

## HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 1837

03/03/2025 Authored by Klevorn, Howard, Bahner and Nash  
The bill was read for the first time and referred to the Committee on State Government Finance and Policy  
04/10/2025 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time  
05/01/2025 Calendar for the Day  
Read for the Third Time  
Passed by the House and transmitted to the Senate

1.1 A bill for an act

1.2 relating to state government; designating state symbols; modifying policy pertaining

1.3 to the legislative auditor; modifying certain data practices appeals; allowing

1.4 payment withholding if credible allegation of fraud; authorizing sharing of data

1.5 regarding fraud in public programs; establishing a program to encourage innovation

1.6 and cost savings; modifying a reporting date; modifying requirements for state

1.7 contracts; renaming the Office of Administrative Hearings; providing opportunity

1.8 for remand; modifying eligibility for state employee group insurance; expanding

1.9 whistleblower protections for public employees; increasing a threshold for

1.10 municipal liquor store financial statements; repealing legislative commissions;

1.11 updating state personnel management provisions; amending Minnesota Statutes

1.12 2024, sections 3.303, subdivision 3; 3.305, subdivisions 1, 9; 3.971, subdivisions

1.13 2, 8a, 9; 11A.24, by adding a subdivision; 13.04, subdivision 4; 14.48, subdivisions

1.14 1, 2; 14.62, subdivisions 1, 2a, by adding a subdivision; 15A.082, subdivisions 3,

1.15 7; 16A.28, subdivision 3; 16B.055, subdivision 1; 16B.335, subdivision 2; 16B.48,

1.16 subdivision 4; 16B.54, subdivision 2; 16B.97, subdivision 1; 16B.98, subdivisions

1.17 1, 4, 5; 16B.981, subdivision 4; 16B.991, subdivision 2; 16C.05, by adding a

1.18 subdivision; 16C.137, subdivision 2; 16C.16, subdivisions 6, 6a, 7; 16D.09,

1.19 subdivision 1; 43A.01, subdivision 3; 43A.02, subdivision 14; 43A.04, subdivisions

1.20 1, 4, 8; 43A.05, subdivision 3; 43A.08, subdivisions 1a, 4; 43A.11, subdivision 9;

1.21 43A.121; 43A.15, subdivisions 4, 7, 12, 14; 43A.17, subdivision 5; 43A.18,

1.22 subdivision 2; 43A.181, subdivision 1; 43A.1815; 43A.19, subdivision 1; 43A.23,

1.23 subdivisions 1, 2; 43A.24, subdivisions 1a, 2; 43A.27, subdivisions 2, 3; 43A.33,

1.24 subdivision 3; 43A.346, subdivisions 2, 6; 43A.36, subdivision 1; 43A.421;

1.25 151.741, subdivision 5; 181.931, by adding subdivisions; 181.932, subdivision 1;

1.26 471.6985, subdivision 2; proposing coding for new law in Minnesota Statutes,

1.27 chapters 1; 13; 15; repealing Minnesota Statutes 2024, sections 3.8842; 3.8845;

1.28 16B.328, subdivision 2; 16B.45; 16C.36; 43A.315; 43A.317, subdivisions 1, 2, 3,

1.29 5, 6, 7, 8, 9, 10, 12; 43A.318, subdivisions 1, 2, 4, 5; 211B.06; 211B.08; Laws

1.30 2019, First Special Session chapter 3, article 2, section 34, as amended; Laws

1.31 2022, chapter 50, article 3, section 2.

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

2.2 **ARTICLE 1**

2.3 **STATE GOVERNMENT POLICY**

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

2.5 Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant  
2.6 beaver, or Capa in Dakota and Amik in Ojibwe, is designated as the official state fossil of  
2.7 the state of Minnesota.

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

2.11 Sec. 2. **[1.1493] STATE CONSTELLATION.**

2.12 Ursa Minor is the official constellation of the state of Minnesota.

2.13 Sec. 3. Minnesota Statutes 2024, section 3.303, subdivision 3, is amended to read:

2.14 Subd. 3. **Chair and vice-chair.** The chair of the commission alternates between the  
2.15 president of the senate and the speaker of the house ~~of representatives~~ at the start of the  
2.16 regular legislative session in each odd-numbered year. When not serving as chair, the  
2.17 president of the senate or the speaker of the house serves as vice-chair.

2.18 Sec. 4. Minnesota Statutes 2024, section 3.305, subdivision 1, is amended to read:

2.19 Subdivision 1. **Definitions.** (a) "Legislative commission" means a joint commission,  
2.20 committee, or other entity in the legislative branch composed exclusively of members of  
2.21 the senate and the house of representatives.

2.22 (b) "Joint offices" means the Revisor of Statutes, Legislative Reference Library, the  
2.23 Office of Legislative Auditor, the Legislative Budget Office, Legislative Coordinating  
2.24 Commission, and any other joint legislative service office.

2.25 Sec. 5. Minnesota Statutes 2024, section 3.305, subdivision 9, is amended to read:

2.26 Subd. 9. **Joint legislative studies.** The Legislative Coordinating Commission shall  
2.27 oversee and coordinate all joint legislative studies mandated by the legislature and may  
2.28 require regular progress reports to the commission and appropriate standing committees of  
2.29 the house of representatives and the senate. Appropriations for all joint legislative studies

except those specifically assigned to an existing legislative office or commission shall be made to the Legislative Coordinating Commission. Responsibility and appropriations for a joint legislative study may be delegated by the Legislative Coordinating Commission to an existing staff office of the house of representatives or senate, a legislative commission, a joint legislative committee or office or a state agency. The office, commission, joint committee, or agency responsible for the study may contract with another agent for assistance.

Sec. 6. Minnesota Statutes 2024, section 3.971, subdivision 2, is amended to read:

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

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

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

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

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

4.1 Sec. 7. Minnesota Statutes 2024, section 3.971, subdivision 8a, is amended to read:

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

4.10 Sec. 8. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

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

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

4.20 (1) chief executive officer;

4.21 (2) deputy and assistant chief executive officers;

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

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

4.24 and

4.25 (5) board chair, where applicable.

4.26 Sec. 9. Minnesota Statutes 2024, section 11A.24, is amended by adding a subdivision to  
4.27 read:

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

5.1 Sec. 10. Minnesota Statutes 2024, section 13.04, subdivision 4, is amended to read:

5.2 Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject  
5.3 of the data may contest the accuracy or completeness of public or private data about  
5.4 themselves.

5.5 (b) To exercise this right, an individual shall notify in writing the responsible authority  
5.6 of the government entity that maintains the data, describing the nature of the disagreement.

5.7 (c) Upon receiving notification from the data subject, the responsible authority shall  
5.8 within 30 days either:

5.9 (1) correct the data found to be inaccurate or incomplete and attempt to notify past  
5.10 recipients of inaccurate or incomplete data, including recipients named by the individual;  
5.11 or

5.12 (2) notify the individual that the responsible authority has determined the data to be  
5.13 correct. If the challenged data are determined to be accurate or complete, the responsible  
5.14 authority shall inform the individual of the right to appeal the determination to the  
5.15 commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if  
5.16 the individual's statement of disagreement is included with the disclosed data.

5.17 (d) A data subject may appeal the determination of the responsible authority pursuant  
5.18 to the provisions of the Administrative Procedure Act relating to contested cases. An  
5.19 individual must submit an appeal to the commissioner within 60 days of the responsible  
5.20 authority's notice of the right to appeal or as otherwise provided by the rules of the  
5.21 commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before  
5.22 issuing the order and notice of a contested case hearing required by chapter 14, try to resolve  
5.23 the dispute through education, conference, conciliation, or persuasion. If the parties consent,  
5.24 the commissioner may refer the matter to mediation. Following these efforts, the  
5.25 commissioner shall dismiss the appeal or issue the order and notice of hearing.

5.26 (e) The commissioner may dismiss an appeal without first attempting to resolve the  
5.27 dispute or before issuing an order and notice of a contested case hearing if:

5.28 (1) the appeal to the commissioner is not timely;

5.29 (2) the appeal concerns data previously presented as evidence in a court proceeding in  
5.30 which the data subject was a party; or

5.31 (3) the individual making the appeal is not the subject of the data challenged as inaccurate  
5.32 or incomplete.

