

## HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2098

03/10/2025 Authored by Freiberg  
The bill was read for the first time and referred to the Committee on Elections Finance and Government Operations

04/07/2025 Adoption of Report: Placed on the General Register as Amended  
Read for the Second Time

1.1 A bill for an act

1.2 relating to local government; modifying classification of certain public data;  
1.3 modifying authorized amounts for certain reimbursements; modifying threshold  
1.4 amount for certain audits; modifying requirements for publishing notice in a  
1.5 qualified newspaper; modifying organization provisions for certain special districts  
1.6 and commissions; modifying certain rental licensing provisions; amending  
1.7 Minnesota Statutes 2024, sections 13.43, subdivision 2; 117.036, subdivision 2;  
1.8 222.37, subdivision 1; 331A.10, subdivision 2; 367.36, subdivision 1; 383C.035;  
1.9 412.02, subdivision 3; 412.341, subdivision 1, by adding a subdivision; 412.591,  
1.10 subdivision 3; 477A.017, subdivision 3; Laws 1992, chapter 534, sections 7,  
1.11 subdivisions 1, 2, 3; 8, subdivision 2; 10, subdivision 4; 16; proposing coding for  
1.12 new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 2024,  
1.13 sections 383C.07; 383C.74, subdivisions 1, 2, 3, 4.

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

1.15 **ARTICLE 1**

1.16 **LOCAL GOVERNMENT POLICY**

1.17 Section 1. Minnesota Statutes 2024, section 13.43, subdivision 2, is amended to read:

1.18 Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject  
1.19 to the limitations described in subdivision 5a, the following personnel data on current and  
1.20 former employees, volunteers, and independent contractors of a government entity is public:

1.21 (1) name; employee identification number, which must not be the employee's Social  
1.22 Security number; actual gross salary; salary range; terms and conditions of employment  
1.23 relationship; contract fees; actual gross pension; the value and nature of employer paid  
1.24 fringe benefits; and the basis for and the amount of any added remuneration, including  
1.25 expense reimbursement, in addition to salary;

2.1       (2) job title and bargaining unit; job description; education and training background;  
2.2       and previous work experience;

2.3       (3) date of first and last employment;

2.4       (4) the existence and status of any complaints or charges against the employee, regardless  
2.5       of whether the complaint or charge resulted in a disciplinary action;

2.6       (5) the final disposition of any disciplinary action together with the specific reasons for  
2.7       the action and data documenting the basis of the action, excluding data that would identify  
2.8       confidential sources who are employees of the public body;

2.9       (6) the complete terms of any agreement settling any dispute arising out of an employment  
2.10      relationship, including a buyout agreement as defined in section 123B.143, subdivision 2,  
2.11      paragraph (a); except that the agreement must include specific reasons for the agreement if  
2.12      it involves the payment of more than \$10,000 of public money;

2.13      (7) work location; a work telephone number; badge number; work-related continuing  
2.14      education; and honors and awards received; and

2.15      (8) payroll time sheets or other comparable data that are only used to account for  
2.16      employee's work time for payroll purposes, except to the extent that release of time sheet  
2.17      data would reveal the employee's reasons for the use of sick or other medical leave or other  
2.18      not public data.

2.19      (b) For purposes of this subdivision, a final disposition occurs when the government  
2.20      entity makes its final decision about the disciplinary action, regardless of the possibility of  
2.21      any later proceedings or court proceedings. Final disposition includes a resignation by an  
2.22      individual when the resignation occurs after the final decision of the government entity, or  
2.23      arbitrator. In the case of arbitration proceedings arising under collective bargaining  
2.24      agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or  
2.25      upon the failure of the employee to elect arbitration within the time provided by the collective  
2.26      bargaining agreement. A disciplinary action does not become public data if an arbitrator  
2.27      sustains a grievance and reverses all aspects of any disciplinary action.

2.28      (c) The government entity may display a photograph of a current or former employee  
2.29      to a prospective witness as part of the government entity's investigation of any complaint  
2.30      or charge against the employee.

2.31      (d) A complainant has access to a statement provided by the complainant to a government  
2.32      entity in connection with a complaint or charge against an employee.

