

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2464

03/17/2025 Authored by Backer
The bill was read for the first time and referred to the Committee on Health Finance and Policy

04/10/2025 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time

05/15/2025 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Committee and Floor Amendments

1.1 A bill for an act

1.2 relating to state government; modifying certain health and licensing provisions;

1.3 restructuring and renaming the Higher Education Facilities Authority to include

1.4 Health and increasing the bonding capacity; amending Minnesota Statutes 2024,

1.5 sections 3.732, subdivision 1; 10A.01, subdivision 35; 136A.25; 136A.26; 136A.27;

1.6 136A.28; 136A.29, subdivisions 1, 3, 6, 9, 10, 14, 19, 20, 21, 22, by adding a

1.7 subdivision; 136A.32, subdivisions 1, 4, by adding a subdivision; 136A.33;

1.8 136A.34, subdivisions 3, 4; 136A.36; 136A.38; 136A.41; 136A.42; 136F.67,

1.9 subdivision 1; 144.98, subdivisions 8, 9; 144E.123, subdivision 3; 145.4718;

1.10 145.901, subdivision 1; 145.902, subdivisions 1, 3; 147A.02; 148.56, subdivision

1.11 1, by adding a subdivision; 354B.20, subdivision 7; proposing coding for new law

1.12 in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2024, section

1.13 136A.29, subdivision 4.

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

1.15 ARTICLE 1

1.16 HEALTH POLICY

1.17 Section 1. [144.6584] INFORMED CONSENT REQUIRED FOR SENSITIVE

1.18 EXAMINATIONS.

1.19 Subdivision 1. **Definition.** For purposes of this section, "sensitive examination" means

1.20 a pelvic, breast, urogenital, or rectal examination.

1.21 Subd. 2. **Informed consent required; exceptions.** A health professional, or a student

1.22 or resident participating in a course of instruction, clinical training, or a residency program

1.23 for a health profession, must not perform a sensitive examination on an anesthetized or

1.24 unconscious patient unless:

(1) the patient or the patient's legally authorized representative provided prior written, informed consent to the sensitive examination for preventive, diagnostic, or treatment purposes;

(2) the patient or the patient's legally authorized representative provided prior written, informed consent to the sensitive examination being performed solely for educational or training purposes;

(3) the patient or the patient's legally authorized representative provided prior written, informed consent to a surgical procedure or diagnostic examination and the sensitive examination is related to that surgical procedure or diagnostic examination and is medically necessary;

(4) the patient is unconscious and incapable of providing informed consent and the sensitive examination is medically necessary for diagnostic or treatment purposes; or

(5) the sensitive examination is performed by a health professional qualified to perform the examination and is performed for purposes of collecting evidence or documenting injuries.

Subd. 3. **Ground for disciplinary action.** A violation of this section is a ground for disciplinary action by the health-related licensing board regulating the individual who violated this section.

Sec. 2. Minnesota Statutes 2024, section 144.98, subdivision 8, is amended to read:

Subd. 8. **Exemption from national standards for quality control and personnel requirements.** ~~Effective January 1, 2012,~~ A laboratory that analyzes samples for compliance with a permit issued under section 115.03, subdivision 5, may request exemption from the personnel requirements and specific quality control provisions for microbiology and chemistry stated in the national standards as incorporated by reference in subdivision 2a. The commissioner shall grant the exemption if the laboratory:

(1) complies with the methodology and quality control requirements, where available, in the most recent, approved edition of the Standard Methods for the Examination of Water and Wastewater as published by the Water Environment Federation; and

(2) supplies the name of the person meeting the requirements in section 115.73, or the personnel requirements in the national standard pursuant to subdivision 2a.

A laboratory applying for this exemption shall not apply for simultaneous accreditation under the national standard.

3.1 Sec. 3. Minnesota Statutes 2024, section 144.98, subdivision 9, is amended to read:

3.2 Subd. 9. **Exemption from national standards for proficiency testing frequency.** (a)
3.3 ~~Effective January 1, 2012,~~ A laboratory applying for or requesting accreditation under the
3.4 exemption in subdivision 8 must obtain an acceptable proficiency test result for each of the
3.5 laboratory's accredited or requested fields of testing. The laboratory must analyze proficiency
3.6 samples selected from one of two annual proficiency testing studies scheduled by the
3.7 commissioner.

3.8 (b) If a laboratory fails to successfully complete the first scheduled proficiency study,
3.9 the laboratory shall:

3.10 (1) obtain and analyze a supplemental test sample within 15 days of receiving the test
3.11 report for the initial failed attempt; and

3.12 (2) participate in the second annual study as scheduled by the commissioner.

3.13 (c) If a laboratory does not submit results or fails two consecutive proficiency samples,
3.14 the commissioner will revoke the laboratory's accreditation for the affected fields of testing.

3.15 (d) The commissioner may require a laboratory to analyze additional proficiency testing
3.16 samples beyond what is required in this subdivision if information available to the
3.17 commissioner indicates that the laboratory's analysis for the field of testing does not meet
3.18 the requirements for accreditation.

3.19 (e) The commissioner may collect from laboratories accredited under the exemption in
3.20 subdivision 8 any additional costs required to administer this subdivision and subdivision
3.21 8.

3.22 Sec. 4. Minnesota Statutes 2024, section 144E.123, subdivision 3, is amended to read:

3.23 Subd. 3. **Review.** Prehospital care data may be reviewed by the director or its designees.
3.24 The data shall be classified as private data on individuals under chapter 13, the Minnesota
3.25 Government Data Practices Act. The director may share with the Washington/Baltimore
3.26 High Intensity Drug Trafficking Area's Overdose Detection Mapping Application Program
3.27 (ODMAP) data that identifies where and when an overdose incident happens, fatality status,
3.28 suspected drug type, naloxone administration, and first responder type. ODMAP may:

3.29 (1) allow secure access to the system by authorized users to report information about an
3.30 overdose incident;

3.31 (2) allow secure access to the system by authorized users to view, in near real-time,
3.32 information about overdose incidents reported;

4.1 (3) produce a map in near real-time of the approximate locations of confirmed or
4.2 suspected overdose incidents reported; and

4.3 (4) enable access to overdose incident information that assists in state and local decisions
4.4 regarding the allocation of public health, public safety, and educational resources for the
4.5 purposes of monitoring and reporting data related to suspected overdoses.

