

SENATE  
STATE OF MINNESOTA  
NINETY-FOURTH SESSION

S.F. No. 3150

(SENATE AUTHORS: GUSTAFSON)		
DATE	D-PG	OFFICIAL STATUS
04/01/2025	1250	Introduction and first reading Referred to State and Local Government See HF2432; HF2115 See First Special Session, HF2, HF5, HF9

1.1

A bill for an act

1.2

relating to state government; making changes to provisions in state agencies to

1.3

address financial crimes and fraud; amending Minnesota Statutes 2024, sections

1.4

13.46, subdivisions 2, 3; 13.82, subdivision 1; 43A.17, subdivision 13; 45.0135,

1.5

subdivisions 2b, 6, 7, 8, 9, by adding a subdivision; 60A.951, subdivision 2;

1.6

60A.952, subdivisions 2, 4, 5; 60A.954, subdivision 2; 60A.956; 65B.84; 124D.111,

1.7

subdivision 2a; 124E.02; 124E.16, subdivision 1, by adding a subdivision; 124E.26,

1.8

subdivisions 4, 5, by adding a subdivision; 127A.21, subdivisions 1, 1a, 4, 5, 6,

1.9

7, by adding subdivisions; 142E.16, subdivision 7; 142E.51, subdivisions 5, 6;

1.10

245.095, subdivision 5, by adding a subdivision; 245A.04, subdivision 1; 245A.05;

1.11

245A.07, subdivision 2; 245C.13, subdivision 2; 245C.14, by adding subdivisions;

1.12

245C.15, subdivisions 1, 4a; 245C.16, subdivision 1; 245G.01, by adding

1.13

subdivisions; 245G.02, subdivision 2; 245G.07, subdivisions 1, 3, 4, by adding

1.14

subdivisions; 245G.11, subdivisions 6, 7, by adding a subdivision; 245G.22,

1.15

subdivisions 11, 15; 254B.01, subdivisions 10, 11; 254B.05, subdivisions 1, 1a;

1.16

254B.06, by adding a subdivision; 254B.181, subdivisions 1, 2, 3, by adding

1.17

subdivisions; 254B.19, subdivision 1; 256.98, subdivision 1; 256.983, subdivision

1.18

4; 256B.04, subdivision 21; 256B.0625, subdivision 5m; 256B.0659, subdivision

1.19

21; 256B.0757, subdivision 4c; 256B.0949, subdivisions 2, 15, 16, by adding a

1.20

subdivision; 256B.12; 256B.85, subdivision 12; 256I.04, subdivision 2a; 260E.14,

1.21

subdivision 1; 268.19, subdivision 1; 268B.30; 270C.445, subdivision 3; 297I.11,

1.22

subdivision 2; 299C.40, subdivision 1; 325F.725; 609.531, subdivision 1; 626.05,

1.23

subdivision 2; 626.5572, subdivision 13; 626.84, subdivision 1; proposing coding

1.24

for new law in Minnesota Statutes, chapters 13; 245A; 254B; 299C; 609; repealing

1.25

Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4,

1.26

5; 245G.01, subdivision 20d; 245G.07, subdivision 2; 254B.01, subdivision 5;

1.27

254B.04, subdivision 2a; 325E.21, subdivision 2b.

1.28

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

1.29

ARTICLE 1

1.30

APPROPRIATIONS

1.31

Section 1. APPROPRIATIONS.

1.32

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

1.33

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

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

2.2 The figures "2026" and "2027" used in this article mean that the appropriations listed under

2.3 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

2.4 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"

2.5 is fiscal years 2026 and 2027.