3.1       (e) Notwithstanding paragraph (a), clause (5), and subject to paragraph (f), upon  
3.2 completion of an investigation of a complaint or charge against a public official, or if a  
3.3 public official resigns or is terminated from employment while the complaint or charge is  
3.4 pending, all data relating to the complaint or charge are public, unless access to the data  
3.5 would jeopardize an active investigation or reveal confidential sources. For purposes of this  
3.6 paragraph, "public official" means:

3.7       (1) the head of a state agency and deputy and assistant state agency heads;

3.8       (2) members of boards or commissions required by law to be appointed by the governor  
3.9 or other elective officers;

3.10       (3) members of the Metropolitan Council appointed by the governor under section  
3.11 473.123, subdivision 3;

3.12       (3) executive or administrative heads of departments, bureaus, divisions, or institutions  
3.13 within state government; and

3.14       (4) (5) the following employees:

3.15       (i) the chief administrative officer, or the individual acting in an equivalent position, in  
3.16 all political subdivisions;

3.17       (ii) individuals required to be identified by a political subdivision pursuant to section  
3.18 471.701;

3.19       (iii) in a city ~~with a population of more than 7,500~~ or a county ~~with a population of more~~  
3.20 ~~than 5,000~~: managers; chiefs; heads or directors of departments, divisions, bureaus, or  
3.21 boards; ~~and any equivalent position; and~~

3.22       (iv) in a school district: business managers; human resource directors; athletic directors  
3.23 whose duties include at least 50 percent of their time spent in administration, personnel,  
3.24 supervision, and evaluation; chief financial officers; directors; individuals defined as  
3.25 superintendents and principals under Minnesota Rules, part 3512.0100; and in a charter  
3.26 school, individuals employed in comparable positions; and

3.27       (v) in the Metropolitan Council, a public corporation and political subdivision of the  
3.28 state established under chapter 473: the chair of the Metropolitan Council appointed by the  
3.29 governor; the regional administrator appointed as the principal administrative officer by the  
3.30 Metropolitan Council under section 473.125; the deputy regional administrator; the general  
3.31 counsel appointed by the Metropolitan Council under section 473.123, subdivision 8; the  
3.32 executive heads of divisions, including the general managers and executive directors; the  
3.33 executive head responsible for compliance with Equal Employment Opportunity provisions

4.1       of federal law; and the chief law enforcement officer of the Metropolitan Transit Police  
4.2       appointed by the regional administrator under section 473.407, subdivision 4.

4.3       (f) Data relating to a complaint or charge against an employee identified under paragraph  
4.4       (e), clause (4)(5), ~~are~~ is public only if:

4.5           (1) the complaint or charge results in disciplinary action or the employee resigns or is  
4.6       terminated from employment while the complaint or charge is pending; or

4.7           (2) potential legal claims arising out of the conduct that is the subject of the complaint  
4.8       or charge are released as part of a settlement agreement.

4.9       This paragraph and paragraph (e) do not authorize the release of data that are made not  
4.10      public under other law.

4.11      Sec. 2. Minnesota Statutes 2024, section 117.036, subdivision 2, is amended to read:

4.12      **Subd. 2. Appraisal.** (a) Before commencing an eminent domain proceeding under this  
4.13      chapter for an acquisition greater than \$25,000, the acquiring authority must obtain at least  
4.14      one appraisal for the property proposed to be acquired. In making the appraisal, the appraiser  
4.15      must confer with one or more of the owners of the property, if reasonably possible. For  
4.16      acquisitions less than \$25,000, the acquiring authority may obtain a minimum damage  
4.17      acquisition report in lieu of an appraisal. In making the minimum damage acquisition report,  
4.18      the qualified person with appraisal knowledge must confer with one or more of the owners  
4.19      of the property, if reasonably possible. Notwithstanding section 13.44, the acquiring authority  
4.20      must provide the owner with a copy of (1) each appraisal for property acquisitions over  
4.21      \$25,000, or (2) the minimum damage acquisition report for properties under \$25,000, the  
4.22      acquiring authority has obtained for the property at the time an offer is made, but no later  
4.23      than 60 days before presenting a petition under section 117.055. The acquiring authority  
4.24      must also inform the owner of the right to obtain an appraisal under this section. Upon  
4.25      request, the acquiring authority must make available to the owner all appraisals for properties  
4.26      over \$25,000, or the minimum damage acquisition report for properties under \$25,000. If  
4.27      the acquiring authority is considering both a full and partial taking of the property, the  
4.28      acquiring authority shall obtain and provide the owner with appraisals for properties over  
4.29      \$25,000 for both types of takings, or minimum damage acquisition reports for properties  
4.30      under \$25,000.