4.6 Sec. 5. Minnesota Statutes 2024, section 145.4718, is amended to read:

4.7 **145.4718 PROGRAM EVALUATION.**

4.8 (a) The director of child sex trafficking prevention established under section 145.4716
4.9 must conduct, or contract for, comprehensive evaluation of the statewide program for safe
4.10 harbor for sexually exploited youth. ~~The first evaluation must be completed by June 30,~~
4.11 ~~2015, and must be submitted~~ director must submit an updated evaluation to the commissioner
4.12 of health and to the chairs and ranking minority members of the senate and house of
4.13 representatives committees with jurisdiction over health and public safety by September 1;
4.14 ~~2015, and every two years thereafter~~ of each odd-numbered year. The evaluation must
4.15 consider whether the program is reaching intended victims and whether support services
4.16 are available, accessible, and adequate for sexually exploited youth, as defined in section
4.17 260C.007, subdivision 31.

4.18 (b) In conducting the evaluation, the director of child sex trafficking prevention must
4.19 consider evaluation of outcomes, including whether the program increases identification of
4.20 sexually exploited youth, coordination of investigations, access to services and housing
4.21 available for sexually exploited youth, and improved effectiveness of services. The evaluation
4.22 must also include examination of the ways in which penalties under section 609.3241 are
4.23 assessed, collected, and distributed to ensure funding for investigation, prosecution, and
4.24 victim services to combat sexual exploitation of youth.

4.25 Sec. 6. Minnesota Statutes 2024, section 145.901, subdivision 1, is amended to read:

4.26 Subdivision 1. **Purpose.** Within the limits of available funding, the commissioner of
4.27 health ~~may~~ must conduct maternal death studies to assist the planning, implementation, and
4.28 evaluation of medical, health, and welfare service systems and to reduce the numbers of
4.29 preventable maternal deaths in Minnesota.

4.30 Sec. 7. Minnesota Statutes 2024, section 145.902, subdivision 1, is amended to read:

4.31 Subdivision 1. **General.** (a) For purposes of this section, a "safe place" means:

(1) a hospital licensed under sections 144.50 to 144.56;

(2) a fire station that is staffed continuously, 24 hours per day, by firefighters or emergency medical services personnel, except when all staff are called out in an emergency and when the dual alarm system dispatches the nearest first responder to receive the infant as in any similar emergency;

(3) a health care provider who provides urgent care medical services, ~~or~~;

(4) a newborn safety device installed by a fire station that meets the requirements in clause (2) and is participating in the program or by a licensed hospital that is staffed continuously, 24 hours per day; or

(5) an ambulance service licensed under chapter 144E dispatched in response to a 911 call from a mother or a person with the mother's permission to relinquish a newborn infant.

(b) A safe place shall receive a newborn left with an employee on the premises of the safe place during its hours of operation or in a newborn safety device, provided that:

(1) the newborn infant was born within seven days of being left at the safe place, as determined within a reasonable degree of medical certainty; ~~and~~

(2) the newborn infant is left in an unharmed condition; and

(3) the newborn safety device:

(i) is designed to permit a parent to anonymously place a newborn infant in the device with the intent to leave the newborn infant;

(ii) allows fire station personnel or hospital personnel to remove the newborn infant from the device and take custody of the newborn infant;

(iii) is installed with an adequate dual alarm system connected to the physical location where the device is physically installed, and the dual alarm system is tested at least one time per month and visually checked at least two times per day to ensure the alarm system is in working order; and

(iv) is physically located inside a participating fire station that is staffed continuously, 24 hours per day, by firefighters or emergency medical services personnel or inside a licensed hospital that is staffed continuously, 24 hours per day. The safety device must be located in an area that is conspicuous and visible to fire station personnel or hospital personnel.

(c) The safe place must not inquire as to the identity of the mother or the person leaving the newborn or call the police, provided the newborn is unharmed when presented to the hospital. The safe place may ask the mother or the person leaving the newborn about the

medical history of the mother or newborn but the mother or the person leaving the newborn is not required to provide any information. The safe place may provide the mother or the person leaving the newborn with information about how to contact relevant social service agencies. This information must be available for the relinquishing parent in the newborn safety device.

(d) A safe place that is a health care provider who provides urgent care medical services shall dial 911, advise the dispatcher that the call is being made from a safe place for newborns, and ask the dispatcher to send an ambulance or take other appropriate action to transport the newborn to a hospital. An ambulance with whom a newborn is left or personnel at a fire station at which a newborn is left shall transport the newborn to a hospital for care. Hospitals must receive a newborn left with a safe place and make the report as required in subdivision 2.

Sec. 8. Minnesota Statutes 2024, section 145.902, subdivision 3, is amended to read:

Subd. 3. **Immunity.** (a) A safe place with responsibility for performing duties under this section, and any employee, doctor, ambulance personnel, or other medical professional working at the safe place, are immune from any criminal liability that otherwise might result from their actions, if they are acting in good faith in receiving a newborn, and are immune from any civil liability that otherwise might result from merely receiving a newborn.

(b) A safe place performing duties under this section, or an employee, doctor, ambulance personnel, or other medical professional working at the safe place who is a mandated reporter under chapter 260E, is immune from any criminal or civil liability that otherwise might result from the failure to make a report under that section if the person is acting in good faith in complying with this section.

(c) No person shall be prosecuted for any crime based solely on the act of leaving a newborn infant in compliance with this section.

Sec. 9. Minnesota Statutes 2024, section 147A.02, is amended to read:

147A.02 QUALIFICATIONS FOR LICENSURE.

(a) The board may grant a license as a physician assistant to an applicant who:

(1) submits an application on forms approved by the board;

(2) pays the appropriate fee as determined by the board;

(3) has current certification from the National Commission on Certification of Physician Assistants, or its successor agency as approved by the board;

(4) certifies that the applicant is mentally and physically able to engage safely in practice as a physician assistant;

(5) has no licensure, certification, or registration as a physician assistant under current discipline, revocation, suspension, or probation for cause resulting from the applicant's practice as a physician assistant, unless the board considers the condition and agrees to licensure;

(6) submits any other information the board deems necessary to evaluate the applicant's qualifications; and

(7) has been approved by the board.

(b) All persons registered as physician assistants as of June 30, 1995, are eligible for continuing license renewal. All persons applying for licensure after that date shall be licensed according to this chapter.

(c) A physician assistant who qualifies for licensure must practice for at least 2,080 hours, within the context of a collaborative agreement, within a hospital or integrated clinical setting where physician assistants and physicians work together to provide patient care. The physician assistant shall submit written evidence to the board with the application, or upon completion of the required collaborative practice experience. For purposes of this paragraph, a collaborative agreement is a mutually agreed upon plan for the overall working relationship ~~and collaborative arrangement~~ between a physician assistant, and one or more physicians licensed under chapter 147, or licensed in another state or United States territory that designates the scope of ~~services that can be provided~~ collaboration necessary to manage the care of patients. The physician assistant and one of the collaborative physicians must have experience in providing care to patients with the same or similar medical conditions. The collaborating physician is not required to be physically present so long as the collaborating physician and physician assistant are or can be easily in contact with each other by radio, telephone, or other telecommunication device.

