477A.0124,
37.21 subdivision 3, is \$118,795,000, of which \$3,000,000 shall be allocated as required under
37.22 Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the
37.23 total aid payable under section 477A.0124, subdivision 3, is \$115,795,000. Each calendar
37.24 year, \$500,000 of this appropriation shall be retained by the commissioner of revenue to
37.25 make reimbursements to the commissioner of management and budget for payments made
37.26 under section 611.27. The reimbursements shall be to defray the additional costs associated
37.27 with court-ordered counsel under section 611.27. Any retained amounts not used for
37.28 reimbursement in a year shall be included in the next distribution of county need aid that
37.29 is certified to the county auditors for the purpose of property tax reduction for the next taxes
37.30 payable year.

37.31 (b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision
37.32 4, is \$130,873,444. For aids payable in 2020, the total aid under section 477A.0124,
37.33 subdivision 4, is \$143,873,444. For aids payable in 2021 and thereafter, the total aid under

38.1 section 477A.0124, subdivision 4, is \$145,873,444. The commissioner of revenue shall
38.2 transfer to the ~~commissioner of management and budget~~ Legislative Budget Office \$207,000
38.3 annually for the cost of preparation of local impact notes as required by section 3.987, and
38.4 other local government activities. The commissioner of revenue shall transfer to the
38.5 commissioner of education \$7,000 annually for the cost of preparation of local impact notes
38.6 for school districts as required by section 3.987. The commissioner of revenue shall deduct
38.7 the amounts transferred under this paragraph from the appropriation under this paragraph.
38.8 The amounts transferred are appropriated to the ~~commissioner of management and budget~~
38.9 Legislative Coordinating Commission and the commissioner of education respectively.

38.10 **EFFECTIVE DATE.** This section is effective June 30, 2021.

38.11 Sec. 20. Minnesota Statutes 2020, section 645.071, is amended to read:

38.12 **645.071 STANDARD OF TIME.**

38.13 Every mention of, or reference to, any hour or time in any law, during any period of the
38.14 year, is to be construed with reference to and in accordance with the ~~standard time or~~
38.15 advanced standard time provided by federal law. No department of the state government
38.16 and no county, city or town shall employ, during any period of the year, any other time, or
38.17 adopt any ordinance or order providing for the use, during any period of the year, of any
38.18 other time than the federal ~~standard time or~~ advanced standard time.

38.19 **EFFECTIVE DATE.** This section is effective upon the first commencement of advanced
38.20 standard time, also known as daylight saving time, following enactment of an amendment
38.21 to United States Code, title 15, section 260a, or another applicable law, which authorizes
38.22 states to observe advanced standard time year-round.

38.23 Sec. 21. **LEGISLATIVE AUDITOR; COMPREHENSIVE REVIEW OF COVID-19**
38.24 **RESPONSE.**

38.25 The legislative auditor is requested to conduct a special review of the state's response
38.26 to the infectious disease known as COVID-19. If conducted, the review must be designed
38.27 as a comprehensive analysis of all major aspects of the state's response, including programs
38.28 to provide testing, vaccination, and public outreach; contracting and other state purchasing
38.29 necessary to facilitate the response or to provide public services; and the methodology used
38.30 in modeling and forecasting the course of the outbreak. For each program, service, or activity,
38.31 the review must consider whether it was efficiently and successfully implemented to achieve
38.32 its intended outcome. If a program, service, or activity was not efficiently or successfully

39.1 implemented, the review may make recommendations for process improvements to facilitate
39.2 the state's response to future infectious disease outbreaks.

39.3 **Sec. 22. FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE**
39.4 **COMMISSION ON CYBERSECURITY.**

39.5 Subdivision 1. **First appointments.** Appointing authorities must make initial
39.6 appointments to the Legislative Commission on Cybersecurity within 60 days after final
39.7 enactment. These members serve a term that expires on appointment of a successor after
39.8 the start of the next regular session of the legislature in 2023.

39.9 Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate
39.10 member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section
39.11 3.888, to convene the first meeting within 105 days after final enactment. The commission
39.12 must select a chair from among the senate members at the first meeting.

39.13 Subd. 3. **Meetings in 2021.** Notwithstanding Minnesota Statutes, section 3.888,
39.14 subdivision 5, the commission must meet at least twice in 2021.

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

39.16 **Sec. 23. TERMINATION OF PEACETIME EMERGENCY.**

39.17 Consistent with Minnesota Statutes, section 12.31, subdivision 2, paragraph (b), the
39.18 peacetime emergency declared by Executive Order No. 20-01 issued March 13, 2020, is
39.19 terminated.

39.20 **EFFECTIVE DATE.** This section is effective the day following presentment of S.F.
39.21 No. 2 to the governor pursuant to Article IV, section 23, of the Constitution of the State of
39.22 Minnesota.

39.23 **ARTICLE 3**

39.24 **MILITARY AND VETERANS POLICY**

39.25 Section 1. Minnesota Statutes 2020, section 10.578, is amended to read:

39.26 **10.578 VETERANS SUICIDE PREVENTION AND AWARENESS DAY.**

39.27 The first Saturday of every October is designated Veterans Suicide Prevention and
39.28 Awareness Day. Each year, the governor shall issue a proclamation honoring this observance.
39.29 Each year in conjunction with this observance, the commissioner of veterans affairs shall
39.30 coordinate activities that raise awareness of, and promote the prevention of, veteran suicides.

40.1 Sec. 2. Minnesota Statutes 2020, section 15.057, as amended by Laws 2021, chapter 28,
40.2 section 2, is amended to read:

40.3 **15.057 PUBLICITY REPRESENTATIVES.**

40.4 No state department, bureau, or division, whether the same operates on funds appropriated
40.5 or receipts or fees of any nature whatsoever, except the Department of Veterans Affairs,
40.6 the Department of Transportation, the Department of Employment and Economic
40.7 Development, the Department of Agriculture, the Game and Fish Division, State Agricultural
40.8 Society, and Explore Minnesota Tourism shall use any of such funds for the payment of
40.9 the salary or expenses of a publicity representative. The publicity representative for the
40.10 Department of Agriculture must not be an elected official or candidate for public office.
40.11 The head of any such department, bureau, or division shall be personally liable for funds
40.12 used contrary to this provision. This section shall not be construed, however, as preventing
40.13 any such department, bureau, or division from sending out any bulletins or other publicity
40.14 required by any state law or necessary for the satisfactory conduct of the business for which
40.15 such department, bureau, or division was created.

40.16 Sec. 3. Minnesota Statutes 2020, section 190.07, is amended to read:

40.17 **190.07 APPOINTMENT; QUALIFICATIONS; RANK; TERM; VACANCY.**

40.18 Subdivision 1. Qualifications. There shall be an adjutant general of the state who shall
40.19 be appointed by the governor within 120 days of a vacancy of the position. The adjutant
40.20 general shall be a staff officer, who at the time of appointment shall be a commissioned
40.21 officer of the National Guard ~~of this state, with not less than ten years military service in~~
40.22 ~~the National Guard of this state or the armed forces of the United States, at least three of~~
40.23 ~~which shall have been commissioned~~ and who shall have reached, at a minimum, the grade
40.24 ~~of a field officer~~ rank of colonel (O-6).

40.25 Subd. 2. Rank. The adjutant general shall be promoted, if necessary, directly to and
40.26 shall hold at least the rank of major general and may be promoted to and including the
40.27 ~~highest rank authorized under federal law. However, the adjutant general may not be~~
40.28 ~~promoted to the rank of major general without having at least 20 years service in the~~
40.29 ~~Minnesota National Guard, at least one of which has been in the rank of brigadier general.~~
40.30 If not already a major general, the adjutant general's promotion is effective beginning on
40.31 the date the governor appoints the adjutant general. At the time of appointment and in
40.32 accordance with the authorities governing federal recognition of officers, the adjutant general
40.33 is authorized to wear the rank of major general.

41.1 Subd. 3. Term. The term of the adjutant general is for a single term of seven years from
41.2 the date of appointment. Section 15.06, subdivisions 3, 4, and 5, governs filling of vacancies
41.3 in the Office of Adjutant General. The adjutant general shall not be removed from office
41.4 during a term except upon withdrawal of federal recognition or as otherwise provided by
41.5 the military laws of this state.