(f) A responsible authority may submit private data to the commissioner to respond to a data subject's appeal of the determination that data are accurate and complete. Section 13.03, subdivision 4, applies to data submitted by the responsible authority. Government data submitted to the commissioner by a government entity, copies of government data submitted by a data subject, or government data described by the data subject in their appeal have the same classification as the data when maintained by the government entity. The commissioner may disclose private data contained within the appeal record to the Office of Administrative Hearings.

~~(f)~~ (g) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of section 138.17.

~~(g)~~ (h) After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

(i) Data maintained by the commissioner that a responsible authority has completed, corrected, or destroyed as the result of the informal resolution process described in paragraph (d) or by order of the commissioner are private data on individuals.

Sec. 11. **[13.357] DATA SHARING.**

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

(b) "Public program" means any program funded by a state or federal agency that involves transfer or disbursement of public funds or other public resources.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud includes acts that constitute a crime against any program, or acts that attempt or conspire to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.

Subd. 2. Authority to share data regarding fraud in public programs. Notwithstanding any provision of law to the contrary specifically prohibiting data sharing, any government

entity may disclose data relating to suspected or confirmed fraud in public programs to any other government entity, federal agency, or law enforcement agency if the access would promote the protection of public resources, promote the integrity of public programs, or aid the law enforcement process.

Sec. 12. Minnesota Statutes 2024, section 14.48, subdivision 1, is amended to read:

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

Sec. 13. Minnesota Statutes 2024, section 14.48, subdivision 2, is amended to read:

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

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

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

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

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

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

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

Sec. 14. Minnesota Statutes 2024, section 14.62, subdivision 1, is amended to read:

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

Sec. 15. Minnesota Statutes 2024, section 14.62, subdivision 2a, is amended to read:

Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise provided by law, the report or order of the administrative law judge constitutes the final decision in the case unless the agency modifies ~~or rejects it under~~ rejects, or requests remand pursuant to subdivision 1 within 90 days after the record of the proceeding closes under section 14.61. When the agency fails to act within 90 days on a licensing case, the agency must return the record of the proceeding to the administrative law judge for consideration of disciplinary action. In all contested cases where the report or order of the administrative law judge constitutes the final decision in the case, the administrative law judge shall issue findings of fact, conclusions, and an order within 90 days after the hearing record closes under section 14.61. Upon a showing of good cause by a party or the agency, the chief administrative law judge may order a reasonable extension of either of the two 90-day deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief administrative law judge considers a request for reasonable extension so long as the request was filed and served within the applicable 90-day period.

Sec. 16. Minnesota Statutes 2024, section 14.62, is amended by adding a subdivision to read:

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



9.1 administrative law judge may consider a request for remand received after the deadline  
9.2 specified in this provision.

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

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

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

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

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

9.16 (d) The chief administrative law judge, or their designee, may accept a request for remand  
9.17 within ten business days for other reasons as justice requires and consistent with section  
9.18 14.001.

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

9.23 **Sec. 17. [15.013] PROGRAM PAYMENTS WITHHELD; FRAUD.**

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

9.26 (b) "Credible allegation of fraud" means an allegation of fraud that has been verified by  
9.27 the head of a state agency from any source, including but not limited to fraud complaints;  
9.28 patterns identified through audits, civil cases, law enforcement investigations, or  
9.29 investigations by other state or federal agencies; and court filings and other legal documents,  
9.30 including but not limited to police reports, complaints, indictments, information, affidavits,  
9.31 declarations, and search warrants.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes acts which constitute a crime against any program, or the attempts or plans to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.

(d) "Individual" means a natural person.

(e) "Program" means any program funded by a state or federal agency that involves the transfer or disbursement of public funds or other public resources.

(f) "Program participant" means any entity or individual that receives, disburses, or has custody of funds or other resources transferred or disbursed under a program.

(g) "State agency" means any department or agency of the state as defined in sections 15.01 and 15.012.

**Subd. 2. Withholding of payments.** (a) Except as otherwise authorized and to the extent permitted by federal law, the head of any state agency may withhold payments to a program participant in any program administered by that agency if the agency head determines there is a credible allegation of fraud under investigation and the program participant is a subject of the investigation.

(b) Notwithstanding subdivision 3, the state agency head must send notice of the withholding of payments to the program participant within five days of taking such action. The notice must:

(1) state that payments are being withheld in accordance with this section;

(2) state the reasons for withholding payments, but need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding shall be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the state agency head.

(c) The withholding of payments shall not continue after the state agency head determines there is insufficient evidence of fraud by the program participant, or after legal proceedings

11.1 relating to the alleged fraud are completed, unless the state agency head is authorized by  
11.2 law to take additional action against the program participant and complies with all  
11.3 requirements in law to take such action.

11.4 (d) The withholding of payments is a temporary action and is not subject to appeal under  
11.5 chapter 14.

11.6 Subd. 3. **Data classification and access.** (a) During the payment withholding period  
11.7 under this section, all data relating to a credible allegation of fraud and withholding of  
11.8 payments under this section are classified as: (1) confidential data on individuals pursuant  
11.9 to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02,  
11.10 subdivision 13, in the case of data not on individuals. The agency head may disclose that  
11.11 payments are being withheld from a program participant if the agency head determines that  
11.12 doing so will not compromise an ongoing investigation.

11.13 (b) Except for the identity of a complainant, after a determination has been made under  
11.14 subdivision 2, paragraph (c), that withholding of payments shall not continue, all data relating  
11.15 to a credible allegation of fraud and withholding of payments under this section becomes  
11.16 public unless classified otherwise under state or federal law. The identity of a complainant  
11.17 is private.

11.18 (c) Any state agency may disclose any data classified as confidential or protected  
11.19 nonpublic under this section to any federal, state, or local government agency, or any law  
11.20 enforcement agency, if the state agency determines that access will help prevent fraud  
11.21 against public programs or aid the law enforcement process.

11.22 Sec. 18. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES**  
11.23 **OR DATA.**

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

12.1 Sec. 19. **[15.0574] ORGANIZATIONAL CHARTS POSTED.**

12.2 Each state agency must clearly post on the agency's website a current organizational  
12.3 chart that includes the name and contact information for the agency head, all deputy and  
12.4 assistant agency heads, and the head of each division or bureau within the agency.

12.5 Sec. 20. **[15.761] SAVI PROGRAM.**

12.6 Subdivision 1. **Program established.** The state agency value initiative (SAVI) program  
12.7 is established to encourage state agencies to identify cost-effective and efficiency measures  
12.8 in agency programs and operations that result in cost savings for the state. All state agencies,  
12.9 including Minnesota State Colleges and Universities, may participate in this program.

12.10 Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative cost savings  
12.11 by state employees, upon approval of the commissioner of management and budget, 50  
12.12 percent of any appropriations for agency operations that remain unspent at the end of a  
12.13 biennium because of unanticipated innovation, efficiencies, or creative cost-savings may  
12.14 be carried forward and retained by the agency to fund specific agency proposals or projects.  
12.15 Agencies choosing to spend retained savings funds must ensure that project expenditures  
12.16 do not create future obligations beyond the amounts available from the retained savings.  
12.17 The retained savings must be used only to fund projects that directly support the agency's  
12.18 mission. This section does not restrict authority granted by other law to carry forward money  
12.19 for a different period or for different purposes.

12.20 (b) This section supersedes any contrary provision of section 16A.28.

12.21 Subd. 3. **Special peer review panel; review process.** (a) Each participating agency  
12.22 must organize a peer review panel that will determine which proposal or project receives  
12.23 funding from the SAVI program. The peer review panel must be comprised of department  
12.24 employees who are credited with cost-savings initiatives and department managers. The  
12.25 ratio between managers and department employees must be balanced.

12.26 (b) An agency may spend money for a project recommended for funding by the peer  
12.27 review panel after:

12.28 (1) the agency has posted notice of spending for the proposed project on the agency  
12.29 website for at least 30 days; and

12.30 (2) the commissioner of management and budget has approved spending money from  
12.31 the SAVI account for the project.

(c) Before approving a project, the commissioner of management and budget must submit the request to the Legislative Advisory Commission for its review and recommendation. Upon receiving a request from the commissioner, the Legislative Advisory Commission shall post notice of the request on a legislative website for at least 30 days. Failure of the commission to make a recommendation within this 30-day period is considered a negative recommendation. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all members entitled to vote on the item.