Sec. 10. Minnesota Statutes 2024, section 148.56, subdivision 1, is amended to read:

Subdivision 1. **Optometry defined.** (a) Any person shall be deemed to be practicing optometry within the meaning of sections 148.52 to 148.62 who shall in any way:

(1) advertise as an optometrist;

(2) employ any means, including the use of autorefractors or other automated testing devices, for the measurement of the powers of vision or the adaptation of lenses or prisms for the aid thereof;

(3) possess testing appliances for the purpose of the measurement of the powers of vision;

(4) diagnose any disease, optical deficiency or deformity, or visual or muscular anomaly of the visual system consisting of the human eye and its accessory or subordinate anatomical parts;

(5) prescribe lenses, including plano or cosmetic contact lenses, or prisms for the correction or the relief of same;

(6) employ or prescribe ocular exercises, orthoptics, or habilitative and rehabilitative therapeutic vision care; or

(7) prescribe or administer legend drugs to aid in the diagnosis, cure, mitigation, prevention, treatment, or management of disease, deficiency, deformity, or abnormality of the human eye and adnexa included in the curricula of accredited schools or colleges of optometry, and as limited by Minnesota statute and adopted rules by the Board of Optometry, or who holds oneself out as being able to do so.

(b) In the course of treatment, nothing in this section shall allow:

(1) legend drugs to be administered intravenously, ~~intramuscularly, or by injection,~~
~~except for treatment of anaphylaxis;~~ by intraocular or sub-Tenon injection; by injection
posterior to the orbital septum; or by intramuscular injection, except as permitted under
paragraph (d);

(2) invasive surgery including, but not limited to, surgery using lasers;

(3) Schedule II and III oral legend drugs ~~and oral steroids~~ to be administered or prescribed; or

(4) ~~oral antivirals to be prescribed or administered for more than ten days; or steroids~~
to be administered or prescribed for more than 14 days without consultation with a physician.

~~(5) oral carbonic anhydrase inhibitors to be prescribed or administered for more than seven days.~~

(c) Nothing in this section shall allow anesthetics to be administered by injection, except that an optometrist may administer local anesthesia by injection:

(1) for excision of chalazia, except that recurrent chalazia must be referred to a physician;
and

(2) for excision of a single epidermal lesion that: (i) is without characteristics of malignancy; (ii) is no larger than five millimeters in size; (iii) is no deeper than the dermal layer of the skin; and (iv) is not a lesion involving the eyelid margin.

(d) An optometrist may inject Botulinum toxin, limited to the periocular muscles of facial expression innervated by the first two branches of the facial nerve, including for cosmetic purposes.

Sec. 11. Minnesota Statutes 2024, section 148.56, is amended by adding a subdivision to read:

Subd. 1a. **Injections.** In order to perform injections permitted under subdivision 1, an optometrist must receive approval from the board after demonstrating to the board that the optometrist has sufficient educational or clinical training to perform injections. This subdivision does not apply to injections for treatment of anaphylaxis.

ARTICLE 2

MINNESOTA HEALTH AND EDUCATION FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2024, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the ~~Higher~~ Health and Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Department of Iron Range Resources and Rehabilitation, the Minnesota Historical Society, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official

capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District, a member of the Health Technology Advisory Committee, and any officer, agent, or employee of the state of Wisconsin performing work for the state of Minnesota pursuant to a joint state initiative.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. Minnesota Statutes 2024, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

(1) member of the legislature;

(2) individual employed by the legislature as secretary of the senate, legislative auditor, director of the Legislative Budget Office, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, fiscal analyst, or attorney in the Office of Senate Counsel, Research and Fiscal Analysis, House Research, or the House Fiscal Analysis Department;

(3) constitutional officer in the executive branch and the officer's chief administrative deputy;

(4) solicitor general or deputy, assistant, or special assistant attorney general;

(5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

- 11.1 (8) executive director of the State Board of Investment;
- 11.2 (9) deputy of any official listed in clauses (7) and (8);
- 11.3 (10) judge of the Workers' Compensation Court of Appeals;
- 11.4 (11) administrative law judge or compensation judge in the State Office of Administrative
- 11.5 Hearings or unemployment law judge in the Department of Employment and Economic
- 11.6 Development;
- 11.7 (12) member, regional administrator, division director, general counsel, or operations
- 11.8 manager of the Metropolitan Council;
- 11.9 (13) member or chief administrator of a metropolitan agency;
- 11.10 (14) director of the Division of Alcohol and Gambling Enforcement in the Department
- 11.11 of Public Safety;
- 11.12 (15) member or executive director of the ~~Higher~~ Health and Education Facilities
- 11.13 Authority;
- 11.14 (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- 11.15 (17) member of the board of directors or executive director of the Minnesota State High
- 11.16 School League;
- 11.17 (18) member of the Minnesota Ballpark Authority established in section 473.755;
- 11.18 (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;
- 11.19 (20) manager of a watershed district, or member of a watershed management organization
- 11.20 as defined under section 103B.205, subdivision 13;
- 11.21 (21) supervisor of a soil and water conservation district;
- 11.22 (22) director of Explore Minnesota Tourism;
- 11.23 (23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section
- 11.24 97A.056;
- 11.25 (24) citizen member of the Clean Water Council established in section 114D.30;
- 11.26 (25) member or chief executive of the Minnesota Sports Facilities Authority established
- 11.27 in section 473J.07;
- 11.28 (26) district court judge, appeals court judge, or supreme court justice;
- 11.29 (27) county commissioner;

12.1 (28) member of the Greater Minnesota Regional Parks and Trails Commission;

12.2 (29) member of the Destination Medical Center Corporation established in section
12.3 469.41; or

12.4 (30) chancellor or member of the Board of Trustees of the Minnesota State Colleges
12.5 and Universities.

12.6 Sec. 3. Minnesota Statutes 2024, section 136A.25, is amended to read:

12.7 **136A.25 CREATION.**

12.8 A state agency known as the Minnesota ~~Higher~~ Health and Education Facilities Authority
12.9 is hereby created.

12.10 Sec. 4. Minnesota Statutes 2024, section 136A.26, is amended to read:

12.11 **136A.26 MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.**

12.12 Subdivision 1. **Membership.** The Minnesota ~~Higher~~ Health and Education Facilities
12.13 Authority shall consist of ~~eight~~ nine members appointed by the governor with the advice
12.14 and consent of the senate, and a representative of the Office of Higher Education.