41.6 Subd. 4. Vacancy; acting or temporary adjutant general. In the event of a vacancy
41.7 of the adjutant general, the governor may appoint a person qualified under subdivision 1 as
41.8 an acting adjutant general. If the governor does not appoint an acting adjutant general, the
41.9 deputy adjutant general as defined in section 190.09, subdivision 1, shall become temporary
41.10 adjutant general without further official action. Upon taking office, the acting or temporary
41.11 adjutant general shall have all the powers and emoluments and perform all the duties of the
41.12 office of adjutant general until a permanent adjutant general is appointed.

41.13 **Sec. 4. [196.081] VETERANS STABLE HOUSING INITIATIVE; DATA.**

41.14 (a) The commissioner may establish a veterans stable housing initiative. If the
41.15 commissioner establishes a veterans stable housing initiative under this section, the
41.16 commissioner must provide resources and support to assist veterans experiencing
41.17 homelessness in obtaining or maintaining stable housing.

41.18 (b) Data on individuals maintained by the commissioner in the Homeless Veteran Registry
41.19 for purposes of the veterans stable housing initiative is private data on individuals as defined
41.20 in section 13.02, subdivision 12, and must not be disclosed or shared except for coordinating
41.21 homelessness prevention efforts with:

41.22 (1) members of the Minnesota Interagency Council on Homelessness; and

41.23 (2) Homeless Veteran Registry partners to address a veteran's episode of homelessness
41.24 or maintain a veteran's housing plan through Department of Veterans Affairs funded
41.25 programs.

41.26 (c) For purposes of this section, "homelessness" means that a veteran lacks a fixed,
41.27 nighttime residence.

41.28 **Sec. 5. Minnesota Statutes 2020, section 197.791, subdivision 4, is amended to read:**

41.29 **Subd. 4. Eligibility.** (a) A person is eligible for educational assistance under ~~subdivisions~~
41.30 subdivision 5 and 5a if:

41.31 (1) the person is:

42.1 (i) a veteran who is serving or has served honorably in any branch or unit of the United
42.2 States armed forces at any time;

42.3 (ii) a nonveteran who has served honorably for a total of five years or more cumulatively
42.4 as a member of the Minnesota National Guard or any other active or reserve component of
42.5 the United States armed forces, and any part of that service occurred on or after September
42.6 11, 2001;

42.7 (iii) the surviving spouse or child of a person who has served in the military and who
42.8 has died as a direct result of that military service, only if the surviving spouse or child is
42.9 eligible to receive federal education benefits under United States Code, title 38, chapter 33,
42.10 as amended, or United States Code, title 38, chapter 35, as amended; or

42.11 (iv) the spouse or child of a person who has served in the military at any time and who
42.12 has a total and permanent service-connected disability as rated by the United States Veterans
42.13 Administration, only if the spouse or child is eligible to receive federal education benefits
42.14 under United States Code, title 38, chapter 33, as amended, or United States Code, title 38,
42.15 chapter 35, as amended; and

42.16 (2) the person receiving the educational assistance is a Minnesota resident, as defined
42.17 in section 136A.101, subdivision 8; and

42.18 (3) the person receiving the educational assistance:

42.19 (i) is an undergraduate or graduate student at an eligible institution;

42.20 (ii) is maintaining satisfactory academic progress as defined by the institution for students
42.21 participating in federal Title IV programs;

42.22 (iii) is enrolled in an education program leading to a certificate, diploma, or degree at
42.23 an eligible institution;

42.24 (iv) has applied for educational assistance under this section prior to the end of the
42.25 academic term for which the assistance is being requested;

42.26 (v) is in compliance with child support payment requirements under section 136A.121,
42.27 subdivision 2, clause (5); and

42.28 (vi) has completed the Free Application for Federal Student Aid (FAFSA).

42.29 (b) A person's eligibility terminates when the person becomes eligible for benefits under
42.30 section 135A.52.

42.31 (c) To determine eligibility, the commissioner may require official documentation,
42.32 including the person's federal form DD-214 or other official military discharge papers;

43.1 correspondence from the United States Veterans Administration; birth certificate; marriage
43.2 certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency;
43.3 proof of identity; or any other official documentation the commissioner considers necessary
43.4 to determine eligibility.

43.5 (d) The commissioner may deny eligibility or terminate benefits under this section to
43.6 any person who has not provided sufficient documentation to determine eligibility for the
43.7 program. An applicant may appeal the commissioner's eligibility determination or termination
43.8 of benefits in writing to the commissioner at any time. The commissioner must rule on any
43.9 application or appeal within 30 days of receipt of all documentation that the commissioner
43.10 requires. The decision of the commissioner regarding an appeal is final. However, an
43.11 applicant whose appeal of an eligibility determination has been rejected by the commissioner
43.12 may submit an additional appeal of that determination in writing to the commissioner at
43.13 any time that the applicant is able to provide substantively significant additional information
43.14 regarding the applicant's eligibility for the program. An approval of an applicant's eligibility
43.15 by the commissioner following an appeal by the applicant is not retroactively effective for
43.16 more than one year or the semester of the person's original application, whichever is later.

43.17 (e) Upon receiving an application with insufficient documentation to determine eligibility,
43.18 the commissioner must notify the applicant within 30 days of receipt of the application that
43.19 the application is being suspended pending receipt by the commissioner of sufficient
43.20 documentation from the applicant to determine eligibility.

43.21 Sec. 6. Minnesota Statutes 2020, section 197.791, subdivision 5, is amended to read:

43.22 Subd. 5. **Educational assistance amount.** (a) On approval by the commissioner of
43.23 eligibility for the program, the applicant shall be awarded, on a funds-available basis, the
43.24 educational assistance under the program for use at any time according to program rules at
43.25 any eligible institution.

43.26 (b) The amount of educational assistance in any semester or term for an eligible person
43.27 must be determined by subtracting from the eligible person's cost of attendance the amount
43.28 the person received or was eligible to receive in that semester or term from:

43.29 (1) the federal Pell Grant;

43.30 (2) the state grant program under section 136A.121; and

43.31 (3) any federal military or veterans educational benefits including but not limited to the
43.32 Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational
43.33 rehabilitation benefits, and any other federal benefits associated with the person's status as

44.1 a veteran, except veterans disability payments from the United States Department of Veterans
44.2 ~~Administration and payments made under the Veterans Retraining Assistance Program~~
44.3 ~~(VRAP) Affairs.~~

44.4 (c) The amount of educational assistance for any eligible person who is a full-time
44.5 student must not exceed the following:

44.6 (1) \$3,000 per state fiscal year; and

44.7 (2) \$10,000 in a lifetime.

44.8 (d) For a part-time student, the amount of educational assistance must not exceed \$500
44.9 per semester or term of enrollment. For the purpose of this paragraph, a part-time
44.10 undergraduate student is a student taking fewer than 12 credits or the equivalent for a
44.11 semester or term of enrollment and a part-time graduate student is a student considered part
44.12 time by the eligible institution the graduate student is attending. The minimum award for
44.13 undergraduate and graduate students is \$50 per term.

44.14 Sec. 7. Minnesota Statutes 2020, section 197.791, subdivision 5a, is amended to read:

44.15 Subd. 5a. **Apprenticeship and on-the-job training.** (a) The commissioner, in
44.16 consultation with the commissioners of employment and economic development and labor
44.17 and industry, shall develop and implement an apprenticeship and on-the-job training program
44.18 to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible
44.19 persons, as provided in this subdivision.

44.20 (b) An "eligible employer" means an employer operating a qualifying apprenticeship or
44.21 on-the-job training program that has been approved by the commissioner.

44.22 ~~(c) A person is eligible for apprenticeship and on-the-job training assistance under this~~
44.23 ~~subdivision if the person meets the criteria established under subdivision 4, paragraph (a).~~
44.24 ~~The commissioner may determine eligibility as provided in subdivision 4, paragraph (c),~~
44.25 ~~and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and~~
44.26 ~~(e). The amount of assistance paid to or on behalf of an eligible individual under this~~
44.27 ~~subdivision must not exceed the following:~~

44.28 (c) A person is eligible for apprenticeship and on-the-job training assistance under this
44.29 subdivision if the person is:

44.30 (1) a veteran who is serving or has served honorably in any branch or unit of the United
44.31 States armed forces at any time;

45.1 (2) a nonveteran who has served honorably for a total of five years or more cumulatively
45.2 as a member of the Minnesota National Guard or any other active or reserve component of
45.3 the United States armed forces, and any part of that service occurred on or after September
45.4 11, 2001;

45.5 (3) the surviving spouse or child of a person who has served in the military and who has
45.6 died as a direct result of that military service, only if the surviving spouse or child is eligible
45.7 to receive federal education benefits under United States Code, title 38, chapter 33, as
45.8 amended, or United States Code, title 38, chapter 35, as amended; or

45.9 (4) the spouse or child of a person who has served in the military at any time and who
45.10 has a total and permanent service-connected disability as rated by the United States Veterans
45.11 Administration, only if the spouse or child is eligible to receive federal education benefits
45.12 under United States Code, title 38, chapter 33, as amended, or United States Code, title 38,
45.13 chapter 35, as amended.