Subd. 4. **SAVI-dedicated account.** Each agency that participates in the SAVI program shall have a SAVI-dedicated account in the special revenue fund, or other appropriate fund as determined by the commissioner of management and budget, into which the agency's savings are deposited. The agency will manage and review projects that are funded from this account. Money in the account is appropriated to the participating agency for purposes authorized by this section.

Subd. 5. **Expiration.** This section expires June 30, 2030.

**EFFECTIVE DATE.** This section is effective June 30, 2025, and first applies to funds to be carried forward from the biennium ending June 30, 2025, to the biennium beginning July 1, 2025.

Sec. 21. Minnesota Statutes 2024, section 15A.082, subdivision 3, is amended to read:

**Subd. 3. Submission of recommendations and determination.** (a) ~~By April 1~~ By September 1 ~~in each odd-numbered~~ even-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations for justices of the supreme court, and judges of the court of appeals and district court. The recommended salaries take effect on July 1 of ~~that~~ the next year and July 1 of the subsequent even-numbered year ~~and at whatever interval the council recommends thereafter~~, unless the legislature by law provides otherwise. The salary recommendations take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected.

(b) By April 1 in each odd-numbered year, the Compensation Council must prescribe salaries for constitutional officers, and for the agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary for each office must take effect July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council determines thereafter, unless the legislature by law provides otherwise. An appropriation by the legislature to fund the relevant office, branch, or agency of an amount

14.1 sufficient to pay the salaries prescribed by the council constitutes a prescription by law as  
14.2 provided in the Minnesota Constitution, article V, sections 4 and 5.

14.3 (c) By April 1 in each odd-numbered year, the Compensation Council must prescribe  
14.4 daily compensation for voting members of the Direct Care and Treatment executive board.  
14.5 The recommended daily compensation takes effect on July 1 of that year and July 1 of the  
14.6 subsequent even-numbered year and at whatever interval the council recommends thereafter,  
14.7 unless the legislature by law provides otherwise.

14.8 Sec. 22. Minnesota Statutes 2024, section 15A.082, subdivision 7, is amended to read:

14.9 Subd. 7. **No ex parte communications.** Members may not have any communication  
14.10 with a constitutional officer, a head of a state agency, a member of the judiciary, or a member  
14.11 of the Direct Care and Treatment executive board during the period after the first meeting  
14.12 is convened under this section and the date the prescribed and recommended salaries and  
14.13 daily compensation are submitted under subdivision 3. This subdivision does not apply to  
14.14 testimony provided to the council in the course of an official council meeting or to other  
14.15 communications when a majority of the members are present. This subdivision does not  
14.16 preclude a member who is an attorney from communicating with an agency head, judge, or  
14.17 justice as necessary to represent a client.

14.18 Sec. 23. Minnesota Statutes 2024, section 16A.28, subdivision 3, is amended to read:

14.19 Subd. 3. **Lapse.** Any portion of any appropriation not carried forward and remaining  
14.20 unexpended and unencumbered at the close of a fiscal year lapses to the fund from which  
14.21 it was originally appropriated. Except as provided in section 15.761, any appropriation  
14.22 amounts not carried forward and remaining unexpended and unencumbered at the close of  
14.23 a biennium lapse to the fund from which the appropriation was made.

14.24 **EFFECTIVE DATE.** This section is effective June 30, 2025.

14.25 Sec. 24. Minnesota Statutes 2024, section 16B.055, subdivision 1, is amended to read:

14.26 Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration  
14.27 is designated as the lead agency to carry out all the responsibilities under the 21st Century  
14.28 Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended 117-263.  
14.29 The Minnesota Assistive Technology Advisory Council is established to fulfill the  
14.30 responsibilities required by the 21st Century Assistive Technology Act, as provided by  
14.31 Public Law 108-364, as amended 117-263. Because the existence of this council is required  
14.32 by federal law, this council does not expire.

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

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

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

Sec. 25. Minnesota Statutes 2024, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made, including projects that are exempt under subdivision 1, paragraph (b), must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

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

16.1 Sec. 26. Minnesota Statutes 2024, section 16B.48, subdivision 4, is amended to read:

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

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

16.12 (c) The commissioner of management and budget shall make appropriate transfers to  
16.13 the revolving funds described in this section when requested by the commissioner of  
16.14 administration. The commissioner of administration may make allotments, encumbrances,  
16.15 and, with the approval of the commissioner of management and budget, disbursements in  
16.16 anticipation of such transfers. In addition, the commissioner of administration, with the  
16.17 approval of the commissioner of management and budget, may require an agency to make  
16.18 advance payments to the revolving funds in this section sufficient to cover the agency's  
16.19 estimated obligation for a period of at least 60 days.

16.20 (d) All reimbursements and other money received by the commissioner of administration  
16.21 under this section must be deposited in the appropriate revolving fund. Any earnings  
16.22 remaining in the fund established to account for the documents service prescribed by section  
16.23 16B.51 at the end of each fiscal year not otherwise needed for present or future operations,  
16.24 as determined by the commissioners of administration and management and budget, must  
16.25 be transferred to the general fund.

16.26 Sec. 27. Minnesota Statutes 2024, section 16B.54, subdivision 2, is amended to read:

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



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

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

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

17.15 (1) the governor;

17.16 (2) the lieutenant governor;

17.17 (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling  
17.18 Enforcement, and arson investigators of the Division of Fire Marshal in the Department of  
17.19 Public Safety;

17.20 (4) the Financial Institutions Division and investigative staff of the Department of  
17.21 Commerce;

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

17.23 (6) the State Lottery;

17.24 (7) criminal investigators of the Department of Revenue;

17.25 (8) state-owned community service facilities in Direct Care and Treatment;

17.26 (9) the Office of the Attorney General;

17.27 (10) the investigative staff of the Gambling Control Board; ~~and~~

17.28 (11) the Department of Corrections inmate community work crew program under section  
17.29 352.91, subdivision 3g.; and

17.30 (12) the Office of Ombudsman for Long-Term Care.

18.1 Sec. 28. Minnesota Statutes 2024, section 16B.97, subdivision 1, is amended to read:

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

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

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

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

18.14 Sec. 29. Minnesota Statutes 2024, section 16B.98, subdivision 1, is amended to read:

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

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

18.23 Sec. 30. Minnesota Statutes 2024, section 16B.98, subdivision 4, is amended to read:

18.24 Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation  
18.25 of laws or rules governing grants ~~is encouraged to~~ must promptly report the violation or  
18.26 suspected violation to the employee's supervisor or manager, the commissioner or the  
18.27 commissioner's designee, or the legislative auditor. If the state employee notifies the  
18.28 employee's supervisor or manager, or the commissioner or the commissioner's designee,  
18.29 then the supervisor, manager, commissioner, or commissioner's designee must notify the  
18.30 legislative auditor. The legislative auditor shall report to the Legislative Audit Commission  
18.31 if there are multiple complaints about the same agency. ~~The auditor's report to the Legislative~~  
18.32 ~~Audit Commission under this section must disclose only the number and type of violations~~

19.1 ~~alleged~~. An employee making a good faith report under this section has the protections  
19.2 provided for under section 181.932, prohibiting the employer from discriminating against  
19.3 the employee.

19.4 Sec. 31. Minnesota Statutes 2024, section 16B.98, subdivision 5, is amended to read:

19.5 Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement and  
19.6 amendments are not valid and do not bind unless:

19.7 (1) the grant agreement and amendments have been executed by the head of the agency  
19.8 or a delegate who is party to the grant;

19.9 (2) the grant agreement and amendments have been approved by the commissioner;

19.10 (3) the accounting system shows an encumbrance for the amount of the grant in  
19.11 accordance with policy approved by the commissioner except as provided in subdivision  
19.12 11; and

19.13 (4) the grant agreement and amendments include an effective date that references either  
19.14 section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting  
19.15 agency.

19.16 (b) The combined grant agreement and amendments must not exceed five years without  
19.17 specific, written approval by the commissioner according to established policy, procedures,  
19.18 and standards, or unless the commissioner determines that a longer duration is in the best  
19.19 interest of the state.

19.20 (c) A fully executed copy of the grant agreement with all amendments and other required  
19.21 records relating to the grant must be kept on file at the granting agency for a time equal to  
19.22 that required of grantees in subdivision 8.

19.23 (d) Grant agreements must comply with policies established by the commissioner for  
19.24 minimum grant agreement standards and practices. As determined by the commissioner,  
19.25 grant agreements must require the grantee to clearly post on the grantee's website the names  
19.26 of, and contact information for, the organization's leadership and the employee or other  
19.27 person who directly manages and oversees the grant for the grantee.