12.15 All members to be appointed by the governor shall be residents of the state. At least two
12.16 members must reside outside the metropolitan area as defined in section 473.121, subdivision
12.17 2. At least one of the members shall be a person having a favorable reputation for skill,
12.18 knowledge, and experience in the field of state and municipal finance; ~~and~~ at least one of
12.19 the members shall be a person having a favorable reputation for skill, knowledge, and
12.20 experience in the building construction field; ~~and~~ at least one of the members shall be a
12.21 trustee, director, officer, or employee of an institution of higher education; and at least one
12.22 of the members shall be a trustee, director, officer, or employee of a health care organization.

12.23 Subd. 1a. **Private College Council member.** The president of the Minnesota Private
12.24 College Council, or the president's designee, shall serve without compensation as an advisory,
12.25 nonvoting member of the authority.

12.26 Subd. 1b. **Nonprofit health care association member.** The chief executive officer of
12.27 a Minnesota nonprofit health care association whose members are primarily nonprofit health
12.28 care organizations, or the chief executive officer's designee, shall serve without compensation
12.29 as an advisory, nonvoting member of the authority. The identity of the Minnesota nonprofit
12.30 health care association shall be determined and may be changed from time to time by the
12.31 members of the authority in accordance with and as provided in the bylaws of the authority.

Subd. 2. **Term; compensation; removal.** The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the representative of the office, ~~and the president of the Private College Council,~~ and the nonprofit health care association member shall be as provided in section 15.0575.

Sec. 5. Minnesota Statutes 2024, section 136A.27, is amended to read:

136A.27 POLICY.

It is hereby declared that for the benefit of the people of the state, the increase of their commerce, welfare and prosperity and the improvement of their health and living conditions it is essential that health care organizations within the state be provided with appropriate additional means to establish, acquire, construct, improve, and expand health care facilities in furtherance of their purposes; that this and future generations of youth be given the fullest opportunity to learn and to develop their intellectual and mental capacities; that it is essential that institutions of higher education within the state be provided with appropriate additional means to assist such youth in achieving the required levels of learning and development of their intellectual and mental capacities; and that health care organizations and institutions of higher education be enabled to refinance outstanding indebtedness incurred to provide existing facilities used for such those purposes in order to preserve and enhance the utilization of facilities for purposes of health care and higher education, to extend or adjust maturities in relation to the resources available for their payment, and to save interest costs and thereby reduce health care costs or higher education tuition, fees, and charges; and. It is hereby further declared that it is the purpose of sections 136A.25 to 136A.42 to provide a measure of assistance and an alternative method to enable health care organizations and institutions of higher education in the state to provide the facilities and structures which are solely needed to accomplish the purposes of sections 136A.25 to 136A.42, all to the public benefit and good, to the extent and manner provided herein.

Sec. 6. Minnesota Statutes 2024, section 136A.28, is amended to read:

136A.28 DEFINITIONS.

Subdivision 1. **Scope.** In sections 136A.25 to 136A.42, the following words and terms shall, unless the context otherwise requires, have the meanings ascribed to them.

Subd. 1a. **Affiliate.** "Affiliate" means an entity that directly or indirectly controls, is controlled by, or is under common control with another entity. For the purposes of this subdivision, "control" means either the power to elect a majority of the members of the governing body of an entity or the power, whether by contract or otherwise, to direct the

14.1 management and policies of the entity. Affiliate also means an entity whose business or
 14.2 substantially all of whose property is operated under a lease, management agreement, or
 14.3 operating agreement by another entity, or an entity who operates the business or substantially
 14.4 all of the property of another entity under a lease, management agreement, or operating
 14.5 agreement.

14.6 Subd. 2. **Authority.** "Authority" means the ~~Higher~~ Health and Education Facilities
 14.7 Authority created by sections 136A.25 to 136A.42.

14.8 Subd. 3. **Project.** "Project" means ~~a structure or structures available for use as a dormitory~~
 14.9 ~~or other student housing facility, a dining hall, student union, administration building,~~
 14.10 ~~academic building, library, laboratory, research facility, classroom, athletic facility, health~~
 14.11 ~~care facility, child care facility, and maintenance, storage, or utility facility and other~~
 14.12 ~~structures or facilities related thereto or required or useful for the instruction of students or~~
 14.13 ~~the conducting of research or the operation of an institution of higher education, whether~~
 14.14 ~~proposed, under construction, or completed, including parking and other facilities or~~
 14.15 ~~structures essential or convenient for the orderly conduct of such institution for higher~~
 14.16 ~~education, and shall also include landscaping, site preparation, furniture, equipment and~~
 14.17 ~~machinery, and other similar items necessary or convenient for the operation of a particular~~
 14.18 ~~facility or structure in the manner for which its use is intended but shall not include such~~
 14.19 ~~items as books, fuel, supplies, or other items the costs of which are customarily deemed to~~
 14.20 ~~result in a current operating charge, and shall~~ a health care facility or an education facility
 14.21 whether proposed, under construction, or completed and includes land or interests in land,
 14.22 appurtenances, site preparation, landscaping, buildings, structures, systems, fixtures, furniture,
 14.23 machinery, equipment, and parking. Project also includes other structures, facilities,
 14.24 improvements, machinery, equipment, and means of transport of a capital nature that are
 14.25 necessary or convenient for the operation of the facility. Project does not include: (1) any
 14.26 facility used or to be used for sectarian instruction or as a place of religious worship ~~nor;~~
 14.27 (2) any facility which is used or to be used primarily in connection with any part of the
 14.28 program of a school or department of divinity for any religious denomination; nor (3) any
 14.29 books, supplies, medicine, medical supplies, fuel, or other items, the cost of which are
 14.30 customarily deemed to result in a current operating charge.

14.31 Subd. 4. **Cost.** "Cost," as applied to a project or any portion thereof financed under the
 14.32 provisions of sections 136A.25 to 136A.42, means all or any part of the cost of construction,
 14.33 acquisition, alteration, enlargement, reconstruction and remodeling of a project including
 14.34 all lands, structures, real or personal property, rights, rights-of-way, franchises, easements
 14.35 and interests acquired or used for or in connection with a project, the cost of demolishing

or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which ~~such~~ the buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to, during and for a period after completion of ~~such~~ construction and acquisition, provisions for reserves for principal and interest and for extensions, enlargements, additions and improvements, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project and ~~such~~ other expenses as may be necessary or incident to the construction and acquisition of the project, the financing of ~~such~~ construction and acquisition and the placing of the project in operation.

Subd. 5. **Bonds.** "Bonds," or "revenue bonds" means revenue bonds of the authority issued under the provisions of sections 136A.25 to 136A.42, including revenue refunding bonds, notwithstanding that the same may be secured by mortgage or the full faith and credit of a participating institution ~~for higher education~~ or any other lawfully pledged security of a participating institution ~~for higher education~~.