45.14 (d) The amount of assistance paid to or on behalf of an eligible individual under this
45.15 subdivision must not exceed the following:

45.16 (1) \$3,000 per fiscal year for apprenticeship expenses;

45.17 (2) \$3,000 per fiscal year for on-the-job training;

45.18 (3) \$1,000 for a job placement credit payable to an eligible employer upon hiring and
45.19 completion of six consecutive months' employment of a person receiving assistance under
45.20 this subdivision; and

45.21 (4) \$1,000 for a job placement credit payable to an eligible employer after a person
45.22 receiving assistance under this subdivision has been employed by the eligible employer for
45.23 at least 12 consecutive months as a full-time employee.

45.24 (e) No more than \$5,000 in aggregate benefits under this paragraph subdivision may be
45.25 paid to or on behalf of an individual in one fiscal year, and not more than \$10,000 in
45.26 aggregate benefits under this paragraph may be paid to or on behalf of an individual over
45.27 any period of time.

45.28 (f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's
45.29 aggregate benefits under this subdivision, subdivisions 5, and 5b, must not exceed \$10,000
45.30 in the eligible person's lifetime.

45.31 ~~(d)~~ (g) Assistance for apprenticeship expenses and on-the-job training is available for
45.32 qualifying programs, which must, at a minimum, meet the following criteria:

- 46.1 (1) the training must be with an eligible employer;
- 46.2 (2) the training must be documented and reported;
- 46.3 (3) the training must reasonably be expected to lead to an entry-level position; and
- 46.4 (4) the position must require at least six months of training to become fully trained.

46.5 Sec. 8. Minnesota Statutes 2020, section 197.791, subdivision 5b, is amended to read:

46.6 Subd. 5b. **Additional professional or educational benefits.** (a) The commissioner shall
46.7 develop and implement a program to administer a portion of the Minnesota GI Bill program
46.8 to pay additional benefit amounts to eligible persons as provided under this subdivision.

46.9 ~~(b) A person is eligible for additional benefits under this subdivision if the person meets~~
46.10 ~~the criteria established under subdivision 4, paragraph (a), clause (1). The commissioner~~
46.11 ~~may determine eligibility as provided in subdivision 4, paragraph (c), and may deny or~~
46.12 ~~terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount~~
46.13 ~~of assistance paid to or on behalf of an eligible individual under this subdivision must not~~
46.14 ~~exceed the following amounts:~~

46.15 (b) A person is eligible for additional benefits under this subdivision if the person is:

46.16 (1) a veteran who is serving or has served honorably in any branch or unit of the United
46.17 States armed forces at any time;

46.18 (2) a nonveteran who has served honorably for a total of five years or more cumulatively
46.19 as a member of the Minnesota National Guard or any other active or reserve component of
46.20 the United States armed forces, and any part of that service occurred on or after September
46.21 11, 2001;

46.22 (3) the surviving spouse or child of a person who has served in the military and who has
46.23 died as a direct result of that military service, only if the surviving spouse or child is eligible
46.24 to receive federal education benefits under United States Code, title 38, chapter 33, as
46.25 amended, or United States Code, title 38, chapter 35, as amended; or

46.26 (4) the spouse or child of a person who has served in the military at any time and who
46.27 has a total and permanent service-connected disability as rated by the United States Veterans
46.28 Administration, only if the spouse or child is eligible to receive federal education benefits
46.29 under United States Code, title 38, chapter 33, as amended, or United States Code, title 38,
46.30 chapter 35, as amended.

46.31 (c) The amount of assistance paid to or on behalf of an eligible individual under this
46.32 subdivision must not exceed the following amounts:

47.1 (1) \$3,000 per state fiscal year; and

47.2 (2) \$10,000 in a lifetime.

47.3 (d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's
47.4 aggregate benefits under this subdivision, subdivisions 5, and 5a, must not exceed \$10,000
47.5 in the eligible person's lifetime.

47.6 ~~(e)~~ (e) A person eligible under this subdivision may use the benefit amounts for the
47.7 following purposes:

47.8 (1) licensing or certification tests, the successful completion of which demonstrates an
47.9 individual's possession of the knowledge or skill required to enter into, maintain, or advance
47.10 in employment in a predetermined and identified vocation or profession, provided that the
47.11 tests and the licensing or credentialing organizations or entities that offer the tests are
47.12 approved by the commissioner;

47.13 (2) tests for admission to institutions of higher learning or graduate schools;

47.14 (3) national tests providing an opportunity for course credit at institutions of higher
47.15 learning;

47.16 (4) a preparatory course for a test that is required or used for admission to an institution
47.17 of higher education or a graduate program; and

47.18 (5) any fee associated with the pursuit of a professional or educational objective specified
47.19 in clauses (1) to (4).

47.20 ~~(d) If an eligible person receives benefits under subdivision 5, the eligible person's~~
47.21 ~~aggregate benefits under this subdivision and subdivision 5 must not exceed \$10,000 in the~~
47.22 ~~eligible person's lifetime.~~

47.23 ~~(e) If an eligible person receives benefits under subdivision 5a, the eligible person's~~
47.24 ~~aggregate benefits under this subdivision and subdivision 5a must not exceed \$10,000 in~~
47.25 ~~the eligible person's lifetime.~~

47.26 Sec. 9. Minnesota Statutes 2020, section 198.006, is amended to read:

47.27 **198.006 SUPPLEMENTAL PROGRAMS.**

47.28 (a) The commissioner ~~shall~~ must work with federal, state, local, and private agencies to
47.29 develop alternative institutional and noninstitutional care programs for veterans to supplement
47.30 the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate
47.31 level of care available.

48.1 (b) The commissioner may work with federal, state, local, and private entities to make
48.2 available appropriate dental services for veterans homes residents. The commissioner may
48.3 engage with the United States Department of Veterans Affairs to support the dental benefits
48.4 program authorized under this paragraph.

48.5 (c) The commissioner may provide adult day care center programs that offer therapeutic
48.6 and rehabilitation health care services to veterans and support services for caregivers of
48.7 veterans. If the commissioner provides adult day care center programs, the commissioner
48.8 may collect fees from program participants. The commissioner is authorized to apply for
48.9 and accept federal funding for purposes of this paragraph.

48.10 Sec. 10. Minnesota Statutes 2020, section 198.03, subdivision 2, is amended to read:

48.11 Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of
48.12 calculating the average cost of care for the domiciliary and nursing care residents. The cost
48.13 must be determined yearly based upon the average cost per resident taking into account,
48.14 but not limited to, administrative cost of the homes, the cost of service available to the
48.15 resident, and food and lodging costs. These average costs must be calculated separately for
48.16 domiciliary and nursing care residents. The amount charged each resident for maintenance,
48.17 if anything, must be based on the appropriate average cost of care calculation and the assets
48.18 and income of the resident but must not exceed the appropriate average cost of care.

48.19 (b) Beginning July 1, 2021, the Personal Needs Allowance (PNA) for domiciliary
48.20 residents must be based on the Minnesota Department of Human Services' (DHS) most
48.21 recent General Assistance program PNA and is in effect the same date as the DHS PNA is
48.22 in effect. Thereafter, the PNA for domiciliary residents must be adjusted and put into effect
48.23 each year or each time DHS adjusts the General Assistance program PNA.

48.24 Sec. 11. **[198.45] REPORT ON VETERANS HOMES.**

48.25 No later than January 15, 2022, and biennially on January 15 thereafter, the commissioner
48.26 must submit a report to the chairs and ranking minority members of the legislative committees
48.27 with jurisdiction over veterans affairs and state government finance on reserve amounts
48.28 maintained in the veterans homes special revenue account. The report must detail current
48.29 and historical amounts maintained as a reserve and uses of those amounts. The report must
48.30 also include data on the use of existing veterans homes, including current and historical bed
48.31 capacity and usage, staffing levels and staff vacancy rates, and staff-to-resident ratios.