19.28 (e) The attorney general may periodically review and evaluate a sample of state agency  
19.29 grants to ensure compliance with applicable laws.

Sec. 32. Minnesota Statutes 2024, section 16B.981, subdivision 4, is amended to read:

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

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

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

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

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The

21.1 notification to the grantee must include the agency's reason for postponing or forgoing the  
21.2 grant, including information sufficient to explain and support the agency's decision and  
21.3 notify the applicant of the process for contesting the agency's decision under paragraph (d).  
21.4 ~~If the applicant contests the agency's decision no later than 15 business days after receiving~~  
21.5 ~~the notice, the agency must consider any additional written information submitted by the~~  
21.6 ~~grantee. The agency has 15 business days to consider this information, during which the~~  
21.7 ~~agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~  
21.8 The notification to the commissioner of administration and legislators must identify the  
21.9 legislatively named potential grantee and the agency's reason for postponing or forgoing  
21.10 the grant. After hearing the concerns of the agency, the legislature may reaffirm the award  
21.11 of the grant or reappropriate the funds to a different legislatively named grantee. Based on  
21.12 the action of the legislature, the agency must award the grant to the legislatively named  
21.13 grantee. If the legislature does not provide direction to the agency on the disposition of the  
21.14 grant, the funds revert to the original appropriation source.

21.15 Sec. 33. Minnesota Statutes 2024, section 16B.991, subdivision 2, is amended to read:

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

21.20 Sec. 34. Minnesota Statutes 2024, section 16C.05, is amended by adding a subdivision to  
21.21 read:

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

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

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

21.28 (3) requires mandatory arbitration;

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

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

21.31 (6) obligates state funds in subsequent fiscal years in the form of automatic renewal, as  
21.32 defined in section 325G.56, subdivision 2; or

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

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

22.4 (c) The commissioner shall post a copy of this section on the department's website.

22.5 Sec. 35. Minnesota Statutes 2024, section 16C.137, subdivision 2, is amended to read:

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

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

22.18 Sec. 36. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

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

22.21 (b) The commissioner may award a contract for goods, services, or construction directly  
22.22 to a small business or small targeted group business without going through a competitive  
22.23 solicitation process up to a total contract award value, including extension options, of  
22.24 \$100,000.

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

22.29 (d) The commissioner, as a condition of awarding a construction contract or approving  
22.30 a contract for professional or technical services, may set goals that require the prime  
22.31 contractor to subcontract a portion of the contract to small businesses or small targeted  
22.32 group businesses. The commissioner must establish a procedure for granting waivers from

the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.~~

Sec. 37. Minnesota Statutes 2024, section 16C.16, subdivision 6a, is amended to read:

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

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

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

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

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

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

24.4 Sec. 38. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

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

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

24.12 (c) The commissioner may designate a purchase of goods or services for award only to  
24.13 a small business located in an economically disadvantaged area if the commissioner  
24.14 determines that at least three small businesses located in an economically disadvantaged  
24.15 area are likely to respond to a solicitation.

24.16 (d) The commissioner, as a condition of awarding a construction contract or approving  
24.17 a contract for professional or technical services, may set goals that require the prime  
24.18 contractor to subcontract a portion of the contract to a small business located in an  
24.19 economically disadvantaged area. The commissioner must establish a procedure for granting  
24.20 waivers from the subcontracting requirement when qualified small businesses located in an  
24.21 economically disadvantaged area are not reasonably available. The commissioner may  
24.22 establish financial incentives for prime contractors who exceed the goals for use of  
24.23 subcontractors that are small businesses located in an economically disadvantaged area and  
24.24 financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The~~  
24.25 ~~subcontracting requirements of this paragraph do not apply to prime contractors who are~~  
24.26 ~~small businesses located in an economically disadvantaged area.~~

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

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

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

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



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

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

Sec. 39. Minnesota Statutes 2024, section 16D.09, subdivision 1, is amended to read:

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

(b) Uncollectible debt must be reported by the state agency as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds \$100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year.

26.1 Determining that the debt is uncollectible does not cancel the legal obligation of the debtor  
26.2 to pay the debt.

26.3 Sec. 40. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

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

26.6 (1) a retired employee of the state or an organization listed in subdivision 2 or section  
26.7 43A.24, subdivision 2, who, at separation of service:

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

26.10 (ii) immediately meets the age and service requirements in section 352.115, subdivision  
26.11 1; and

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

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

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

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

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

26.27 ~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided  
26.28 through the federally sponsored Medicare program. Until the retired employee reaches age  
26.29 65, the retired employee and dependents must be pooled in the same group as active  
26.30 employees for purposes of establishing premiums and coverage for hospital, medical, and  
26.31 dental insurance. Coverage for retired employees and their dependents may not discriminate  
26.32 on the basis of evidence of insurability or preexisting conditions unless identical conditions

27.1 are imposed on active employees in the group that the employee left. Appointing authorities  
27.2 shall provide notice to employees no later than the effective date of their retirement of the  
27.3 right to exercise the option provided in this subdivision. The retired employee must notify  
27.4 the commissioner or designee of the commissioner within 30 days after the effective date  
27.5 of the retirement of intent to exercise this option.

27.6 Sec. 41. Minnesota Statutes 2024, section 151.741, subdivision 5, is amended to read:

27.7 Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a)

27.8 The insulin repayment account is established in the special revenue fund in the state treasury.  
27.9 Money in the account is appropriated each fiscal year to the commissioner of administration  
27.10 to reimburse manufacturers for insulin dispensed under the insulin safety net program in  
27.11 section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6,  
27.12 paragraph (h), and to cover costs incurred by the commissioner in providing these  
27.13 reimbursement payments.

27.14 (b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration  
27.15 shall certify to the commissioner of management and budget the total amount expended in  
27.16 the prior fiscal year for:

27.17 (1) reimbursement to manufacturers for insulin dispensed under the insulin safety net  
27.18 program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph  
27.19 (h), and 6, paragraph (h); and

27.20 (2) costs incurred by the commissioner of administration in providing the reimbursement  
27.21 payments described in clause (1).

27.22 (c) The commissioner of management and budget shall transfer from the health care  
27.23 access fund to the ~~special revenue fund~~ insulin repayment account, beginning July 1, 2025,  
27.24 and each July 1 thereafter, an amount equal to the amount to which the commissioner of  
27.25 administration certified pursuant to paragraph (b).

27.26 Sec. 42. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision  
27.27 to read:

27.28 Subd. 3a. **Fraud.** "Fraud" means an intentional or deceptive act, or failure to act, to gain  
27.29 an unlawful benefit.

28.1 Sec. 43. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision  
28.2 to read:

28.3 Subd. 4a. **Misuse.** "Misuse" means the improper use of authority or position for personal  
28.4 gain or to cause harm to others, including the improper use of public resources or programs  
28.5 contrary to their intended purpose.

28.6 Sec. 44. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision  
28.7 to read:

28.8 Subd. 5a. **Personal gain.** "Personal gain" means a benefit to a person; a person's spouse,  
28.9 parent, child, or other legal dependent; or an in-law of the person or the person's child.

28.10 Sec. 45. Minnesota Statutes 2024, section 181.932, subdivision 1, is amended to read:

28.11 Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, penalize,  
28.12 interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an  
28.13 employee regarding the employee's compensation, terms, conditions, location, or privileges  
28.14 of employment because:

28.15 (1) the employee, or a person acting on behalf of an employee, in good faith, reports a  
28.16 violation, suspected violation, or planned violation of any federal or state law or common  
28.17 law or rule adopted pursuant to law to an employer or to any governmental body or law  
28.18 enforcement official;

28.19 (2) the employee is requested by a public body or office to participate in an investigation,  
28.20 hearing, inquiry;

28.21 (3) the employee refuses an employer's order to perform an action that the employee  
28.22 has an objective basis in fact to believe violates any state or federal law or rule or regulation  
28.23 adopted pursuant to law, and the employee informs the employer that the order is being  
28.24 refused for that reason;

28.25 (4) the employee, in good faith, reports a situation in which the quality of health care  
28.26 services provided by a health care facility, organization, or health care provider violates a  
28.27 standard established by federal or state law or a professionally recognized national clinical  
28.28 or ethical standard and potentially places the public at risk of harm;

28.29 (5) a public employee communicates the findings of a scientific or technical study that  
28.30 the employee, in good faith, believes to be truthful and accurate, including reports to a  
28.31 governmental body or law enforcement official; or

29.1 (6) ~~an employee in the classified service of state government~~ a state employee  
29.2 communicates information that the employee, in good faith, believes to be truthful and  
29.3 accurate, and that relates to state ~~services, including the financing of state services~~ programs,  
29.4 services, or financing, including but not limited to fraud or misuse within state programs,  
29.5 services, or financing, to:

29.6 (i) a legislator or the legislative auditor; ~~or~~

29.7 (ii) a constitutional officer;

29.8 (iii) an employer;

29.9 (iv) any governmental body; or

29.10 (v) a law enforcement official.