Subd. 5a. **Education facility.** "Education facility" means a structure or structures available for use as a dormitory or other student housing facility, dining hall, student union, administration building, academic building, library, laboratory, research facility, classroom, athletic facility, student health care facility, or child care facility and includes other facilities or structures related to the essential or convenient orderly conduct of an institution of higher education.

Subd. 5b. **Health care facility.** (a) "Health care facility" means a structure or structures available for use within this state as a hospital, clinic, psychiatric residential treatment facility, birth center, outpatient surgical center, comprehensive outpatient rehabilitation facility, outpatient physical therapy or speech pathology facility, end-stage renal dialysis facility, medical laboratory, pharmacy, radiation therapy facility, diagnostic imaging facility, medical office building, residence for nurses or interns, nursing home, boarding care home, assisted living facility, residential hospice, intermediate care facility for persons with developmental disabilities, supervised living facility, board and lodging establishment with special services, adult day care center, day services facility, prescribed pediatric extended care facility, community residential setting, adult foster home, or other facility related to medical or health care research or the delivery or administration of health care services and includes other structures or facilities related to the essential or convenient orderly conduct of a health care organization.

(b) Health care facility also means a facility in a state that is geographically contiguous to Minnesota operated by a health care organization that corresponds by purpose, function, or use with a facility listed in paragraph (a).

Subd. 5c. Health care organization. (a) "Health care organization" means a nonprofit organization located within the state and authorized by law to operate a nonprofit health care facility in the state. Health care organization also means a nonprofit affiliate of a health care organization as defined under this paragraph, provided the affiliate is located within the state or within a state that is geographically contiguous to Minnesota.

(b) Health care organization also means a nonprofit organization located within another state that is geographically contiguous to Minnesota and authorized by law to operate a nonprofit health care facility in that state, provided that the nonprofit organization located within the contiguous state is an affiliate of a health care organization located within Minnesota.

Subd. 6. Institution of higher education. "Institution of higher education" means a nonprofit educational institution within the state authorized to provide a program of education beyond the high school level.

Subd. 7. Participating institution of higher education. ~~"Participating institution of higher education"~~ means a health care organization or an institution of higher education that, under the provisions of sections 136A.25 to 136A.42, undertakes the financing and construction or acquisition of a project or undertakes the refunding or refinancing of obligations or of a mortgage or of advances as provided in sections 136A.25 to 136A.42. Community colleges and technical colleges may be considered participating institutions of ~~higher education~~ for the purpose of financing and constructing child care facilities and parking facilities.

Sec. 7. Minnesota Statutes 2024, section 136A.29, subdivision 1, is amended to read:

Subdivision 1. Purpose. The purpose of the authority shall be to assist health care organizations and institutions of higher education in the construction, financing, and refinancing of projects. The exercise by the authority of the powers conferred by sections 136A.25 to 136A.42, shall be deemed and held to be the performance of an essential public function. For the purpose of sections 136A.25 to 136A.42, the authority shall have the powers and duties set forth in subdivisions 2 to 23.

17.1 Sec. 8. Minnesota Statutes 2024, section 136A.29, subdivision 3, is amended to read:

17.2 Subd. 3. **Employees; office space.** The authority is authorized and empowered to appoint
17.3 and employ employees as it may deem necessary to carry out its duties, determine the title
17.4 of the employees so employed, and fix the salary of ~~said its~~ employees. ~~Employees of the~~
17.5 ~~authority shall participate in retirement and other benefits in the same manner that employees~~
17.6 ~~in the unclassified service of the office participate.~~ The authority may maintain an office
17.7 space as it may designate.

17.8 Sec. 9. Minnesota Statutes 2024, section 136A.29, subdivision 6, is amended to read:

17.9 Subd. 6. **Projects; generally.** (a) The authority is authorized and empowered to determine
17.10 the location and character of any project to be financed under the provisions of sections
17.11 136A.25 to 136A.42, and to construct, reconstruct, remodel, maintain, manage, enlarge,
17.12 alter, add to, repair, operate, lease, as lessee or lessor, and regulate the same; to enter into
17.13 contracts for any or all of ~~such~~ these purposes; to enter into contracts for the management
17.14 and operation of a project; and to designate a participating institution ~~of higher education~~
17.15 as its agent to determine the location and character of a project undertaken by ~~such a~~
17.16 participating institution ~~of higher education~~ under the provisions of sections 136A.25 to
17.17 136A.42 and, as the agent of the authority, to construct, reconstruct, remodel, maintain,
17.18 manage, enlarge, alter, add to, repair, operate, lease, as lessee or lessor, and regulate the
17.19 same; and, as the agent of the authority, to enter into contracts for any or all of ~~such~~ these
17.20 purposes, including contracts for the management and operation of ~~such~~ the project.

17.21 (b) Notwithstanding paragraph (a), a project involving a health care facility within the
17.22 state financed under sections 136A.25 to 136A.42 must comply with all applicable
17.23 requirements in state law related to authorizing construction of or modifications to a health
17.24 care facility, including the requirements of sections 144.5509, 144.551, 144A.071, and
17.25 252.291.

17.26 (c) Contracts of the authority or of a participating institution ~~of higher education~~ to
17.27 acquire or to construct, reconstruct, remodel, maintain, enlarge, alter, add to, or repair
17.28 projects shall not be subject to the provisions of chapter 16C or section 574.26, or any other
17.29 public contract or competitive bid law.

17.30 Sec. 10. Minnesota Statutes 2024, section 136A.29, subdivision 9, is amended to read:

17.31 Subd. 9. **Revenue bonds; limit.** (a) The authority is authorized and empowered to issue
17.32 revenue bonds whose aggregate principal amount at any time shall not exceed \$2,000,000,000
17.33 \$5,000,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds

18.1 of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for
18.2 acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving,
18.3 furnishing, or equipping one or more projects or parts thereof.

18.4 (b) Of the \$5,000,000,000 limit in paragraph (a), the aggregate principal amount used
18.5 to fund education facilities may not exceed \$2,250,000,000 at any time, and the aggregate
18.6 principal amount used to fund health care facilities may not exceed \$2,750,000,000 at any
18.7 time.