49.1 Sec. 12. Minnesota Statutes 2020, section 609.095, is amended to read:

49.2 **609.095 LIMITS OF SENTENCES.**

49.3 (a) The legislature has the exclusive authority to define crimes and offenses and the
49.4 range of the sentences or punishments for their violation. No other or different sentence or
49.5 punishment shall be imposed for the commission of a crime than is authorized by this chapter
49.6 or other applicable law.

49.7 (b) Except as provided in section 152.18 ~~or~~, 609.1056, 609.375, or upon agreement of
49.8 the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty
49.9 plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been
49.10 found guilty by a court or jury following a trial. A decision by the court to issue a stay of
49.11 adjudication under this paragraph for a charge of violating section 243.166, 609.342, 609.343,
49.12 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, must be justified in writing and
49.13 on the record.

49.14 (c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

49.15 Sec. 13. **[609.1056] MILITARY VETERANS; CRIMES COMMITTED BECAUSE**
49.16 **OF CONDITIONS RESULTING FROM SERVICE; DISCHARGE AND DISMISSAL.**

49.17 Subdivision 1. Definitions. As used in this section, the following terms have the meanings
49.18 given:

49.19 (1) "applicable condition" means sexual trauma, traumatic brain injury, posttraumatic
49.20 stress disorder, substance abuse, or a mental health condition;

49.21 (2) "eligible offense" means any misdemeanor or gross misdemeanor, and any felony
49.22 that is ranked at severity level 7 or lower or D7 or lower on the Sentencing Guidelines grid;
49.23 and

49.24 (3) "veterans treatment court program" means a program that has the following essential
49.25 characteristics:

49.26 (i) the integration of services in the processing of cases in the judicial system;

49.27 (ii) the use of a nonadversarial approach involving prosecutors and defense attorneys to
49.28 promote public safety and to protect the due process rights of program participants;

49.29 (iii) early identification and prompt placement of eligible participants in the program;

49.30 (iv) access to a continuum of alcohol, controlled substance, mental health, and other
49.31 related treatment and rehabilitative services;

50.1 (v) careful monitoring of treatment and services provided to program participants;

50.2 (vi) a coordinated strategy to govern program responses to participants' compliance;

50.3 (vii) ongoing judicial interaction with program participants;

50.4 (viii) monitoring and evaluation of program goals and effectiveness;

50.5 (ix) continuing interdisciplinary education to promote effective program planning,

50.6 implementation, and operations;

50.7 (x) development of partnerships with public agencies and community organizations,

50.8 including the United States Department of Veterans Affairs; and

50.9 (xi) inclusion of a participant's family members who agree to be involved in the treatment

50.10 and services provided to the participant under the program.

50.11 Subd. 2. **Deferred prosecution.** (a) The court shall defer prosecution for an eligible

50.12 offense committed by a defendant who was, or currently is, a member of the United States

50.13 military as provided in this subdivision. The court shall defer prosecution at the request of

50.14 the defendant upon a finding of guilty after trial or upon a guilty plea.

50.15 (b) A defendant who requests to be sentenced under this section shall release or authorize

50.16 access to military service reports and records relating to an alleged applicable condition

50.17 stemming from service in the United States military. The court must file the records as

50.18 confidential, and the records must remain sealed, except as provided in this paragraph. The

50.19 defendant, through existing records or licensed professional evaluation, shall establish the

50.20 diagnosis of the applicable condition and its connection to military service. The court, on

50.21 its motion or the prosecutor's motion with notice to defense counsel, may order the defendant

50.22 to furnish to the court for in-camera review or to the prosecutor copies of all medical and

50.23 military service reports and records previously or subsequently made concerning the

50.24 defendant's condition and its connection to service.

50.25 (c) Based on the record, the court shall determine, by clear and convincing evidence,

50.26 whether the defendant suffers from an applicable condition, whether that condition stems

50.27 from service in the United States military, and whether the offense was committed as a

50.28 result of the applicable condition. Within 15 days of the court's findings, either party may

50.29 file a challenge to the findings and demand a hearing on the defendant's eligibility under

50.30 this section.

50.31 (d) If the court makes the determination described in paragraph (c), the court shall,

50.32 without entering a judgment of guilty, defer further proceedings and place the defendant

50.33 on probation upon such reasonable conditions as it may require and for a period not to

51.1 exceed the maximum period provided by law. A court may extend a defendant's term of
51.2 probation pursuant to section 609.135, subdivision 2, paragraphs (g) and (h). Conditions
51.3 ordered by the court must include treatment, services, rehabilitation, and education sufficient
51.4 so that if completed, the defendant would be eligible for discharge and dismissal under
51.5 subdivision 3. If the court determines that a defendant suffers from a substance use disorder,
51.6 the court shall order a Rule 25 assessment under Minnesota Rules, part 9530.6615, and
51.7 order the defendant to follow the recommendations contained in the assessment. If the court
51.8 determines that a defendant suffers from posttraumatic stress disorder, sexual trauma,
51.9 traumatic brain injury, or other mental health conditions, the court shall order a mental
51.10 health assessment conducted by a licensed mental health professional and follow the
51.11 recommendations contained in the examiner's report.

51.12 (e) If the court determines that the defendant is eligible for a deferred sentence but the
51.13 defendant has previously received a deferred sentence for a felony offense under this
51.14 subdivision, the court may, but is not required to, impose a deferred sentence. If the court
51.15 does not impose a deferred sentence, the court may sentence the defendant as otherwise
51.16 provided in law, including as provided in subdivision 4.

51.17 (f) Upon violation of a condition of probation, the court may enter an adjudication of
51.18 guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

51.19 (g) As a condition of probation, the court may order the defendant to attend a local, state,
51.20 federal, or private nonprofit treatment program for a period not to exceed the maximum
51.21 period for which the defendant could have been incarcerated.

51.22 (h) The court, when issuing an order under this subdivision that a defendant attend an
51.23 established treatment program, shall give preference to a treatment program that has a history
51.24 of successfully treating veterans who suffer from applicable conditions caused by military
51.25 service, including but not limited to programs operated by the United States Department of
51.26 Defense or Veterans Affairs.

51.27 (i) The court and any assigned treatment program shall collaborate with, when available,
51.28 the county veterans service officer and the United States Department of Veterans Affairs
51.29 to maximize benefits and services provided to the defendant. If an appropriate treatment
51.30 provider is not available in the defendant's county of residence or public funding is not
51.31 available, the Minnesota Department of Veterans Affairs shall coordinate with the United
51.32 States Department of Veterans Affairs to locate an appropriate treatment program and
51.33 sources to fund the cost of the defendant's participation in the program.

52.1 (j) If available in the county or judicial district having jurisdiction over the case, the
52.2 defendant may be supervised by a veterans treatment court program under subdivision 5.
52.3 If there is a veterans treatment court that meets the requirements of subdivision 5 in the
52.4 county in which the defendant resides or works, supervision of the defendant may be
52.5 transferred to that county or judicial district veterans treatment court program. Upon the
52.6 defendant's successful or unsuccessful completion of the program, the veterans treatment
52.7 court program shall communicate this information to the court of original jurisdiction for
52.8 further action.

52.9 (k) Sentencing pursuant to this subdivision waives any right to administrative review
52.10 pursuant to section 169A.53, subdivision 1, or judicial review pursuant to section 169A.53,
52.11 subdivision 2, for a license revocation or cancellation imposed pursuant to section 169A.52,
52.12 and also waives any right to administrative review pursuant to section 171.177, subdivision
52.13 10, or judicial review pursuant to section 171.177, subdivision 11, for a license revocation
52.14 or cancellation imposed pursuant to section 171.177, if that license revocation or cancellation
52.15 is the result of the same incident for which the defendant is being sentenced.

52.16 Subd. 3. **Discharge and dismissal.** (a) Upon the expiration of the period of the defendant's
52.17 probation, the court shall hold a hearing to discharge the defendant from probation and
52.18 determine whether to dismiss the proceedings against a defendant who received a deferred
52.19 sentence under subdivision 2. The hearing shall be scheduled so that the parties have adequate
52.20 time to prepare and present arguments regarding the issue of dismissal. The parties may
52.21 submit written arguments to the court prior to the date of the hearing and may make oral
52.22 arguments before the court at the hearing. The defendant must be present at the hearing
52.23 unless excused under Minnesota Rules of Criminal Procedure, rule 26.03, subdivision 1,
52.24 clause (3).