4.31      (b) The owner may obtain an appraisal by a qualified appraiser of the property proposed  
4.32      to be acquired. The owner is entitled to reimbursement for the reasonable costs of the  
4.33      appraisal from the acquiring authority up to a maximum of \$1,500 \$3,000 for single family

5.1 and two-family residential property and minimum damage acquisitions and ~~\$5,000~~ \$10,000  
5.2 for other types of property, provided that the owner submits to the acquiring authority the  
5.3 information necessary for reimbursement, including a copy of the owner's appraisal, at least  
5.4 five days before a condemnation commissioners' hearing. For purposes of this subdivision,  
5.5 a "minimum damage acquisition" means an interest in property that a qualified person having  
5.6 an understanding of the local real estate market indicates can be acquired for \$25,000 or  
5.7 less.

5.8 (c) The acquiring authority must pay the reimbursement to the owner within 30 days  
5.9 after receiving a copy of the appraisal and the reimbursement information. Upon agreement  
5.10 between the acquiring authority and the owner, the acquiring authority may pay the  
5.11 reimbursement directly to the appraiser.

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

5.13 **Subdivision 1. Use requirements.** (a) Any water power, telegraph, telephone, pneumatic  
5.14 tube, pipeline, community antenna television, cable communications or electric light, heat,  
5.15 power company, entity that receives a route permit under chapter 216E for a high-voltage  
5.16 transmission line necessary to interconnect an electric power generating facility with  
5.17 transmission lines or associated facilities of an entity that directly, or through its members  
5.18 or agents, provides retail electric service in the state, or fire department may use public  
5.19 roads for the purpose of constructing, using, operating, and maintaining lines, subways,  
5.20 canals, conduits, transmission lines, hydrants, or dry hydrants, for their business, but such  
5.21 lines shall be so located as in no way to interfere with the safety and convenience of ordinary  
5.22 travel along or over the same; and, in the construction and maintenance of such line, subway,  
5.23 canal, conduit, transmission lines, hydrants, or dry hydrants, the entity shall be subject to  
5.24 all reasonable regulations imposed by the governing body of any county, town or city in  
5.25 which such public road may be. If the governing body does not require the entity to obtain  
5.26 a permit, an entity shall notify the governing body of any county, town, or city having  
5.27 jurisdiction over a public road prior to the construction or major repair, involving extensive  
5.28 excavation on the road right-of-way, of the entity's equipment along, over, or under the  
5.29 public road, unless the governing body waives the notice requirement. A waiver of the  
5.30 notice requirement must be renewed on an annual basis. For emergency repair an entity  
5.31 shall notify the governing body as soon as practical after the repair is made. Nothing herein  
5.32 shall be construed to grant to any person any rights for the maintenance of a telegraph,  
5.33 telephone, pneumatic tube, community antenna television system, cable communications  
5.34 system, or light, heat, power system, electric power generating system, high-voltage  
5.35 transmission line, or hydrant system within the corporate limits of any city until such person

6.1 shall have obtained the right to maintain such system within such city or for a period beyond  
6.2 that for which the right to operate such system is granted by such city.

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

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

6.7 Subd. 2. **Discontinuance.** (a) When a newspaper ceases to be published before the  
6.8 publication of a public notice is commenced, or when commenced ceases before the  
6.9 publication is completed, the following procedures apply: (1) when the publication is required  
6.10 by court order, the order for publication, when one is required in the first instance, may be  
6.11 amended by order of the court or judge, to designate another newspaper, as may be necessary.  
6.12 If no order is required in the first instance; or (2) when the publication is required by law,  
6.13 rule, or ordinance, the publication may be made or completed in any other qualified  
6.14 newspaper.