18.8 Sec. 11. Minnesota Statutes 2024, section 136A.29, subdivision 10, is amended to read:

18.9 Subd. 10. **Revenue bonds; issuance, purpose, conditions.** The authority is authorized
18.10 and empowered to issue revenue bonds to acquire projects from or to make loans to
18.11 participating institutions ~~of higher education~~ and thereby refinance outstanding indebtedness
18.12 incurred by participating institutions ~~of higher education~~ to provide funds for the acquisition,
18.13 construction or improvement of a facility before or after the enactment of sections 136A.25
18.14 to 136A.42, but otherwise eligible to be and being a project thereunder, whenever the
18.15 authority finds that ~~such~~ the refinancing will enhance or preserve ~~such~~ the participating
18.16 institutions and ~~such~~ the facilities or utilization ~~thereof~~ that is for health care or educational
18.17 purposes or extend or adjust maturities to correspond to the resources available for their
18.18 payment, or reduce charges or fees imposed on patients or occupants or the tuition, charges,
18.19 or fees imposed on students for the use or occupancy of the facilities of ~~such~~ the participating
18.20 institutions ~~of higher education~~ or costs met by federal or state public funds, or enhance or
18.21 preserve health care or educational programs and research or the acquisition or improvement
18.22 of other facilities eligible to be a project or part thereof by the participating institution ~~of~~
18.23 ~~higher education~~. The amount of revenue bonds to be issued to refinance outstanding
18.24 indebtedness of a participating institution ~~of higher education~~ shall not exceed the lesser of
18.25 (a) the fair value of the project to be acquired by the authority from the institution or
18.26 mortgaged to the authority by the institution or (b) the amount of the outstanding indebtedness
18.27 including any premium thereon and any interest accrued or to accrue to the date of redemption
18.28 and any legal, fiscal and related costs in connection with ~~such~~ the refinancing and reasonable
18.29 reserves, as determined by the authority. The provisions of this subdivision do not prohibit
18.30 the authority from issuing revenue bonds within and charged against the limitations provided
18.31 in subdivision 9 to provide funds for improvements, alteration, renovation, or extension of
18.32 the project refinanced.

19.1 Sec. 12. Minnesota Statutes 2024, section 136A.29, subdivision 14, is amended to read:

19.2 Subd. 14. **Rules for use of projects.** The authority is authorized and empowered to
19.3 establish rules for the use of a project or any portion thereof and to designate a participating
19.4 institution ~~of higher education~~ as its agent to establish rules for the use of a project undertaken
19.5 for ~~such a~~ participating institution ~~of higher education~~.

19.6 Sec. 13. Minnesota Statutes 2024, section 136A.29, subdivision 19, is amended to read:

19.7 Subd. 19. **Surety.** Before the issuance of any revenue bonds under the provisions of
19.8 sections 136A.25 to 136A.42, any member or officer of the authority authorized by resolution
19.9 of the authority to handle funds or sign checks of the authority shall be covered under a
19.10 surety or fidelity bond in an amount to be determined by the authority. Each ~~such~~ bond shall
19.11 be conditioned upon the faithful performance of the duties of the office of the member or
19.12 officer, and shall be executed by a surety company authorized to transact business in the
19.13 state of Minnesota as surety. The cost of each ~~such~~ bond shall be paid by the authority.

19.14 Sec. 14. Minnesota Statutes 2024, section 136A.29, subdivision 20, is amended to read:

19.15 Subd. 20. **Sale, lease, and disposal of property.** The authority is authorized and
19.16 empowered to sell, lease, release, or otherwise dispose of real and personal property or
19.17 interests therein, or a combination thereof, acquired by the authority under authority of
19.18 sections 136A.25 to 136A.42 and no longer needed for the purposes of ~~such~~ this chapter or
19.19 of the authority, and grant ~~such~~ easements and other rights in, over, under, or across a project
19.20 as will not interfere with its use of ~~such~~ the property. ~~Such~~ The sale, lease, release,
19.21 disposition, or grant may be made without competitive bidding and in ~~such~~ the manner and
19.22 for such consideration as the authority in its judgment deems appropriate.

19.23 Sec. 15. Minnesota Statutes 2024, section 136A.29, subdivision 21, is amended to read:

19.24 Subd. 21. **Loans.** The authority is authorized and empowered to make loans to any
19.25 participating institution ~~of higher education~~ for the cost of a project in accordance with an
19.26 agreement between the authority and the participating institution ~~of higher education~~;
19.27 provided that no ~~such~~ loan shall exceed the total cost of the project as determined by the
19.28 participating institution ~~of higher education~~ and approved by the authority.

19.29 Sec. 16. Minnesota Statutes 2024, section 136A.29, subdivision 22, is amended to read:

19.30 Subd. 22. **Costs, expenses, and other charges.** The authority is authorized and
19.31 empowered to charge to and apportion among participating institutions ~~of higher education~~

20.1 its administrative costs and expenses incurred in the exercise of the powers and duties
20.2 conferred by sections 136A.25 to 136A.42 in the manner as the authority in its judgment
20.3 deems appropriate.

20.4 Sec. 17. Minnesota Statutes 2024, section 136A.29, is amended by adding a subdivision
20.5 to read:

20.6 Subd. 24. **Determination of affiliate status.** The authority is authorized and empowered
20.7 to determine whether an entity is an affiliate. A determination by the authority of affiliate
20.8 status shall be deemed conclusive for the purposes of sections 136A.25 to 136A.42.

20.9 Sec. 18. Minnesota Statutes 2024, section 136A.32, subdivision 1, is amended to read:

20.10 Subdivision 1. **Bonds; generally.** (a) The authority may from time to time issue revenue
20.11 bonds for purposes of sections 136A.25 to 136A.42, and all ~~such~~ revenue bonds, notes,
20.12 bond anticipation notes or other obligations of the authority issued pursuant to sections
20.13 136A.25 to 136A.42 shall be and are hereby declared to be negotiable for all purposes
20.14 notwithstanding their payment from a limited source and without regard to any other law
20.15 or laws. In anticipation of the sale of ~~such~~ revenue bonds, the authority may issue negotiable
20.16 bond anticipation notes and may renew the same from time to time, but the maximum
20.17 maturity of any ~~such~~ note, including renewals ~~thereof~~, shall not exceed five years from the
20.18 date of issue of the original note. ~~Such~~ Notes shall be paid from any revenues of the authority
20.19 available therefor and not otherwise pledged, or from the proceeds of sale of the revenue
20.20 bonds of the authority in anticipation of which they were issued. The notes shall be issued
20.21 in the same manner as the revenue bonds. Such notes and the resolution or resolutions
20.22 authorizing the same may contain any provisions, conditions or limitations which a bond
20.23 resolution or the authority may contain.

20.24 (b) Before issuing revenue bonds, notes, or other obligations under paragraph (a) on
20.25 behalf of a health care organization to finance health care facilities, the authority must obtain
20.26 consent by resolution from each city or town in which the project is located, except that
20.27 consent need not be obtained in the case of a city or town with a population of less than
20.28 100,000. The consent by resolution requirement does not apply to financing under paragraph
20.29 (a) on behalf of a participating institution which is primarily an institution of higher
20.30 education.