52.25 (b) The court shall provide notice to any identifiable victim of the offense at least 15
52.26 days before the hearing is held. Notice to victims of the offense under this subdivision must
52.27 specifically inform the victim of the right to submit an oral or written statement to the court
52.28 at the time of the hearing describing the harm suffered by the victim as a result of the crime
52.29 and the victim's recommendation on whether dismissal should be granted or denied. The
52.30 judge shall consider the victim's statement when making a decision. If a victim notifies the
52.31 prosecutor of an objection to dismissal and is not present at the hearing, the prosecutor shall
52.32 make the objections known to the court.

52.33 (c) The court shall dismiss proceedings against a defendant if the court finds by clear
52.34 and convincing evidence that the defendant:

- 53.1 (1) is in compliance with the conditions of probation;
- 53.2 (2) has successfully completed court-ordered treatment and services to address the
53.3 applicable condition caused by military service;
- 53.4 (3) does not represent a danger to the health or safety of victims or others; and
- 53.5 (4) has demonstrated significant benefit from court-ordered education, treatment, or
53.6 rehabilitation to clearly show that a discharge and dismissal under this subdivision is in the
53.7 interests of justice.
- 53.8 (d) In determining the interests of justice, the court shall consider, among other factors,
53.9 all of the following:
- 53.10 (1) the defendant's completion and degree of participation in education, treatment, and
53.11 rehabilitation as ordered by the court;
- 53.12 (2) the defendant's progress in formal education;
- 53.13 (3) the defendant's development of career potential;
- 53.14 (4) the defendant's leadership and personal responsibility efforts;
- 53.15 (5) the defendant's contribution of service in support of the community;
- 53.16 (6) the level of harm to the community from the offense;
- 53.17 (7) the level of harm to the victim from the offense with the court's determination of
53.18 harm guided by the factors for evaluating injury and loss contained in the applicable victim's
53.19 rights provisions of chapter 611A; and
- 53.20 (8) the statement of the victim, if any.
- 53.21 (e) If the court finds that the defendant does not qualify for discharge and dismissal
53.22 under paragraph (c), the court shall enter an adjudication of guilt and proceed as otherwise
53.23 provided in law, including as provided in subdivision 4.
- 53.24 (f) Discharge and dismissal under this subdivision shall be without court adjudication
53.25 of guilt, but a not public record of the discharge and dismissal shall be retained by the Bureau
53.26 of Criminal Apprehension for the purpose of use by the courts in determining the merits of
53.27 subsequent proceedings against the defendant. The not public record may also be opened
53.28 only upon court order for purposes of a criminal investigation, prosecution, or sentencing.
53.29 Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall
53.30 notify the requesting party of the existence of the not public record and the right to seek a
53.31 court order to open the not public record under this paragraph. The court shall forward a

54.1 record of any discharge and dismissal under this subdivision to the bureau, which shall
54.2 make and maintain the not public record of the discharge and dismissal. The discharge and
54.3 dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities
54.4 imposed by law upon conviction of a crime or for any other purpose. For purposes of this
54.5 paragraph, "not public" has the meaning given in section 13.02, subdivision 8a.

54.6 Subd. 4. **Sentencing departure; waiver of mandatory sentence.** (a) This subdivision
54.7 applies to defendants who plead or are found guilty of any criminal offense except one for
54.8 which registration is required under section 243.166, subdivision 1b.

54.9 (b) Prior to sentencing, a defendant described in paragraph (a) may present proof to the
54.10 court that the defendant has, since the commission of the offense, engaged in rehabilitative
54.11 efforts consistent with those described in this section. If the court determines that the
54.12 defendant has engaged in substantial rehabilitative efforts and the defendant establishes by
54.13 clear and convincing evidence that:

54.14 (1) the defendant suffered from an applicable condition at the time of the offense;

54.15 (2) the applicable condition was caused by service in the United States military; and

54.16 (3) the offense was committed as a result of the applicable condition;

54.17 the court may determine that the defendant is particularly amenable to probation and order
54.18 a mitigated durational or dispositional sentencing departure or a waiver of any statutory
54.19 mandatory minimum sentence applicable to the defendant.

54.20 Subd. 5. **Optional veterans treatment court program; procedures for eligible**
54.21 **defendants.** A county or judicial district may supervise probation under this section through
54.22 a veterans treatment court using county veterans service officers appointed under sections
54.23 197.60 to 197.606, United States Department of Veterans Affairs veterans justice outreach
54.24 specialists, probation agents, and any other rehabilitative resources available to the court.

54.25 Subd. 6. **Creation of county and city diversion programs; authorization.** Any county
54.26 or city may establish and operate a veterans pretrial diversion program for defendants eligible
54.27 under subdivision 1 without penalty under section 477A.0175. "Pretrial diversion" means
54.28 the decision of a prosecutor to refer a defendant to a diversion program on the condition
54.29 that the criminal charges against the defendant shall be dismissed after a specified period
54.30 of time or the case shall not be charged, if the defendant successfully completes the program
54.31 of treatment recommended by the United States Department of Veterans Affairs or a local,
54.32 state, federal, or private nonprofit treatment program.

55.1 Subd. 7. **Exception.** This section does not apply to a person charged with an offense for
 55.2 which registration is required under section 243.166, subdivision 1b.

55.3 **EFFECTIVE DATE.** This section is effective August 1, 2021.

55.4 Sec. 14. **COST OF CARE; TEMPORARY SUSPENSION OF RULE.**

55.5 Notwithstanding Minnesota Rules, part 9050.0500, subparts 1, 2 and 3, the commissioner
 55.6 of veterans affairs is not required to perform the annual calculation of costs of care for
 55.7 veterans homes in fiscal year 2022. For fiscal year 2022, the commissioner may apply the
 55.8 cost of care established for fiscal year 2021. The commissioner may only suspend application
 55.9 of Minnesota Rules, part 9050.0500, subparts 1, 2, and 3, in fiscal year 2022. This section
 55.10 expires on June 30, 2022.

55.11 **EFFECTIVE DATE.** This section is effective July 1, 2021.

55.12 Sec. 15. **REVISOR INSTRUCTION.**

55.13 The revisor of statutes must renumber the provisions of Minnesota Statutes listed in
 55.14 column A to the references listed in column B. The revisor must also make necessary
 55.15 cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the
 55.16 renumbering.

55.17	<u>Column A</u>	<u>Column B</u>
55.18	<u>197.791, subdivision 5a</u>	<u>197.791, subdivision 6</u>
55.19	<u>197.791, subdivision 5b</u>	<u>197.791, subdivision 7</u>
55.20	<u>197.791, subdivision 6</u>	<u>197.791, subdivision 8</u>

55.21 **ARTICLE 4**

55.22 **ELECTIONS**

55.23 Section 1. Minnesota Statutes 2020, section 201.071, subdivision 2, is amended to read:

55.24 Subd. 2. **Instructions.** (a) A registration application shall be accompanied by instructions
 55.25 specifying the manner and method of registration, the qualifications for voting, the penalties
 55.26 for false registration, and the availability of registration and voting assistance for elderly
 55.27 and disabled individuals and residents of health care facilities and hospitals.

55.28 (b) The instructions must indicate that if the voter ~~does not have~~ must provide a valid
 55.29 Minnesota driver's license or identification card number, or the last four digits of the voter's
 55.30 Social Security number ~~must be provided, unless the voter does not have a Social Security~~
 55.31 ~~number~~, unless the voter has not been issued one of those numbers.

56.1 (c) If, prior to election day, a person requests the instructions in Braille, audio format,
56.2 or in a version printed in 16-point bold type with 24-point leading, the county auditor shall
56.3 provide them in the form requested. The secretary of state shall prepare Braille and audio
56.4 copies and make them available.

56.5 Sec. 2. Minnesota Statutes 2020, section 201.121, subdivision 3, is amended to read:

56.6 Subd. 3. **Postelection sampling.** (a) Within ten days after an election, the county auditor
56.7 shall send the notice required by subdivision 2 to a random sampling of the individuals
56.8 registered on election day. The random sampling shall be determined in accordance with
56.9 the rules of the secretary of state. As soon as practicable after the election, the county auditor
56.10 shall mail the notice required by subdivision 2 to all other individuals registered on election
56.11 day. If a notice is returned as not deliverable, the county auditor shall attempt to determine
56.12 the reason for the return. A county auditor who does not receive or obtain satisfactory proof
56.13 of an individual's eligibility to vote shall immediately notify the county attorney of all of
56.14 the relevant information. ~~The~~ By February 15 of each year, the county auditor must notify
56.15 the secretary of state of the following information for each election held in the previous
56.16 year by each precinct:

56.17 (1) the total number of all notices that were returned as nondeliverable;

56.18 (2) the total number of nondeliverable notices that the county auditor was able to
56.19 determine the reason for the return along with the reason for each return; and

56.20 (3) the total number of individuals for whom the county auditor does not receive or
56.21 obtain satisfactory proof of an individual's eligibility to vote.