6.15 (b) If no qualified newspaper is available for publication of a public notice after the  
6.16 discontinuance of a newspaper, the political subdivision must post the information required  
6.17 to be published on the political subdivision's website until another qualified newspaper is  
6.18 identified, which shall then be designated. During the time when no qualified newspaper is  
6.19 available, the political subdivision must also post the public notice on the Minnesota  
6.20 Newspaper Association's statewide public notice website, at no additional cost to the political  
6.21 subdivision.

6.22 (c) Any time during which the notice is published in the first a newspaper prior to the  
6.23 newspaper's discontinuance shall be calculated as a part of the time required for the  
6.24 publication, proof of which may be made by affidavit of any person acquainted with the  
6.25 facts.

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

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

7.1       (b) If the offices of clerk and treasurer are combined and the town's annual revenue is  
7.2       more than the amount in paragraph (c), the town board shall provide for an annual audit of  
7.3       the town's financial affairs by the state auditor or a public accountant in accordance with  
7.4       minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer  
7.5       are combined and the town's annual revenue is the amount in paragraph (c) or less, the town  
7.6       board shall provide for an audit of the town's financial affairs by the state auditor or a public  
7.7       accountant in accordance with minimum audit procedures prescribed by the state auditor  
7.8       at least once every five years, which audit shall be for a one-year period to be determined  
7.9       at random by the person conducting the audit. Upon completion of an audit by a public  
7.10       accountant, the public accountant shall forward a copy of the audit to the state auditor. For  
7.11       purposes of this subdivision, "public accountant" means a certified public accountant or a  
7.12       certified public accounting firm licensed in accordance with chapter 326A.

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

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

7.19       Sec. 6. Minnesota Statutes 2024, section 383C.035, is amended to read:

7.20       **383C.035 UNCLASSIFIED CIVIL SERVICE.**

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

7.25       (b) The unclassified service comprises:

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

7.28       (2) superintendent or principal administrative officer or comptroller of any separate  
7.29       department of county government which is now or hereafter created pursuant to law, who  
7.30       is directly responsible to the board of county commissioners or any other board or  
7.31       commission, as well as the county agricultural agents reporting to the county extension  
7.32       committee;

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

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

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

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

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

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

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

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

8.15       (11) all court bailiffs.

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

8.18       Sec. 7. Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

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

8.27       (b) If the offices of clerk and treasurer are combined as provided by this section and the  
8.28       city's annual revenue for all governmental and enterprise funds combined is more than the  
8.29       amount in paragraph (c), the council shall provide for an annual audit of the city's financial  
8.30       affairs by the state auditor or a public accountant in accordance with minimum auditing  
8.31       procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined  
8.32       and the city's annual revenue for all governmental and enterprise funds combined is the

9.1 amount in paragraph (c), or less, the council shall provide for an audit of the city's financial  
9.2 affairs by the state auditor or a public accountant in accordance with minimum audit  
9.3 procedures prescribed by the state auditor at least once every five years, which audit shall  
9.4 be for a one-year period to be determined at random by the person conducting the audit.

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

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

9.11 Sec. 8. Minnesota Statutes 2024, section 412.341, subdivision 1, is amended to read:

9.12 **Subdivision 1. Membership.** (a) The commission shall consist of ~~three, five, or seven~~  
9.13 members appointed by the council. No more than one member may be chosen from the  
9.14 council membership ~~for a commission with three members, and no more than two members~~  
9.15 ~~may be chosen from the council membership for a commission with five or seven members.~~  
9.16 ~~Except for the terms of members appointed to the initial commission as provided in paragraph~~  
9.17 ~~(b), each member shall serve for a term of three years and until a successor is appointed~~  
9.18 ~~and qualified except that of the members initially appointed in any city, one shall serve for~~  
9.19 ~~a term of one year, one for a term of two years, and one for a term of three years.~~ Residence  
9.20 shall not be a qualification for membership on the commission unless the council so provides.  
9.21 A vacancy shall be filled by the council for the unexpired term.