21.1 Sec. 19. Minnesota Statutes 2024, section 136A.32, subdivision 4, is amended to read:

21.2 Subd. 4. **Provisions of resolution authorizing bonds.** Any resolution or resolutions
21.3 authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which
21.4 shall be a part of the contract with the holders of the revenue bonds to be authorized, as to:

21.5 (1) pledging all or any part of the revenues of a project or projects, any revenue producing
21.6 contract or contracts made by the authority with ~~any individual partnership, corporation or~~
21.7 ~~association or other body~~ one or more partnerships, corporations or associations, or other
21.8 bodies, public or private, to secure the payment of the revenue bonds or of any particular
21.9 issue of revenue bonds, subject to ~~such~~ agreements with bondholders as may then exist;

21.10 (2) the rentals, fees and other charges to be charged, and the amounts to be raised in
21.11 each year thereby, and the use and disposition of the revenues;

21.12 (3) the setting aside of reserves or sinking funds, and the regulation and disposition
21.13 ~~thereof~~ of them;

21.14 (4) limitations on the right of the authority or its agent to restrict and regulate the use of
21.15 the project;

21.16 (5) limitations on the purpose to which the proceeds of sale of any issue of revenue
21.17 bonds then or thereafter to be issued may be applied and pledging ~~such~~ the proceeds to
21.18 secure the payment of the revenue bonds or any issue of the revenue bonds;

21.19 (6) limitations on the issuance of additional bonds, the terms upon which additional
21.20 bonds may be issued and secured and the refunding of outstanding bonds;

21.21 (7) the procedure, if any, by which the terms of any contract with bondholders may be
21.22 amended or abrogated, the amount of bonds the holders of which must consent ~~thereto~~ to,
21.23 and the manner in which ~~such~~ consent may be given;

21.24 (8) limitations on the amount of moneys derived from the project to be expended for
21.25 operating, administrative or other expenses of the authority;

21.26 (9) defining the acts or omissions to act which shall constitute a default in the duties of
21.27 the authority to holders of its obligations and providing the rights and remedies of ~~such~~ the
21.28 holders in the event of a default; or

21.29 (10) the mortgaging of a project and the site thereof for the purpose of securing the
21.30 bondholders.

22.1 Sec. 20. Minnesota Statutes 2024, section 136A.32, is amended by adding a subdivision
22.2 to read:

22.3 Subd. 4a. **Health care certification.** Health care organizations must provide the authority
22.4 with a signed certificate from the health care organization stating that so long as authority
22.5 financing for the health care organization remains outstanding, none of the proceeds of the
22.6 bonds to the health care organization may be directly or indirectly used to benefit a private
22.7 party or private equity-funded entity.

22.8 Sec. 21. Minnesota Statutes 2024, section 136A.33, is amended to read:

22.9 **136A.33 TRUST AGREEMENT.**

22.10 In the discretion of the authority any revenue bonds issued under the provisions of
22.11 sections 136A.25 to 136A.42, may be secured by a trust agreement by and between the
22.12 authority and a corporate trustee or trustees, which may be any trust company or bank having
22.13 the powers of a trust company within the state. ~~Such~~ The trust agreement or the resolution
22.14 providing for the issuance of ~~such~~ revenue bonds may pledge or assign the revenues to be
22.15 received or proceeds of any contract or contracts pledged and may convey or mortgage the
22.16 project or any portion ~~thereof~~ of it. ~~Such~~ The trust agreement or resolution providing for
22.17 the issuance of ~~such~~ revenue bonds may contain ~~such~~ provisions for protecting and enforcing
22.18 the rights and remedies of the bondholders as may be reasonable and proper and not in
22.19 violation of laws, including ~~particularly such~~ particular provisions ~~as have hereinabove that~~
22.20 have been specifically authorized to be included in any resolution or resolutions of the
22.21 authority authorizing revenue bonds ~~thereof~~. Any bank or trust company incorporated under
22.22 the laws of the state ~~which that~~ may act as depository of the proceeds of bonds or of revenues
22.23 or other moneys may furnish ~~such~~ indemnifying bonds or ~~pledges such~~ pledge securities as
22.24 may be required by the authority. Any ~~such~~ trust agreement may set forth the rights and
22.25 remedies of the bondholders and of the trustee or trustees and may restrict the individual
22.26 right of action by bondholders. In addition to the foregoing, any ~~such~~ trust agreement or
22.27 resolution may contain ~~such~~ other provisions as the authority may deem reasonable and
22.28 proper for the security of the bondholders. All expenses incurred in carrying out the
22.29 provisions of ~~such~~ the trust agreement or resolution may be treated as a part of the cost of
22.30 the operation of a project.

22.31 Sec. 22. Minnesota Statutes 2024, section 136A.34, subdivision 3, is amended to read:

22.32 Subd. 3. **Investment.** Any ~~such~~ escrowed proceeds, pending ~~such~~ use, may be invested
22.33 and reinvested in direct obligations of the United States of America, or in certificates of

23.1 deposit or time deposits secured by direct obligations of the United States of America, or
23.2 in shares or units in any money market mutual fund whose investment portfolio consists
23.3 solely of direct obligations of the United States of America, maturing at ~~such~~ a time or times
23.4 as shall be appropriate to assure the prompt payment, as to principal, interest and redemption
23.5 premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income
23.6 and profits, if any, earned or realized on any ~~such~~ investment may also be applied to the
23.7 payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow
23.8 have been fully satisfied and carried out, any balance of ~~such~~ the proceeds and interest,
23.9 income and profits, if any, earned or realized on the investments ~~thereof~~ may be returned
23.10 to the authority for use by it in any lawful manner.

23.11 Sec. 23. Minnesota Statutes 2024, section 136A.34, subdivision 4, is amended to read:

23.12 Subd. 4. **Additional purpose; improvements.** The portion of the proceeds of any ~~such~~
23.13 revenue bonds issued for the additional purpose of paying all or any part of the cost of
23.14 constructing and acquiring additions, improvements, extensions or enlargements of a project
23.15 may be invested or deposited ~~in time deposits~~ as provided in section 136A.32, subdivision
23.16 7.