56.22 (b) By March 1 of every ~~odd-numbered~~ year, the secretary of state shall report to the
56.23 chair and ranking minority members of the legislative committees with jurisdiction over
56.24 elections the following information for each election held in the previous year by each
56.25 precinct and each county:

56.26 (1) the total number of all notices that were returned as nondeliverable;

56.27 (2) the total number of nondeliverable notices that a county auditor was able to determine
56.28 the reason for the return along with the reason for each return; and

56.29 (3) the total number of individuals for whom the county auditor does not receive or
56.30 obtain satisfactory proof of an individual's eligibility to vote.

57.1 Sec. 3. Minnesota Statutes 2020, section 203B.08, subdivision 1, is amended to read:

57.2 Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee
57.3 ballots as provided in this chapter shall mark them in the manner specified in the directions
57.4 for casting the absentee ballots. The return envelope containing marked ballots may be
57.5 mailed as provided in the directions for casting the absentee ballots or may be left with the
57.6 county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may
57.7 be left in a drop box as provided in section 203B.082. If delivered in person, the return
57.8 envelope must be submitted to the county auditor or municipal clerk by 3:00 p.m. on election
57.9 day.

57.10 (b) The voter may designate an agent to deliver in person the sealed absentee ballot
57.11 return envelope to the county auditor or municipal clerk or to deposit the return envelope
57.12 in the mail. An agent may deliver or mail the return envelopes of not more than three voters
57.13 in any election. Any person designated as an agent who tampers with either the return
57.14 envelope or the voted ballots or does not immediately mail or deliver the return envelope
57.15 to the county auditor or municipal clerk is guilty of a misdemeanor.

57.16 Sec. 4. Minnesota Statutes 2020, section 203B.08, subdivision 3, is amended to read:

57.17 Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a
57.18 county auditor or municipal clerk, that official shall stamp or initial and date the return
57.19 envelope and place it in a ~~secure location~~ locked ballot container or other secured and locked
57.20 space with other return envelopes received by that office. Within five days after receipt, the
57.21 county auditor or municipal clerk shall deliver to the ballot board all ballots received, except
57.22 that during the 14 days immediately preceding an election, the county auditor or municipal
57.23 clerk shall deliver all ballots received to the ballot board within three days. Ballots received
57.24 on election day either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if
57.25 delivered by mail or a package delivery service, shall be marked as received late by the
57.26 county auditor or municipal clerk, and must not be delivered to the ballot board.

57.27 Sec. 5. **[203B.082] ABSENTEE BALLOT DROP BOXES; SECURITY AND**
57.28 **INTEGRITY.**

57.29 Subdivision 1. **Definition.** As used in this section, "drop box" means a secure receptacle
57.30 or container established to receive completed absentee ballots 24 hours per day. Drop box
57.31 does not include a receptacle or container maintained by the United States Postal Service,
57.32 or a location at which a voter or an agent may return a completed absentee ballot by providing
57.33 it directly to an employee of the county auditor or municipal clerk.

58.1 Subd. 2. **Minimum security and integrity standards.** The county auditor or municipal
58.2 clerk may provide locations at which a voter may deposit a completed absentee ballot
58.3 enclosed in the completed signature envelope in a secure drop box, consistent with the
58.4 following security and integrity standards:

58.5 (1) each drop box must be continually recorded during the absentee voting period;

58.6 (2) each drop box must be designed to prevent an unauthorized person from moving,
58.7 removing, or tampering with the drop box;

58.8 (3) each drop box placed in an outdoor location must be fastened to a building, bolted
58.9 to a concrete pad, or otherwise attached to a similarly secure structure;

58.10 (4) ballots deposited in a drop box must be secured against access by any unauthorized
58.11 person, and in the case of a drop box located in an outdoor location, the drop box must be
58.12 secured against damage due to weather or other natural conditions;

58.13 (5) each drop box must contain signage or markings that:

58.14 (i) clearly identifies the drop box as an official absentee ballot return location; and

58.15 (ii) include the location and hours where an agent may return an absentee ballot;

58.16 (6) deposited ballots must be collected at least once per business day during the absentee
58.17 voting period by the county auditor, municipal clerk, or an elections official trained by the
58.18 county auditor or municipal clerk in the proper maintenance and handling of absentee ballots
58.19 and absentee ballot drop boxes, and in the security measures used to protect absentee ballots;
58.20 and

58.21 (7) ballots collected from each drop box must be properly date-stamped and stored in a
58.22 locked ballot container or other secured and locked space consistent with any applicable
58.23 laws governing the collection and storage of absentee ballots.

58.24 Subd. 3. **Publication of locations required.** (a) The county auditor or municipal clerk
58.25 must provide a list of designated absentee ballot drop box locations to the secretary of state
58.26 no later than 40 days prior to the start of the absentee voting period at every regularly
58.27 scheduled primary or general election. The list must be published on the website of the
58.28 county or municipality and on the website of the secretary of state at least 35 days prior to
58.29 the start of the absentee voting period.

58.30 (b) The county auditor or municipal clerk must provide an updated list of designated
58.31 absentee ballot drop box locations to the secretary of state no later than 20 days prior to the
58.32 start of the absentee voting period at every regularly scheduled primary or general election,

59.1 if any locations have changed or been added since submission of the list under paragraph
59.2 (a). The list must be published on the website of the county or municipality and on the
59.3 website of the secretary of state at least 15 days prior to the start of the absentee voting
59.4 period.

59.5 Subd. 4. **Electioneering prohibited.** Section 211B.11 applies to conduct within 100
59.6 feet of an absentee ballot drop box established under this section.

59.7 Sec. 6. Minnesota Statutes 2020, section 203B.121, subdivision 1, is amended to read:

59.8 Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county,
59.9 municipality, and school district with responsibility to accept and reject absentee ballots
59.10 must, by ordinance or resolution, establish a ballot board. The board must consist of a
59.11 sufficient number of election judges ~~trained in the handling of absentee ballots and~~ appointed
59.12 as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors
59.13 or deputy city clerks who have received training in the processing and counting of absentee
59.14 ballots. Each member of the ballot board must be provided adequate training on the
59.15 processing and counting of absentee ballots, including but not limited to instruction on
59.16 accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines,
59.17 the role of the ballot board, procedures for opening absentee ballot envelopes, procedures
59.18 for counting absentee ballots, and procedures for reporting absentee ballot totals.

59.19 (b) Each jurisdiction must pay a reasonable compensation to each member of that
59.20 jurisdiction's ballot board for services rendered during an election.

59.21 (c) Except as otherwise provided by this section, all provisions of the Minnesota Election
59.22 Law apply to a ballot board.

59.23 Sec. 7. Minnesota Statutes 2020, section 204B.14, subdivision 3, is amended to read:

59.24 Subd. 3. **Boundary changes; prohibitions; exception.** (a) Notwithstanding other law
59.25 or charter provisions to the contrary, during the period from January 1 in any year ending
59.26 in zero to the time when the legislature has been redistricted in a year ending in one or two,
59.27 no changes may be made in the boundaries of any election precinct except as provided in
59.28 this subdivision.

59.29 ~~(a)~~ (b) If a city annexes an unincorporated area located in the same county as the city
59.30 and adjacent to the corporate boundary, the annexed area may be included in an election
59.31 precinct immediately adjacent to it.

60.1 ~~(b)~~ (c) A municipality or county may establish new election precincts lying entirely
60.2 within the boundaries of any existing precinct and shall assign names to the new precincts
60.3 which include the name of the former precinct.

60.4 ~~(e)~~ (d) Precinct boundaries in a city of the first class electing council members by wards
60.5 may be reestablished within four weeks of the adoption of ward boundaries in a year ending
60.6 in one, as provided in section 204B.135, subdivision 1. If precinct boundaries are
60.7 reestablished in a year ending in one, the city council must designate polling places for each
60.8 election precinct pursuant to section 204B.16, subdivision 1, within 30 days establishing
60.9 precinct boundaries. The polling place designations are effective for the year ending in one.