29.11 The disclosures protected pursuant to this section do not authorize the disclosure of data  
29.12 otherwise protected by law.

29.13 Sec. 46. Minnesota Statutes 2024, section 471.6985, subdivision 2, is amended to read:

29.14 Subd. 2. ~~If \$350,000~~ \$750,000 sales, audited statement. Any city operating a municipal  
29.15 liquor store with total annual sales in excess of ~~\$350,000~~ \$750,000 shall submit to the state  
29.16 auditor audited financial statements for the liquor store that have been attested to by a  
29.17 certified public accountant or the state auditor within 180 days after the close of the fiscal  
29.18 year, except that the state auditor may extend the deadline upon request of a city and a  
29.19 showing of inability to conform. The state auditor may accept this report in lieu of the report  
29.20 required by subdivision 1.

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

29.22 Sec. 47. **2025 COMPENSATION COUNCIL REVIVED.**

29.23 The Compensation Council appointed under Minnesota Statutes, section 15A.082, in  
29.24 2025 is revived on June 1, 2026, and expires upon the council's submission of judicial salary  
29.25 recommendations in accordance with Minnesota Statutes, section 15A.082, subdivision 3,  
29.26 paragraph (a), as amended in section 21.

29.27 Sec. 48. **REVISOR INSTRUCTION.**

29.28 The revisor of statutes shall change the term "Office of Administrative Hearings" to  
29.29 "Court of Administrative Hearings" wherever the term appears in Minnesota Statutes. The

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

30.3 Sec. 49. **REPEALER.**

30.4 Subdivision 1. **Legislative commissions.** (a) Minnesota Statutes 2024, sections 3.8842;  
30.5 and 3.8845, are repealed.

30.6 (b) Laws 2019, First Special Session chapter 3, article 2, section 34, as amended by  
30.7 Laws 2020, chapter 100, section 22; and Laws 2022, chapter 50, article 3, section 2, are  
30.8 repealed.

30.9 Subd. 2. **Office of the Legislative Auditor.** Minnesota Statutes 2024, section 16B.45,  
30.10 is repealed.

30.11 Subd. 3. **Department of Administration.** Minnesota Statutes 2024, sections 16B.328,  
30.12 subdivision 2; and 16C.36, are repealed.

30.13 Subd. 4. **Fair campaign practices.** Minnesota Statutes 2024, sections 211B.06; and  
30.14 211B.08, are repealed.

30.15 **ARTICLE 2**

30.16 **STATE PERSONNEL MANAGEMENT**

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

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

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

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

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

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

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

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

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

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

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

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

31.28 Subd. 4. **Administrative procedures.** The commissioner shall develop administrative  
31.29 procedures, which are not subject to the rulemaking provisions of the Administrative  
31.30 Procedure Act, to effect provisions of chapter 43A which do not directly affect the rights  
31.31 of or processes available to the general public. The commissioner may also adopt  
31.32 administrative procedures, not subject to the Administrative Procedure Act, which concern  
31.33 topics affecting the general public if those procedures concern only the internal management

32.1 of the department or other agencies and if those elements of the topics which affect the  
32.2 general public are the subject of department rules.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Subd. 5. Salary on demotion; special cases.** The commissioner may, upon request of an appointing authority, approve payment of an employee with permanent status at a salary rate above the maximum of the class to which the employee is demoted. The commissioner

shall take such action as required by collective bargaining agreements or plans pursuant to section 43A.18. If the action is justified by the employee's long or outstanding service, exceptional or technical qualifications, ~~age, health,~~ or substantial changes in work assignment beyond the control of the employee, the commissioner may approve a rate up to and including the employee's salary immediately prior to demotion. Thereafter, so long as the employee remains in the same position, the employee shall not be eligible to receive any increase in salary until the employee's salary is within the range of the class to which the employee's position is allocated unless such increases are specifically provided in collective bargaining agreements or plans pursuant to section 43A.18.

Sec. 16. Minnesota Statutes 2024, section 43A.18, subdivision 2, is amended to read:

Subd. 2. ~~Commissioner's~~ **Nonrepresented employees compensation plan**. Except as provided in section 43A.01, the compensation, terms and conditions of employment for all classified and unclassified employees, except unclassified employees in the legislative and judicial branches, who are not covered by a collective bargaining agreement and not otherwise provided for in chapter 43A or other law are governed solely by a plan developed by the commissioner. The Legislative Coordinating Commission shall review the plan under section 3.855, subdivision 2. The plan need not be adopted in accordance with the rulemaking provisions of chapter 14.

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

Subdivision 1. **Donation of vacation time.** A state employee may donate up to 12 hours of accrued vacation time in any fiscal year to the account established by subdivision 2 for the benefit of another state employee. ~~The employee must notify the employee's agency head of the amount of accrued vacation time the employee wishes to donate and the name of the other state employee who is to benefit from the donation. The agency head shall determine the monetary value of the donated time, using the gross salary of the employee making the donation. The agency head shall transfer that amount, less deductions for applicable taxes and retirement contributions, to the account established by subdivision 2.~~ A donation of accrued vacation time is irrevocable once its monetary value has been transferred to the account.

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

38.2 **43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.**

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

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

38.11 ~~(b)~~ (c) The recipient employee must receive donations, as available, for a life-threatening  
38.12 condition of the employee or spouse or dependent child that prevents the employee from  
38.13 working. A recipient may use program donations retroactively to when all forms of paid  
38.14 leave are exhausted if the employee has sufficient donations to cover the period of  
38.15 retroactivity. A recipient who receives program donations under this section may use up to  
38.16 80 hours of program donations after the death of a spouse or dependent child.

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

38.20 ~~(d)~~ (e) The commissioner shall establish procedures under section 43A.04, subdivision  
38.21 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of  
38.22 individual eligibility status, and other topics related to administration of this program.

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

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

38.30 (1) objectives, goals, and policies;

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

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

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

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

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

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

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

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

39.21 (1) the extent of unemployment of members of protected classes in the recruiting area  
39.22 population;

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

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

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

39.31 (e) The commissioner shall designate a statewide ADA and disability employment  
39.32 director. The commissioner may delegate the preparation, revision, implementation,

evaluation, and administration of the program to the director. The director must administer the 700-hour on-the-job demonstration experience under the ~~supported work~~ customized employment program and disabled veteran's employment programs. The ADA and disability employment director shall have education, knowledge, and skills in disability policy, employment, and the ADA. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.

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

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

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

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

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is required to extend dependent coverage to an eligible



41.1 employee's child to the full extent required under chapters 62A and 62L. Dependent child  
41.2 coverage must, at a minimum, extend to an eligible employee's dependent child to the  
41.3 limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent  
41.4 required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required  
41.5 in sections 62A.042 and 62A.302.

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

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

41.12 Subd. 2. **Contract to contain statement of benefits.** (a) Each contract under sections  
41.13 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include  
41.14 any maximums, limitations, exclusions, and other definitions of benefits the commissioner  
41.15 deems necessary or desirable. Each hospital and medical benefits contract shall provide  
41.16 benefits at least equal to those required by section 62E.06, subdivision 2.