23.17 Sec. 24. Minnesota Statutes 2024, section 136A.36, is amended to read:

23.18 **136A.36 REVENUES.**

23.19 The authority may fix, revise, charge and collect rates, rents, fees and charges for the
23.20 use of and for the services furnished or to be furnished by each project and ~~to~~ may contract
23.21 with any person, partnership, association or corporation, or other body, public or private,
23.22 in respect thereof. ~~Such~~ The rates, rents, fees, and charges may vary between projects
23.23 involving an education facility and projects involving a health care facility and shall be
23.24 fixed and adjusted in respect of the aggregate of rates, rents, fees, and charges from ~~such~~
23.25 the project so as to provide funds sufficient with other revenues, if any:

23.26 (1) to pay the cost of maintaining, repairing and operating the project and each and every
23.27 portion ~~thereof~~ of it, to the extent that the payment of ~~such~~ the cost has not otherwise been
23.28 adequately provided for;

23.29 (2) to pay the principal of and the interest on outstanding revenue bonds of the authority
23.30 issued in respect of such project as the same shall become due and payable; and

23.31 (3) to create and maintain reserves required or provided for in any resolution authorizing,
23.32 or trust agreement securing, ~~such~~ revenue bonds of the authority. ~~Such~~ The rates, rents, fees

and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of this state other than the authority. A sufficient amount of the revenues derived in respect of a project, except ~~such~~ part of ~~such~~ the revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at ~~such~~ regular intervals as may be provided in ~~such~~ the resolution or trust agreement in a sinking or other similar fund ~~which~~ that is hereby pledged to, and charged with, the payment of the principal of and the interest on ~~such~~ revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. ~~Such~~ The pledge shall be valid and binding from the time when the pledge is made; the rates, rents, fees and charges and other revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of ~~such~~ the pledge without physical delivery ~~thereof~~ or further act, and the lien of any ~~such~~ pledge shall be valid and binding as against all parties having claims of any kind against the authority, irrespective of whether ~~such~~ the parties have notice ~~thereof~~ of it. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority. The use and disposition of moneys to the credit of ~~such~~ a sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of ~~such~~ bonds or of ~~such~~ a trust agreement. Except as may otherwise be provided in ~~such~~ the resolution or ~~such~~ trust agreement, ~~such~~ the sinking or other similar fund shall be a fund for all ~~such~~ revenue bonds issued to finance a project or projects at one or more participating institutions ~~of higher education~~ without distinction or priority of one over another; provided the authority in any ~~such~~ resolution or trust agreement may provide that ~~such~~ the sinking or other similar fund shall be the fund for a particular project at ~~an~~ a participating institution ~~of higher education~~ and for the revenue bonds issued to finance a particular project and may, additionally, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate or other similar funds in respect of ~~such~~ the subordinate lien bonds.

Sec. 25. Minnesota Statutes 2024, section 136A.38, is amended to read:

136A.38 BONDS ELIGIBLE FOR INVESTMENT.

Bonds issued by the authority under the provisions of sections 136A.25 to 136A.42, are hereby made securities in which all public officers and public bodies of the state and its

political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them; it being the purpose of this section to authorize the investment in ~~such~~ bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; provided, however, that nothing contained in this section may be construed as relieving any person, firm, or corporation from any duty of exercising due care in selecting securities for purchase or investment; and provide further, that in no event shall assets of pension funds of public employees of the state of Minnesota or any of its agencies, boards or subdivisions, whether publicly or privately administered, be invested in bonds issued under the provisions of sections 136A.25 to 136A.42. Such bonds are hereby constituted "authorized securities" within the meaning and for the purposes of Minnesota Statutes 1969, section 50.14. ~~Such~~ The bonds are hereby made securities ~~which~~ that may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state now or may hereafter be authorized by law.

Sec. 26. Minnesota Statutes 2024, section 136A.41, is amended to read:

136A.41 CONFLICT OF INTEREST.

Notwithstanding any other law to the contrary it shall not be or constitute a conflict of interest for a trustee, director, officer or employee of any participating institution of ~~higher education~~, financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architecture firm, insurance company, construction company, or any other firm, person or corporation to serve as a member of the authority, provided ~~such~~ the trustee, director, officer or employee shall abstain from deliberation, action and vote by the authority in each instance where the business affiliation of any ~~such~~ trustee, director, officer or employee is involved.

Sec. 27. Minnesota Statutes 2024, section 136A.42, is amended to read:

136A.42 ANNUAL REPORT.

The authority shall keep an accurate account of all of its activities and all of its receipts and expenditures ~~and shall annually report to the office.~~ Each year, the authority shall submit to the Minnesota Historical Society and the Legislative Reference Library a report of the authority's activities in the previous year, including all financial activities.

26.1 Sec. 28. Minnesota Statutes 2024, section 136F.67, subdivision 1, is amended to read:

26.2 Subdivision 1. **Authorization.** A technical college or a community college must not
26.3 seek financing for child care facilities or parking facilities through the ~~Higher~~ Health and
26.4 Education Facilities Authority, as provided in section 136A.28, subdivision 7, without the
26.5 explicit authorization of the board.

26.6 Sec. 29. Minnesota Statutes 2024, section 354B.20, subdivision 7, is amended to read:

26.7 Subd. 7. **Employing unit.** "Employing unit," if the agency employs any persons covered
26.8 by the individual retirement account plan under section 354B.211, means:

26.9 (1) the board;

26.10 (2) the Minnesota Office of Higher Education; and

26.11 (3) the ~~Higher~~ Health and Education Facilities Authority.

26.12 Sec. 30. **REVISOR INSTRUCTION.**

26.13 The revisor of statutes shall renumber the law establishing and governing the Minnesota
26.14 Higher Education Facilities Authority, renamed the Minnesota Health and Education
26.15 Facilities Authority in this act, as Minnesota Statutes, chapter 15D, coded in Minnesota
26.16 Statutes, sections 136A.25 to 136A.42, as amended or repealed in this act. The revisor of
26.17 statutes shall also duplicate any required definitions from Minnesota Statutes, chapter 136A;
26.18 revise any statutory cross-references consistent with the recoding; and report the history in
26.19 Minnesota Statutes, chapter 15D. The revisor of statutes shall change "Minnesota Higher
26.20 Education Facilities Authority" to "Minnesota Health and Higher Education Facilities
26.21 Authority" where it appears in Minnesota Statutes.

26.22 Sec. 31. **REPEALER.**

26.23 Minnesota Statutes 2024, section 136A.29, subdivision 4, is repealed.

APPENDIX
Article locations for h2464-2

ARTICLE 1 HEALTH POLICY..... Page.Ln 1.15

MINNESOTA HEALTH AND EDUCATION FACILITIES

ARTICLE 2 AUTHORITY..... Page.Ln 9.13

136A.29 POWERS; DUTIES.

Subd. 4. **Mutual agreement; staff, equipment, office space.** By mutual agreement between the authority and the office, authority staff employees may also be members of the office staff. By mutual agreement, authority employees may be provided office space in the office of the Office of Higher Education, and said employees may make use of equipment, supplies, and office space, provided that the authority fully reimburses the office for salaries and for space, equipment, supplies, and materials used. In the absence of such mutual agreement between the authority and the office, the authority may maintain an office at such place or places as it may designate.