60.10 ~~(d)~~ (e) Precinct boundaries must be reestablished within 60 days of the time when the
60.11 legislature has been redistricted, or at least 19 weeks before the state primary election in a
60.12 year ending in two, whichever comes first. The governing body of each municipality and
60.13 of each county with precincts in unorganized territory must designate polling places for
60.14 each election precinct pursuant to section 204B.16, subdivision 1, within 30 days of
60.15 establishing precinct boundaries or at least 19 weeks before the state primary election in a
60.16 year ending in two, whichever comes first. The adoption of reestablished precinct boundaries
60.17 and polling places becomes effective on the date of the state primary election in the year
60.18 ending in two.

60.19 (f) Precincts must be arranged so that no precinct lies in more than one legislative or
60.20 congressional district.

60.21 Sec. 8. Minnesota Statutes 2020, section 204B.16, subdivision 1, is amended to read:

60.22 Subdivision 1. **Authority; location.** By December 31 of each year, the governing body
60.23 of each municipality and of each county with precincts in unorganized territory must
60.24 designate by ordinance or resolution a polling place for each election precinct. The polling
60.25 places designated in the ordinance or resolution are the polling places for the following
60.26 calendar year, unless a change is made:

60.27 (1) pursuant to section 204B.175;

60.28 (2) because a polling place has become unavailable; ~~or~~

60.29 (3) because a township designates one location for all state and federal elections and
60.30 one location for all township only elections; and

60.31 (4) pursuant to section 204B.14, subdivision 3.

61.1 (b) Polling places must be designated and ballots must be distributed so that no one is
61.2 required to go to more than one polling place to vote in a school district and municipal
61.3 election held on the same day. The polling place for a precinct in a city or in a school district
61.4 located in whole or in part in the metropolitan area defined by section 200.02, subdivision
61.5 24, shall be located within the boundaries of the precinct or within one mile of one of those
61.6 boundaries unless a single polling place is designated for a city pursuant to section 204B.14,
61.7 subdivision 2, or a school district pursuant to section 205A.11. The polling place for a
61.8 precinct in unorganized territory may be located outside the precinct at a place which is
61.9 convenient to the voters of the precinct. If no suitable place is available within a town or
61.10 within a school district located outside the metropolitan area defined by section 200.02,
61.11 subdivision 24, then the polling place for a town or school district may be located outside
61.12 the town or school district within five miles of one of the boundaries of the town or school
61.13 district.

61.14 Sec. 9. Minnesota Statutes 2020, section 204B.18, subdivision 1, is amended to read:

61.15 Subdivision 1. **Booths; voting stations.** (a) Each polling place must contain a number
61.16 of voting booths or voting stations in proportion to the number of individuals eligible to
61.17 vote in the precinct. The booth or station shall permit the voter to vote privately and
61.18 independently.

61.19 (b) Each polling place must have at least one accessible voting booth or other accessible
61.20 voting station and beginning with federal and state elections held after December 31, 2005,
61.21 and county, municipal, and school district elections held after December 31, 2007, one
61.22 voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public
61.23 Law 107-252.

61.24 (c) Local jurisdictions must make accessible voting stations purchased with funds
61.25 provided from the Help America Vote Act account available to other local jurisdictions
61.26 holding stand-alone elections. The jurisdiction providing the equipment may require the
61.27 jurisdiction using the equipment to reimburse any direct actual costs incurred as a result of
61.28 the equipment's use and any prorated indirect costs of maintaining and storing the equipment.
61.29 A rental or other similar use fee may not be charged.

61.30 Any funds received under this paragraph for expenses incurred by that local jurisdiction
61.31 as a direct result of making the equipment available that were not paid for in whole or in
61.32 part with funds from the Help America Vote Act account are not program income under
61.33 the Help America Vote Act, Public Law 107-252.

62.1 Any funds received by a local jurisdiction making the equipment available as
62.2 reimbursement for expenses as defined as "operating costs" under Laws 2005, chapter 162,
62.3 section 34, subdivision 1, paragraph (b), and paid for in whole or in part with funds from
62.4 the Help America Vote Act account must be treated as program income and deposited into
62.5 the jurisdiction's Help America Vote Act account in the direct proportion that funds from
62.6 the Help America Vote Act account were used to pay for those "operating costs."

62.7 (d) All booths or stations must be constructed so that a voter is free from observation
62.8 while marking ballots. During the hours of voting, the booths or stations must have
62.9 instructions, a ~~pen~~ pen or other marking device suitable for the voting system being used,
62.10 and other supplies needed to mark the ballots. A chair must be provided for elderly voters
62.11 and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces
62.12 must also be made available to voters who are completing election-related forms.

62.13 (e) All ballot boxes, voting booths, voting stations, and election judges must be in open
62.14 public view in the polling place.

62.15 (f) The jurisdiction providing supplies must only provide pens or marking devices suitable
62.16 for the voting system being used.

62.17 Sec. 10. Minnesota Statutes 2020, section 204B.40, is amended to read:

62.18 **204B.40 BALLOTS; ELECTION RECORDS AND OTHER MATERIALS;**
62.19 **DISPOSITION; INSPECTION OF BALLOTS.**

62.20 The county auditors, municipal clerks, and school district clerks shall retain all election
62.21 materials returned to them after any election for at least 22 months from the date of that
62.22 election. All records and materials must be stored in a locked container or other secured
62.23 and locked space. All election materials involved in a contested election must be retained
62.24 for 22 months or until the contest has been finally determined, whichever is later. Abstracts
62.25 filed by canvassing boards shall be retained permanently by any officer with whom those
62.26 abstracts are filed. Election materials no longer required to be retained pursuant to this
62.27 section shall be disposed of in accordance with sections 138.163 to 138.21. Sealed envelopes
62.28 containing voted ballots must be retained unopened, except as provided in this section, in
62.29 a secure location. The county auditor, municipal clerk, or school district clerk shall not
62.30 permit any voted ballots to be tampered with or defaced.

62.31 After the time for filing a notice of contest for an election has passed, the secretary of
62.32 state may, for the purpose of monitoring and evaluating election procedures: (1) open the
62.33 sealed ballot envelopes and inspect the ballots for that election maintained by the county

63.1 auditors, municipal clerks, or school district clerks; (2) inspect the polling place rosters and
63.2 completed voter registration applications; or (3) examine other forms required in the
63.3 Minnesota election laws for use in the polling place. No inspected ballot or document may
63.4 be marked or identified in any manner. After inspection, all ballots must be returned to the
63.5 ballot envelope and the ballot envelope must be securely resealed. Any other election
63.6 materials inspected or examined must be secured or resealed. No polling place roster may
63.7 be inspected until the voting history for that precinct has been posted. No voter registration
63.8 application may be inspected until the information on it has been entered into the statewide
63.9 registration system.

63.10 Sec. 11. Minnesota Statutes 2020, section 204C.13, subdivision 3, is amended to read:

63.11 Subd. 3. **Marking ballots.** (a) The voter shall mark each ballot ~~in the following manner:~~
63.12 as provided in this subdivision.

63.13 ~~(a)~~ (b) The voter shall fill in the oval or similar mark if a different target shape is used,
63.14 opposite the printed name of each candidate for whom the individual desires to vote, and
63.15 in the oval or other target shape before the "Yes" or "No" if the individual desires to vote
63.16 for or against a question.

63.17 ~~(b)~~ (c) The voter may write in other names on the lines provided under the printed names
63.18 of the candidates, except that no names shall be written in on primary ballots.

63.19 ~~(c)~~ (d) At a state primary an individual may vote for candidates of only one major political
63.20 party on the partisan primary ballot. If a partisan primary ballot contains votes for the
63.21 candidates of more than one major political party, the ballot is totally defective and no vote
63.22 on the partisan section of the ballot shall be counted.

63.23 ~~(d)~~ (e) An individual who spoils a ballot may return it to the election judges and receive
63.24 another.

63.25 Sec. 12. Minnesota Statutes 2020, section 204C.35, is amended by adding a subdivision
63.26 to read:

63.27 Subd. 2a. **Constitutional amendment recount.** In a state general election when the
63.28 difference between the number of "yes" votes cast on ratification of a proposed constitutional
63.29 amendment is within one-quarter percent of the number of all other ballots cast at the
63.30 election, the canvassing board shall manually recount the votes on that question, including
63.31 the number of "yes" or "no" votes on the question, and the number of ballots that did not

64.1 cast a vote on the question. The results of the recount must be certified by the canvassing
64.2 board as soon as possible.