9.22 (b) The members appointed to the initial commission after its establishment under section  
9.23 412.331 shall serve the following terms:

9.24 (1) if the initial commission consists of three members, one member shall serve for a  
9.25 term of one year, one member for a term of two years, and one member for a term of three  
9.26 years;

9.27 (2) if the initial commission consists of five members, one member shall serve for a term  
9.28 of one year, two members for a term of two years, and two members for a term of three  
9.29 years; or

9.30 (3) if the initial commission consists of seven members, two members shall serve for a  
9.31 term of one year, two members for a term of two years, and three members for a term of  
9.32 three years.

10.1 Sec. 9. Minnesota Statutes 2024, section 412.341, is amended by adding a subdivision to  
10.2 read:

10.3 Subd. 3. Change in membership; procedures. (a) The number of commission members  
10.4 may be increased or decreased by ordinance within the permitted number of commissioner  
10.5 members as provided in subdivision 1, paragraph (a). The ordinance changing the number  
10.6 of commission members must include a provision for maintaining staggered terms for  
10.7 commission members, provided that if the number of members is reduced, the reduction  
10.8 must be effected in such a manner that all incumbent members are permitted to serve their  
10.9 full terms. An ordinance adopted under this subdivision must not be effective until at least  
10.10 45 days after its adoption.

10.11 (b) An ordinance reducing the size of the commission shall not take effect and the  
10.12 question of whether to reduce the size of the commission must be placed on the ballot at  
10.13 the next general or special election if: (1) within 45 days of the ordinance's adoption by the  
10.14 city council, a petition is filed with the city clerk requesting that a referendum be held on  
10.15 reducing the size of the commission; and (2) the petition is signed by a number of eligible  
10.16 voters equal to at least 15 percent of the number of electors voting at the most recent general  
10.17 election. The ballot question shall be substantially stated as follows:

10.18 "Shall the size of the public utilities commission be reduced from ..... members to  
10.19 .....members?"

10.20 The question shall be followed by the words "Yes" and "No" with an appropriate oval or  
10.21 similar target shape before each in which a voter may record a choice. If a majority of the  
10.22 votes cast on the question are in favor of reducing the size of the commission, the ordinance  
10.23 shall be considered approved and shall be effective immediately. If the majority of votes  
10.24 cast on the question are against reducing the size of the commission, the ordinance shall  
10.25 not take effect.

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

10.27 Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are  
10.28 combined as provided by this section, and the city's annual revenue for all governmental  
10.29 and enterprise funds combined is more than the amount in paragraph (b), the council shall  
10.30 provide for an annual audit of the city's financial affairs by the state auditor or a certified  
10.31 public accountant in accordance with minimum procedures prescribed by the state auditor.  
10.32 If the offices of clerk and treasurer are combined and the city's annual revenue for all  
10.33 governmental and enterprise funds combined is the amount in paragraph (b), or less, the  
10.34 council shall provide for an audit of the city's financial affairs by the state auditor or a

11.1 certified public accountant in accordance with minimum audit procedures prescribed by the  
11.2 state auditor at least once every five years, which audit shall be for a one-year period to be  
11.3 determined at random by the person conducting the audit.

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

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

11.10 Sec. 11. **[471.9994] LANDLORD-TENANT GUIDE.**

11.11 If a home rule charter city, statutory city, or town issues or renews a rental license, a  
11.12 registration or certificate of occupancy, or a similar document for purposes of allowing a  
11.13 dwelling unit to be occupied by a residential tenant, as defined in section 504B.001,  
11.14 subdivision 12, the city or town must provide the landlord, as defined in section 504B.001,  
11.15 subdivision 7, with a physical copy of the attorney general's landlord-tenant guide, as defined  
11.16 in section 504B.275, or, if the document is renewed or issued electronically, a link to the  
11.17 guide on the attorney general's website.

11.18 Sec. 12. Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

11.19 Subd. 3. **Conformity.** (a) Other law to the contrary notwithstanding, in order to receive  
11.20 distributions under sections 477A.011 to 477A.03, or a special district aid program, counties  
11.21 and, cities, towns, and special districts, must conform to the standards set in subdivision 2  
11.22 in making all financial reports required to be made to the state auditor.

11.23 (b) For the purpose of this subdivision, "special district" has the meaning under section  
11.24 6.465, subdivision 3.