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

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

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

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

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

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

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

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

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

(3) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, or a judge of county municipal court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the Office of the District Administrator that is not in the Second or Fourth Judicial District; a court administrator or employee of the court administrator in a judicial district under section 480.181, subdivision 1, paragraph (b), and a guardian ad litem program employee;

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

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

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

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

43.7 ~~(8)~~ (7) notwithstanding section 43A.27, subdivision 3, an employee of the state of  
43.8 Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65  
43.9 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance  
43.10 and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service  
43.11 and retires, earlier than required, within 60 days of March 23, 1982; or an employee who  
43.12 is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state  
43.13 service and retires, earlier than required, from employment at Rochester state hospital after  
43.14 July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982,  
43.15 and is covered by the Minnesota State Retirement System correctional employee retirement  
43.16 plan or the State Patrol retirement fund, who has at least 20 years of state service and retires,  
43.17 earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person  
43.18 retires when the person terminates active employment in state or University of Minnesota  
43.19 service and applies for a retirement annuity. Eligibility shall cease when the retired employee  
43.20 attains the age of 65, or when the employee chooses not to receive the annuity that the  
43.21 employee has applied for. The retired employee shall be eligible for coverages to which the  
43.22 employee was entitled at the time of retirement, subject to any changes in coverage through  
43.23 collective bargaining or plans established pursuant to section 43A.18, for employees in  
43.24 positions equivalent to that from which retired, provided that the retired employee shall not  
43.25 be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health  
43.26 insurance benefits provided through the federally sponsored Medicare program;

43.27 ~~(9)~~ (8) an employee of an agency of the state of Minnesota identified through the process  
43.28 provided in this paragraph who is eligible to retire prior to age 65. The commissioner and  
43.29 the exclusive representative of state employees shall enter into agreements under section  
43.30 179A.22 to identify employees whose positions are in programs that are being permanently  
43.31 eliminated or reduced due to federal or state policies or practices. Failure to reach agreement  
43.32 identifying these employees is not subject to impasse procedures provided in chapter 179A.  
43.33 The commissioner must prepare a plan identifying eligible employees not covered by a  
43.34 collective bargaining agreement in accordance with the process outlined in section 43A.18,

subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Within ten days of receipt of the employee's written notice of appeal, the commissioner  
of the Bureau of Mediation Services shall provide both parties with a list of potential  
arbitrators according to the rules of the Bureau of Mediation Services to hear the appeal.  
The process of selecting the arbitrator from the list shall be determined by the plan. The  
hearing shall be conducted pursuant to the rules of the Bureau of Mediation Services. If the  
arbitrator finds, based on the hearing record, that the action appealed was not taken by the  
appointing authority for just cause, the employee shall be reinstated to the position, or an

46.1 equal position in another division within the same agency, without loss of pay. If the arbitrator  
46.2 finds that there exists sufficient grounds for institution of the appointing authority's action  
46.3 but the hearing record establishes extenuating circumstances, the arbitrator may reinstate  
46.4 the employee, with full, partial, or no pay, or may modify the appointing authority's action.  
46.5 The appointing authority shall bear the costs of the arbitrator for hearings provided for in  
46.6 this section.

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

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

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

46.13 (2) terminated state or Metropolitan Council employment;

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

46.20 (4) agrees to accept a postretirement option position with the same or a different  
46.21 appointing authority, working a reduced schedule that is both (i) a reduction of at least 25  
46.22 percent from the employee's number of previously regularly scheduled work hours; and (ii)  
46.23 1,044 hours or less in state or Metropolitan Council service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



- 49.1      Sec. 30. **REPEALER.**
- 49.2            Minnesota Statutes 2024, sections 43A.315; 43A.317, subdivisions 1, 2, 3, 5, 6, 7, 8, 9,
- 49.3      10, and 12; and 43A.318, subdivisions 1, 2, 4, and 5, are repealed.

APPENDIX  
Article locations for H1837-1

ARTICLE 1 STATE GOVERNMENT POLICY..... Page.Ln 2.2

ARTICLE 2 STATE PERSONNEL MANAGEMENT..... Page.Ln 30.15

### **3.8842 LEGISLATIVE COMMISSION ON MINNESOTA SPORTS FACILITIES.**

Subdivision 1. **Purpose.** The Legislative Commission on Minnesota Sports Facilities is established by and under the authority of the Legislative Coordinating Commission to oversee the Minnesota Sports Facilities Authority's operating and capital budgets. The legislature finds that continuous legislative review of the financial management of the authority is necessary to promote fiscal responsibility and good management, and strengthen the accountability of the authority. The commission is charged with:

- (1) providing financial oversight of the authority as described in subdivision 8;
- (2) adoption of a statewide authority structure for the operation and management of sports facilities and entertainment venues under the jurisdiction of the authority. The authority membership shall represent the interests of both the metropolitan area and greater Minnesota; and
- (3) creating a comprehensive management plan that alleviates booking and scheduling concerns regarding the sports facilities and entertainment venues under the jurisdiction of the authority.

Subd. 2. **Membership.** The commission consists of three senators appointed by the senate majority leader, three senators appointed by the senate minority leader, three state representatives appointed by the speaker of the house, and three state representatives appointed by the house minority leader. The appointing authorities must ensure balanced geographic representation. Each appointing authority must make appointments as soon as possible after the opening of the next regular session of the legislature in each odd-numbered year.

Subd. 3. **Terms; vacancies.** Members of the commission serve for a two-year term beginning upon appointment and expiring upon appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 4. **Chair.** The commission must meet as soon as practicable after members are appointed in each odd-numbered year to elect its chair and other officers as it may determine necessary. A chair serves a two-year term, expiring in the odd-numbered year after a successor is elected. The chair must alternate biennially between the senate and the house of representatives.

Subd. 5. **Compensation.** Members serve without compensation but may be reimbursed for their reasonable expenses as members of the legislature.

Subd. 6. **Staff.** Legislative staff must provide administrative and research assistance to the commission.

Subd. 7. **Meetings; procedures.** The commission meets at least semiannually. If there is a quorum, the commission may take action by a simple majority vote of commission members present.

Subd. 8. **Powers; duties; Minnesota Sports Facilities Authority, budget oversight.** The commission must monitor, review, and make recommendations to the authority and to the legislature for the following calendar year on:

- (1) any proposed increases in the rate or dollar amount of tax;
- (2) any proposed increases in the debt of the authority;
- (3) the overall work and role of the authority;
- (4) the authority's proposed operating and capital budgets;
- (5) the authority's implementation of the operating and capital budgets; and
- (6) any other topics as deemed necessary by the commission to fulfill the purpose described in subdivision 1.

Subd. 9. **Report.** The commission shall report on January 15 of the even-numbered year on the effectiveness and future prospects of the commission.

### **3.8845 LEGISLATIVE COMMISSION ON HOUSING AFFORDABILITY.**

Subdivision 1. **Membership.** (a) The Legislative Commission on Housing Affordability consists of:

- (1) two senators appointed by the senate majority leader;

- (2) two senators appointed by the senate minority leader;
- (3) two representatives appointed by the speaker of the house; and
- (4) two representatives appointed by the minority leader of the house of representatives.

(b) Each appointing authority must make appointments by January 31 of the regular legislative session in the odd-numbered year.

Subd. 2. **Meetings.** The ranking senator from the majority party appointed to the commission must convene the first meeting of a biennium by February 15 in the odd-numbered year.

Subd. 3. **Terms; vacancies.** Members of the commission serve for terms beginning upon appointment and ending at the beginning of the regular legislative session in the next odd-numbered year. The appropriate appointing authority must fill a vacancy for a seat of a current legislator for the remainder of the unexpired term.

Subd. 4. **Officers.** The commission must elect a chair and may elect other officers as it determines are necessary at the first meeting of the commission in an odd-numbered year. The chair alternates between a member of the senate and a member of the house of representatives at the start of the regular legislative session in each odd-numbered year.

Subd. 5. **Staff.** The Legislative Coordinating Commission must provide administrative and research assistance to the commission.

Subd. 6. **Duties.** The commission shall:

- (1) define housing affordability and study issues relating to housing affordability and the construction, preservation, and rehabilitation of owner-occupied and rental housing, including subsidized housing, existing and future government regulations impacting housing affordability, market forces impacting housing affordability, and access to homeownership;
- (2) review and provide the legislature with research and analysis of emerging issues affecting housing affordability and homeownership access, including but not limited to construction work force, innovation, building practices, and building material costs;
- (3) review and provide the legislature with research and analysis of policies to reduce the homeownership equity gap; and
- (4) review and make recommendations on legislative and rulemaking proposals positively impacting personal housing affordability, access to homeownership, and other related barriers to homeownership, especially with regard to first-time home buyers and economically disadvantaged buyers and renters.

Subd. 7. **Expiration.** This section expires June 30, 2023.