64.3 Sec. 13. Minnesota Statutes 2020, section 204C.35, subdivision 3, is amended to read:

64.4 Subd. 3. **Scope of recount.** A recount conducted as provided in this section is limited
64.5 in scope to the determination of the number of votes validly cast for the office or question
64.6 to be recounted. Only the ballots cast in the election and the summary statements certified
64.7 by the election judges may be considered in the recount process. Original ballots that have
64.8 been duplicated under section 206.86, subdivision 5, are not within the scope of a recount
64.9 and must not be examined except as provided by a court in an election contest under chapter
64.10 209.

64.11 ARTICLE 5

64.12 FEDERAL FUNDS

64.13 Section 1. Laws 2020, Fifth Special Session chapter 3, article 9, section 13, is amended
64.14 to read:

64.15 Sec. 13. **FUND MAXIMIZATION.**

64.16 On or after December 31, 2020, the commissioner of management and budget is
64.17 authorized to use best efforts to maximize the use of federal CARES Act funding, consistent
64.18 with applicable federal guidance, ~~and to use any unobligated amounts to fund eligible state~~
64.19 ~~activities appropriated for.~~ The commissioner may reduce general fund appropriations and
64.20 transfers in Laws 2020, chapters chapter 66, 70, 71, 74, or 81, or Laws 2020, Seventh Special
64.21 Session chapter 2, and corresponding funding amounts are appropriated from the federal
64.22 coronavirus relief fund up to the unobligated balance of the fund.

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

64.24 Sec. 2. **COVID-19 FLEXIBLE RESPONSE ACCOUNT.**

64.25 Subdivision 1. **Account created.** The COVID-19 flexible response account is created
64.26 within the state fiscal recovery federal fund in the state treasury to pay expenditures eligible
64.27 under federal guidance for the state fiscal recovery federal fund. \$425,000,000 is transferred
64.28 from the state fiscal recovery federal fund to the COVID-19 flexible response account and
64.29 is appropriated to the commissioner of management and budget. The commissioner may
64.30 transfer funds appropriated under this subdivision to state agencies as necessary. This is a
64.31 onetime appropriation. Any money in the account that remains unallocated on July 1, 2022,

65.1 cancels to the state fiscal recovery federal fund. Allocated funds are available until June 30,
65.2 2023.

65.3 Subd. 2. **Legislative COVID-19 Response Commission review.** (a) The Legislative
65.4 COVID-19 Response Commission established under Laws 2020, chapter 71, article 1,
65.5 section 7, will review proposed allocations from the COVID-19 flexible response account.

65.6 (b) The commissioner of management and budget must submit proposed single
65.7 expenditures from the COVID-19 flexible response account that exceed \$2,500,000 to the
65.8 Legislative COVID-19 Response Commission for its review and recommendations. The
65.9 submission must include the total amount of the proposed expenditure, the purpose of the
65.10 proposed expenditure, the time period of the proposed expenditure, and any additional
65.11 information the commissioner of management and budget determines necessary to properly
65.12 document the proposed expenditure. Upon receiving a submission, the commission has
65.13 three days after the request is submitted to review the proposed expenditures submitted
65.14 under this subdivision.

65.15 (c) Commission members may make a positive recommendation, a negative
65.16 recommendation, or no recommendation on a proposed expenditure. If a majority of the
65.17 commission members from the senate and a majority of the commission members from the
65.18 house of representatives make a negative recommendation on a proposed expenditure, the
65.19 commissioner is prohibited from expending the money. If a majority of the commission
65.20 members from the senate and a majority of the commission members from the house of
65.21 representatives do not make a negative recommendation, or if the commission makes no
65.22 recommendation, the commissioner may expend the money.

65.23 (d) The commission may hold a public meeting to approve or disapprove a proposed
65.24 expenditure from the COVID-19 flexible response account. Notwithstanding Minnesota
65.25 Statutes, section 3.055, the commission may conduct a public meeting remotely. The
65.26 commission may approve or disapprove proposed expenditures without a public meeting.
65.27 The commission members may approve or disapprove proposed expenditures via written
65.28 communication sent to the commissioner of management and budget.

65.29 Subd. 3. **Monthly expenditure report.** The commissioner of management and budget
65.30 must provide reports on the spending from the COVID-19 flexible response account to the
65.31 Legislative COVID-19 Response Commission on the last day of each month. The report
65.32 must include the total amount of each expenditure, the purpose of each expenditure, and
65.33 any additional information the commissioner of management and budget determines is
65.34 necessary to properly document each expenditure.

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

66.2 Sec. 3. **REVENUE REPLACEMENT; AMERICAN RESCUE PLAN ACT STATE**
66.3 **FISCAL RECOVERY FEDERAL FUND.**

66.4 Subdivision 1. **Transfer.** \$633,100,000 in fiscal year 2023 and \$550,000,000 in fiscal
66.5 year 2024 are transferred from the state fiscal recovery federal fund to the general fund for
66.6 the provision of government services. The fiscal year 2024 transfer must occur prior to
66.7 December 15, 2024. The transfers in this subdivision are onetime.

66.8 Subd. 2. **State appropriation alternative.** (a) If the commissioner of management and
66.9 budget determines that the transfers in subdivision 1 are ineligible uses of the state fiscal
66.10 recovery federal fund, the transfers in subdivision 1 are canceled, and \$633,100,000 is
66.11 appropriated from the state fiscal recovery federal fund in fiscal year 2022 to the
66.12 commissioner of management and budget to replace eligible general fund appropriations
66.13 in the biennium beginning July 1, 2021. Money appropriated to the commissioner of
66.14 management and budget is available in either year of the biennium and may be disbursed
66.15 or transferred to state agencies as necessary. The general fund appropriations being replaced
66.16 are canceled. The commissioner of management and budget must determine eligible
66.17 appropriations consistent with Public Law 117-2, and its corresponding guidance for use
66.18 of the state fiscal recovery federal fund. For purposes of this subdivision, an ineligible use
66.19 includes one that violates a maintenance of effort requirement.

66.20 (b) If the commissioner of management and budget implements the appropriations in
66.21 paragraph (a), the commissioner must cancel \$550,000,000 of the forecasted general fund
66.22 appropriations in the biennium beginning July 1, 2023, that are eligible to be replaced with
66.23 the state fiscal recovery federal fund, under Public Law 117-2, and its corresponding guidance
66.24 consistent with the method used in paragraph (a). The commissioner must allocate
66.25 \$550,000,000 from the state fiscal recovery federal fund from the biennium beginning July
66.26 1, 2023, to replace the canceled general fund appropriations. The allocations made by the
66.27 commissioner are appropriated in fiscal year 2024 from the state fiscal recovery federal
66.28 fund and are available in either year of the biennium, but must be obligated by December
66.29 31, 2024. This is a onetime appropriation.

66.30 (c) Prior to implementing any appropriations or planning estimates under this subdivision,
66.31 the commissioner of management and budget must submit the proposed appropriation and
66.32 planning estimate changes to the Legislative Advisory Commission for review. Legislative
66.33 Advisory Commission members have up to ten days to submit any recommendations
66.34 regarding the appropriations to the commissioner.

67.1 Subd. 3. **General fund restoration.** If general fund appropriations in subdivisions 2
67.2 and 3 are reduced or replaced with state fiscal recovery federal fund appropriations, those
67.3 state fiscal recovery federal fund appropriations are onetime for those years indicated, and
67.4 the general fund appropriation base amounts are reinstated in subsequent fiscal years.

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

67.6 Sec. 4. **SUSPENSION OF STATUTORY APPROPRIATION; AMERICAN RESCUE**
67.7 **PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.**

67.8 (a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, \$1,150,000,000 of
67.9 the federal funds received by the state of Minnesota from its state fiscal recovery federal
67.10 fund allocation under Public Law 117-2, must not be spent except pursuant to a direct
67.11 appropriation by law.

67.12 (b) If the funds in this section are not appropriated by the expiration of paragraph (a),
67.13 the remaining funds in paragraph (a) are appropriated to the commissioner of management
67.14 and budget. The commissioner of management and budget may transfer funds appropriated
67.15 under this paragraph to state agencies as necessary. Before spending federal funds
67.16 appropriated in this section, the commissioner of management and budget shall report
67.17 allocations of funds appropriated under this section and their intended purpose to the
67.18 Legislative Advisory Commission, consistent with the urgent federal funds request procedure
67.19 under Minnesota Statutes, section 3.3005, subdivisions 4 and 5.

67.20 **EFFECTIVE DATE.** Paragraph (a) is effective the day following final enactment and
67.21 is retroactive to May 17, 2021. Paragraph (a) expires June 15, 2022. Paragraph (b) is effective
67.22 the day following final enactment.