11.25 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to aid  
11.26 distributions on or after that date.

11.27 Sec. 13. **REPEALER.**

11.28 Minnesota Statutes 2024, sections 383C.07; and 383C.74, subdivisions 1, 2, 3, and 4,  
11.29 are repealed.

12.1 Sec. 14. **EFFECTIVE DATE.**

12.2 Except as otherwise specified, this article is effective the day following final enactment.

12.3 **ARTICLE 2**12.4 **SWIFT COUNTY: ORGANIZATION OF JOINT POWERS HOSPITAL DISTRICT**

12.5 Section 1. Laws 1992, chapter 534, section 7, subdivision 1, is amended to read:

12.6 Subdivision 1. **Governing board.** The hospital district shall be governed by a board of  
12.7 directors of ~~at least nine and not more than 12~~ six voting members, elected as provided in  
12.8 subdivision 2. All members of the hospital board at the time the hospital district is organized  
12.9 shall continue in office until the members of the first board of the hospital district are elected  
12.10 and qualify. The hospital district may change the number of board members through the  
12.11 adoption and amendment of bylaws under section 10, subdivision 5.

12.12 Sec. 2. Laws 1992, chapter 534, section 7, subdivision 2, is amended to read:

12.13 Subd. 2. **Election.** ~~Three~~ Two directors shall be elected by the city council and ~~six~~ four  
12.14 directors shall be elected by the county board, unless otherwise provided in the bylaws  
12.15 under section 10, subdivision 5. Up to three Additional voting members and additional  
12.16 nonvoting members may be provided for in bylaws adopted pursuant to section ~~5~~ 10,  
12.17 subdivision 5. As nearly as possible, one-third of the members of the first board of directors  
12.18 shall be elected for a term to expire one year from the next December 31 following that  
12.19 election, one-third for a term to expire two years from that date, and one-third for a term to  
12.20 expire three years from that date. Each of the political subdivisions electing directors shall  
12.21 assign terms of office to each director according to these staggered terms. Successors to the  
12.22 first board members shall each be elected for terms of three years, and all members shall  
12.23 hold office until their successors are elected and qualify. Terms of office shall expire on  
12.24 December 31. In case of vacancy on the board of directors, whether due to death, removal  
12.25 from the district, inability to serve, resignation, removal by the entity that elected the director,  
12.26 or other cause, the majority of the governing body of the entity that elected the director  
12.27 whose position is vacant shall elect a director to fill such vacancy for the then unexpired  
12.28 term.

12.29 Sec. 3. Laws 1992, chapter 534, section 7, subdivision 3, is amended to read:

12.30 Subd. 3. **Compensation.** The members of the board of directors may receive  
12.31 compensation for their services as such and may be reimbursed for reasonable expenses

13.1 necessarily incurred in the performance of their duties to the extent provided for in bylaws  
13.2 adopted pursuant to section § 10, subdivision 5.

13.3 Sec. 4. Laws 1992, chapter 534, section 8, subdivision 2, is amended to read:

13.4 **Subd. 2. Duties.** The officers shall have the duties specified in this subdivision and  
13.5 additional duties as set forth in bylaws adopted in accordance with section § 10, subdivision  
13.6 5. The chair shall preside at all meetings of the board of directors and shall perform all  
13.7 duties usually incumbent upon such an officer. The vice-chair shall preside in the absence  
13.8 of the chair. The secretary shall record the minutes of all meetings of the board and be the  
13.9 custodian of all books and records of the district. The treasurer shall be the custodian of  
13.10 money received by the district and shall see that they are properly accounted for. The board  
13.11 may appoint deputies who shall perform any functions and duties of any officer, subject to  
13.12 the supervision and control of the officer.

13.13 Sec. 5. Laws 1992, chapter 534, section 10, subdivision 4, is amended to read:

13.14 **Subd. 4. Approval for sale or lease.** Nothing contained in this section § shall be  
13.15 construed to authorize the district or its board of directors to at any time sell, lease, or  
13.16 otherwise transfer the management, control or operation of the hospital, including nursing  
13.17 home or other facilities, except upon approval by a majority vote of the county board and  
13.18 the city council.