#### **16B.328 OUTDOOR LIGHTING FIXTURES MODEL ORDINANCE.**

Subd. 2. **Model ordinance.** The commissioner of administration, in consultation with the commissioner of commerce, associations for local governments, and any other interested person, shall develop a model ordinance that can be adapted for use by cities, counties, and towns, governing outdoor lighting to reduce light pollution. The model ordinance must address:

- (1) standards for lighting on private property; outdoor advertising; lighting on commercial, industrial, or institutional property; canopies covering fueling stations; and public streets, sidewalks, and alleys;
- (2) how illumination levels should be measured;
- (3) possible exemptions, such as for temporary emergency or hazard lighting;
- (4) recommended elements for an exterior lighting plan for a development;
- (5) treatment of nonconforming lighting;
- (6) lighting standards that might apply in special subdistricts;
- (7) light pole maximum heights; and
- (8) light trespass.

#### **16B.45 FUNCTION OF LEGISLATIVE AUDITOR.**

The legislative auditor may conduct performance evaluations of all systems analysis, information services, and computerization efforts of agencies, the University of Minnesota, and metropolitan boards, agencies, and commissions. Upon request of the governing body or the state Information Systems Advisory Council, the legislative auditor shall conduct the same services for political subdivisions of the state and report the findings to the governor and the legislature. The cost of these evaluations must be paid by the agencies being evaluated.

#### **16C.36 REORGANIZATION SERVICES UNDER MASTER CONTRACT.**

The commissioner of administration must make available under a master contract program a list of eligible contractors who can assist state agencies in using data analytics to:

(1) accomplish agency reorganization along service rather than functional lines in order to provide more efficient and effective service; and

(2) bring about internal reorganization of management functions in order to flatten the organizational structure by requiring that decisions are made closer to the service needed, eliminating redundancies, and optimizing the span of control ratios to public and private sector industry benchmarks.

#### **43A.315 STATE EMPLOYEE EFFICIENT USE OF HEALTH CARE INCENTIVE PROGRAM.**

The commissioner of management and budget may develop and implement a program that creates an incentive for efficient use by state employees of State Employee Group Insurance Program (SEGIP). The program may reward employees covered by SEGIP as a group if per capita employee health care costs paid by SEGIP for a calendar year prove to be less than estimated by the commissioner prior to the beginning of the calendar year. The reward may consist of payments of one-half of the cost-savings into the employees' health reimbursement accounts, to be made no later than June 30 of the following calendar year.

#### **43A.317 MINNESOTA EMPLOYEES INSURANCE PROGRAM.**

Subdivision 1. **Intent.** The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. **Definitions.** (a) **Scope.** For the purposes of this section, the terms defined have the meaning given them.

(b) **Commissioner.** "Commissioner" means the commissioner of management and budget.

(c) **Eligible employee.** "Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.

(d) **Eligible employer.** "Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) **Eligible individual.** "Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.

(f) **Employee.** "Employee" means an employee of an eligible employer. "Employee" includes a sole proprietor, partner of a partnership, member of a limited liability company, or independent contractor.

(g) **Employer.** "Employer" means a private person, firm, corporation, partnership, limited liability company, association, or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.

(h) **Program.** "Program" means the Minnesota employees insurance program created by this section.

Subd. 3. **Administration.** After consulting with the chairs of the senate Governmental Operations and Veterans Committee and the house of representatives Governmental Operations and Veterans Affairs Policy Committee, the commissioner may determine when the program provided under this section is available. When the commissioner makes the program available, the commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters

necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.

Subd. 5. **Employer eligibility.** (a) **Procedures.** All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) **Term.** The initial term of an employer's coverage may be for up to two years from the effective date of the employer's application. After that, coverage will be automatically renewed for an additional term unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner or the commissioner gives notice to the employer of the discontinuance of the program. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a term, including by reason of an increase in health coverage premiums of 50 percent or more from one insurance year to the next. An employer that withdraws from the program may not reapply for coverage for a period of time equal to its initial term of coverage.

(c) **Minnesota work force.** An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) **Employee participation; aggregation of groups.** An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) **Private employer.** A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota-domiciled employer and have paid Social Security or self-employment tax on behalf of both eligible employees.

(f) **Minimum participation.** The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.

(g) **Employer contribution.** The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) **Enrollment cap.** The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. **Individual eligibility.** (a) **Procedures.** The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) **Employees.** An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) **Other individuals.** An employer may elect to cover under its plan:

(1) the spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302;

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children to the extent required in sections 62A.14 and 62A.141, and dependent grandchildren to the extent required in sections 62A.042 and 62A.302;

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(3) the surviving spouse, dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148;  
or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children to the limiting age as defined in section 62Q.01, subdivision 2a, disabled children, and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) **Waiver and late entrance.** An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.

(e) **Continuation coverage.** The program shall provide all continuation coverage required by state and federal law.

Subd. 7. **Coverage.** Coverage is available through the program beginning on July 1, 1993. Until an arrangement is in place to provide coverage through a transfer of risk to one or more carriers regulated under chapter 62A, 62C, or 62D, the commissioner shall solicit bids under section 43A.23, from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. The commissioner shall provide coverage through contracts with carriers, unless the commissioner receives no reasonable bids from carriers.

(a) **Health coverage.** Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage. Coverage under this paragraph must not be provided as part of the health plans available to state employees.

(b) **Optional coverages.** In addition to offering health coverage, the commissioner may arrange to offer dental coverage through the program. Employers with health coverage may choose to offer dental coverage according to the terms established by the commissioner.

(c) **Open enrollment.** The program must meet all underwriting requirements of chapter 62L and must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.

(d) **Technical assistance.** The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.2930.

Subd. 8. **Premiums.** (a) **Payments.** Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.

(b) **Rating method.** The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods must recover in premiums all of the ongoing costs for state administration and for maintenance of a premium stability and claim fluctuation reserve. On June 30, 1999, after paying all necessary and reasonable expenses, the commissioner must apply up to \$2,075,000 of any remaining balance in the Minnesota employees' insurance trust fund to repayment of any amounts drawn or expended for this program from the health care access fund.

(c) **Taxes and assessments.** To the extent that the program operates as a self-insured group, the premiums paid to the program are not subject to the taxes imposed by chapter 297I, but the program is subject to a Minnesota Comprehensive Health Association assessment under section 62E.11.

Subd. 9. **Minnesota employees insurance trust fund.** (a) **Contents.** The Minnesota employees insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.

(b) **Appropriation.** All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.

(c) **Reserves.** For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves:

(1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and

(2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997.

(d) **Investments.** The State Board of Investment shall invest the fund's assets according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Subd. 10. **Program status.** The Minnesota employees insurance program is a state program to provide the advantages of a large pool to small employers for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program is not an insurance company. Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable.

Subd. 12. **Status of agents.** Notwithstanding sections 60K.49 and 72A.07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as insurance producers under chapter 60K or licensed under section 62C.17, regardless of whether the agents are appointed to represent the particular health carriers or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier or community integrated service network, with respect to that transaction.

#### **43A.318 PUBLIC EMPLOYEES GROUP LONG-TERM CARE INSURANCE PROGRAM.**

Subdivision 1. **Definitions.** (a) **Scope.** For the purposes of this section, the terms defined have the meanings given them.

(b) **Eligible person.** "Eligible person" means:

(1) a person who is eligible for insurance and benefits under section 43A.24;

(2) a person who at the time of separation from employment was eligible to purchase coverage at personal expense under section 43A.27, subdivision 3, regardless of whether the person elected to purchase this coverage;

(3) a spouse of a person described in clause (1) or (2), regardless of the enrollment status in the program of the person described in clause (1) or (2); or

(4) a parent of a person described in clause (1), regardless of the enrollment status in the program of the person described in clause (1).

(c) **Program.** "Program" means the statewide public employees long-term care insurance program created under subdivision 2.

(d) **Qualified vendor.** "Qualified vendor" means an entity licensed or authorized to underwrite, provide, or administer group long-term care insurance benefits in this state.



Subd. 2. **Program creation; general provisions.** (a) The commissioner may administer a program to make long-term care coverage available to eligible persons. The commissioner may determine the program's funding arrangements, request bids from qualified vendors, and negotiate and enter into contracts with qualified vendors. Contracts are not subject to the requirements of section 16C.16 or 16C.19. Contracts must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The program may not be self-insured until the commissioner has completed an actuarial study of the program and reported the results of the study to the legislature and self-insurance has been specifically authorized by law.

(b) The program may provide coverage for home, community, and institutional long-term care and any other benefits as determined by the commissioner. Coverage is optional. The enrolled eligible person must pay the full cost of the coverage.

(c) The commissioner shall promote activities that attempt to raise awareness of the need for long-term care insurance among residents of the state and encourage the increased prevalence of long-term care coverage. These activities must include the sharing of knowledge gained in the development of the program.

(d) The commissioner may employ and contract with persons and other entities to perform the duties under this section and may determine their duties and compensation consistent with this chapter.

(e) The benefits provided under this section are not terms and conditions of employment as defined under section 179A.03, subdivision 19, and are not subject to collective bargaining.

(f) The commissioner shall establish underwriting criteria for entry of all eligible persons into the program. Eligible persons who would be immediately eligible for benefits may not enroll.

(g) Eligible persons who meet underwriting criteria may enroll in the program upon hiring and at other times established by the commissioner.

(h) An eligible person enrolled in the program may continue to participate in the program even if an event, such as termination of employment, changes the person's employment status.

(i) Participating public employee pension plans and public employers may provide automatic pension or payroll deduction for payment of long-term care insurance premiums to qualified vendors contracted with under this section.

(j) The premium charged to program enrollees must include an administrative fee to cover all program expenses incurred in addition to the cost of coverage. All fees collected are appropriated to the commissioner for the purpose of administering the program.

Subd. 4. **Long-term care insurance trust fund.** (a) The long-term care insurance trust fund in the state treasury consists of deposits of the premiums received from persons enrolled in the program. All money in the fund is appropriated to the commissioner to pay premiums, claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money sufficient to cover the actuarially estimated costs of claims incurred but unpaid. The trust fund must be used solely for the purpose of the program.

(b) The State Board of Investment shall invest the money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to or deducted from the fund.

Subd. 5. **Private sources.** This section does not prohibit or limit individuals or local governments from purchasing long-term care insurance through other private sources.

#### **211B.06 FALSE POLITICAL AND CAMPAIGN MATERIAL.**

Subdivision 1. **Gross misdemeanor.** (a) A person is guilty of a gross misdemeanor who intentionally participates in the preparation, dissemination, or broadcast of paid political advertising or campaign material with respect to the personal or political character or acts of a candidate, or with respect to the effect of a ballot question, that is designed or tends to elect, injure, promote, or defeat a candidate for nomination or election to a public office or to promote or defeat a ballot question, that is false, and that the person knows is false or communicates to others with reckless disregard of whether it is false.

(b) A person is guilty of a misdemeanor who intentionally participates in the drafting of a letter to the editor with respect to the personal or political character or acts of a candidate, or with respect

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to the effect of a ballot question, that is designed or tends to elect, injure, promote, or defeat any candidate for nomination or election to a public office or to promote or defeat a ballot question, that is false, and that the person knows is false or communicates to others with reckless disregard of whether it is false.

Subd. 2. **Exception.** Subdivision 1 does not apply to any person or organization whose sole act is, in the normal course of their business, the printing, manufacturing, or dissemination of the false information.

**211B.08 SOLICITATION OF CONTRIBUTIONS PROHIBITED.**

A religious, charitable, or educational organization may not request a candidate or committee to contribute to the organization, to subscribe for the support of a club or organization, to buy tickets to entertainment, or to pay for space in a publication. This section does not apply to:

(1) the solicitation of a business advertisement in periodicals in which the candidate was a regular contributor, before candidacy;

(2) ordinary business advertisements;

(3) regular payments to a religious, charitable, or educational organization, of which the candidate was a member, or to which the candidate was a contributor for more than six months before candidacy; or

(4) ordinary contributions at church services.

***Laws 2019, First Special Session chapter 3, article 2, section 34, as amended by Laws 2020, chapter 100, section 22***

**Sec. 34. DRIVER AND VEHICLE SYSTEMS OVERSIGHT COMMITTEE.**

Subdivision 1. **Definitions.** The definitions in section 33 apply to this section.

Subd. 2. **Driver and Vehicle Systems Oversight Committee established.** (a) The Driver and Vehicle Systems Oversight Committee is established and consists of the following members:

(1) the chair of the senate Finance Committee, or a senator appointed by the chair of the senate Finance Committee;

(2) the chair and ranking minority member of the senate committee with jurisdiction over transportation finance;

(3) the chair of the house of representatives Ways and Means Committee, or a member of the house of representatives appointed by the chair of the house of representatives Ways and Means Committee; and

(4) the chair and ranking minority member of the house of representatives committee with jurisdiction over transportation finance.

(b) The chair of the Blue Ribbon Council on Information Technology, or the chair's designee, must serve on the committee as a nonvoting member. If the council expires or is dissolved, the chair of the council at the time of expiration or dissolution, or the chair's designee, must continue to serve on the committee as a nonvoting member until the committee expires as provided by subdivision 8.

Subd. 3. **Dissolution of MNLARS Steering Committee.** The MNLARS Steering Committee is dissolved and is replaced by the Oversight Committee.

Subd. 4. **Duties.** (a) The Oversight Committee must:

(1) review progress reports received pursuant to subdivision 5 and reports from the information technology auditor;

(2) oversee the implementation of the VTRS;

(3) oversee the decommissioning of MNLARS, including the funds and staff resources spent on the decommissioning;

(4) oversee the driver's license system; and

(5) on an annual basis, review the fee and surcharge increases required by this article, and make a recommendation to the legislature on whether the fee and surcharge increases are set of appropriate amounts.

(b) The Oversight Committee may contract with, hire, or otherwise consult with any individual to assist the committee with its duties.

Subd. 5. **Progress reports.** (a) Between 20 and 30 days before the start of each quarter, the commissioners of public safety and MN.IT must submit a report to the Oversight Committee and the information technology auditor on the following:

(1) the status of MNLARS, including a summary of work performed to maintain MNLARS and any work performed to decommission MNLARS;

(2) the status of the implementation of VTRS;

(3) a detailed explanation of any funds expended related to MNLARS and the purposes of the expenditures, the number of staff working on MNLARS, and a description of the work performed;

(4) a list of all requested customizations to VTRS, the purpose for the customization, the cost of the customization, and whether the commissioner approved the customization; and

(5) the status of the driver's license system.

(b) Between 20 and 30 days before the start of each quarter, the vendor must submit a report to the Oversight Committee regarding the progress on the implementation of the VTRS.

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(c) Between 20 and 30 days before the start of each quarter, the Minnesota Deputy Registrars Association, the Minnesota Deputy Registrar Business Owners Association, the Minnesota Automobile Dealers Association, and any other stakeholders are each encouraged to submit a report to the Oversight Committee regarding MNLARS, VTRS, or the driver's license system.

Subd. 6. **Meetings.** (a) The chairs of the legislative committees with jurisdiction over transportation finance serve as cochairs of the Oversight Committee.

(b) The Oversight Committee must meet at least once each quarter.

(c) The Oversight Committee is subject to Minnesota Statutes, section 3.055, except that a member may vote by submitting a written statement indicating how the member votes on a motion. The written statement must be treated in the same manner as the votes of the members present at the meeting. The written statement must be submitted to all members prior to the start of the meeting at which the vote will take place.

Subd. 7. **Administration.** The Legislative Coordinating Commission must provide meeting space and administrative support for the Oversight Committee.

Subd. 8. **Expiration.** The Oversight Committee expires six months after full implementation of VTRS. After full implementation but prior to the expiration of the Oversight Committee, the Oversight Committee must complete a report that, at a minimum, summarizes the activities of the Oversight Committee and makes recommendations to the legislature on proposed changes to state driver and vehicle laws. The Oversight Committee must submit the report to the legislative auditor. For purposes of this subdivision, "full implementation" means all packaged software solution components are implemented and functioning and all MNLARS and legacy components are decommissioned.

**EFFECTIVE DATE.** This section is effective the day following final enactment.  
*Laws 2022, chapter 50, article 3, section 2*

Sec. 2. **LEGISLATIVE COVID-19 RESPONSE COMMISSION.**

Laws 2020, chapter 71, article 1, section 7, as amended by Laws 2020, chapter 81, sections 1 and 2, is revived and reenacted as of December 30, 2020.

**EFFECTIVE DATE.** This section is effective retroactively from December 30, 2020, and applies to duties required under this article.