13.19 Sec. 6. Laws 1992, chapter 534, section 16, is amended to read:

13.20 **Sec. 16. LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.**

13.21 Subject to section § 10, subdivision 4, the hospital district may lease hospital, nursing  
13.22 home, or other facilities to be run by a nonprofit or public corporation as community facilities.  
13.23 The facilities must be open to all residents of the community on equal terms. The district  
13.24 may lease related medical facilities to any person, firm, association, or corporation, at rent  
13.25 and on conditions agreed. The term of the lease must not exceed 30 years. The lessee may  
13.26 be granted an option to renew the lease for an additional term or to purchase the facilities.  
13.27 The terms of renewal or purchase must be provided for in the lease. The hospital district  
13.28 may by resolution of its governing body agree to pay to the lessee annually, and to include  
13.29 in each annual budget for hospital and nursing home purposes, a fixed compensation for  
13.30 services agreed to be performed by the lessee in running the hospital, nursing home, or other  
13.31 facilities as a community facility; for any investment by the lessee of its own funds or funds  
13.32 granted or contributed to it in the construction or equipment of the hospital, nursing home,

14.1 or other facilities; and for any auxiliary services to be provided or made available by the  
14.2 lessee through other facilities owned or operated by it. Services other than those provided  
14.3 for in the lease agreement may be compensated at rates agreed upon later. The lease  
14.4 agreement must, however, require the lessee to pay a net rental not less than the amount  
14.5 required to pay the principal and interest when due on all revenue bonds issued by the  
14.6 hospital district to acquire, improve, and refinance the leased facilities, and to maintain the  
14.7 agreed revenue bond reserve. The lease agreement must not grant the lessee an option to  
14.8 purchase the facilities at a price less than the amount of the bonds issued and interest accrued  
14.9 on them, except bonds and accrued interest paid from the net rentals before the option is  
14.10 exercised.

14.11 To the extent that the facilities are leased under this section for use by persons in private  
14.12 medical or dental or similar practice or other private business, a tax on that use must be  
14.13 imposed just as though the user were the owner of the space. It must be collected as provided  
14.14 in Minnesota Statutes, section 272.01, subdivision 2.

14.15 Sec. 7. **EFFECTIVE DATE.**

14.16 This article is effective the day after the governing bodies of Swift County and the city  
14.17 of Benson comply with the requirements of Minnesota Statutes, section 645.021, subdivisions  
14.18 2 and 3.

APPENDIX  
Article locations for H2098-1

ARTICLE 1	LOCAL GOVERNMENT POLICY.....	Page.Ln 1.15
SWIFT COUNTY: ORGANIZATION OF JOINT POWERS HOSPITAL		
ARTICLE 2	DISTRICT.....	Page.Ln 12.3

**383C.07 MEMBERS OF BOARDS AND COMMISSIONS; TERMS OF OFFICE.**

Notwithstanding the provisions of any law to the contrary, in St. Louis County every lay member hereafter appointed by the county board to any board or commission heretofore or hereafter created by law, shall be appointed for a term of three years.

**383C.74 HISTORICAL WORK.**

Subdivision 1. **Appropriation.** The St. Louis County Board may appropriate from the treasury of the county a sum not to exceed \$2,500 each year for the promotion of historical work within its borders.

Subd. 2. **Minnesota State Historical Society.** Said sum shall be so appropriated for the use of a historical society organized in said county and devoted to the collection, preservation and publication of historical material, the dissemination of historical information and in general carrying on historical work, said society to be designated by the Minnesota State Historical Society.

Subd. 3. **Purpose of appropriation.** The work of said historical society shall be done in the county making such appropriation and in reference to the history of said county and all facts relevant thereto.

Subd. 4. **Money to remain in county treasury.** The money appropriated as aforesaid shall remain in the treasury of the county and be paid out in payment of expense incurred by said county historical society for the purposes above indicated on verified bills approved by said local society according to its rules, in the same way that county bills are paid. Said appropriation shall be available for expense occurring in any year although not paid until the succeeding year. Any unused portion of any appropriation for any year shall revert to the funds of the county. Said appropriation shall be effective only for the year in which it is made.