		<u><b>APPROPRIATIONS</b></u>	
		<u><b>Available for the Year</b></u>	
		<u><b>Ending June 30</b></u>	
		<u><b>2026</b></u>	<u><b>2027</b></u>
2.10	Sec. 2. <u><b>ATTORNEY GENERAL</b></u>	<u><b>\$ 391,000</b></u>	<u><b>\$ 391,000</b></u>
2.11	<u>This amount is for increased staffing within</u>		
2.12	<u>the Medicaid Fraud Division.</u>		
2.13	Sec. 3. <u><b>DEPARTMENT OF CHILDREN,</b></u>		
2.14	<u><b>YOUTH, AND FAMILIES</b></u>	<u><b>\$ 5,883,000</b></u>	<u><b>\$ 2,030,000</b></u>
2.15	<u>This amount is to increase capacity for</u>		
2.16	<u>compliance efforts and improve program</u>		
2.17	<u>integrity and service delivery for the child care</u>		
2.18	<u>assistance program.</u>		
2.19	<u>The base for this appropriation is \$2,030,000</u>		
2.20	<u>in fiscal year 2028 and \$2,029,000 in fiscal</u>		
2.21	<u>year 2029.</u>		
2.22	Sec. 4. <u><b>DEPARTMENT OF EDUCATION</b></u>	<u><b>\$ 550,000</b></u>	<u><b>\$ 550,000</b></u>
2.23	<u>This amount is for fraud prevention and</u>		
2.24	<u>detection at the department.</u>		
2.25	Sec. 5. <u><b>DEPARTMENT OF HUMAN</b></u>		
2.26	<u><b>SERVICES</b></u>	<u><b>\$ 21,955,000</b></u>	<u><b>\$ 23,676,000</b></u>
2.27	Subdivision 1. <u><b>Central Office Operations</b></u>	<u>21,955,000</u>	<u>26,079,000</u>
2.28	(a) <u>Finance and Management</u>	<u>21,955,000</u>	<u>26,079,000</u>
2.29	<u>Of this amount, \$5,658,000 in fiscal year 2026</u>		
2.30	<u>and \$5,993,000 in fiscal year 2027 are for</u>		
2.31	<u>program integrity investigative analytics</u>		
2.32	<u>infrastructure at the department. The base for</u>		
2.33	<u>this appropriation is \$4,736,000 in fiscal year</u>		
2.34	<u>2028 and \$4,707,000 in fiscal year 2029.</u>		

3.1 (b) The base for this appropriation is  
 3.2 \$19,660,000 in fiscal year 2028 and  
 3.3 \$19,474,000 in fiscal year 2029.

3.4 (c) Positions, salary money, and nonsalary  
 3.5 administrative money may be transferred  
 3.6 within the Department of Human Services as  
 3.7 the commissioner considers necessary with  
 3.8 the advance approval of the commissioner of  
 3.9 management and budget. The commissioner  
 3.10 shall report to the chairs and ranking minority  
 3.11 members of the legislative committees with  
 3.12 jurisdiction over health and health and human  
 3.13 services finance quarterly about transfers made  
 3.14 under this section.

3.15 **Subd. 2. Forecasted Programs** 0 (2,403,000)

3.16 The amounts that may be spent for each  
 3.17 purpose are specified in the following  
 3.18 paragraphs.

3.19 (a) Housing Supports 0 1,800,000

3.20 This amount is for housing support payments  
 3.21 for certified recovery residence facilities.

3.22 (b) Medical Assistance Grants 0 (2,060,000)

3.23 The amounts in parentheses in this paragraph  
 3.24 shall be reduced from other legislatively  
 3.25 enacted appropriations made to the  
 3.26 Commissioner of Human Services for Medical  
 3.27 Assistance during the 2025 legislative session  
 3.28 for the biennium ending June 30, 2027.

3.29 (c) Behavioral Health Fund 0 (2,143,000)

3.30 The amounts in parentheses in this paragraph  
 3.31 shall be reduced from other legislatively  
 3.32 enacted appropriations made to the  
 3.33 commissioner of human services for the

4.1 Behavioral Health Fund during the 2025  
4.2 legislative session for the biennium ending  
4.3 June 30, 2027.

4.4	<b>Sec. 6. <u>DEPARTMENT OF MANAGEMENT</u></b>				
4.5	<b><u>AND BUDGET</u></b>	<b><u>\$</u></b>	<b><u>1,162,000</u></b>	<b><u>\$</u></b>	<b><u>1,590,000</u></b>

4.6 This amount is for additional financial and  
4.7 human resource oversight capacity at the  
4.8 department.

4.9	<b>Sec. 7. DEPARTMENT OF PUBLIC SAFETY</b>	<b>\$ 2,025,000</b>	<b>\$ 2,025,000</b>
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4.10 Appropriations by Fund

4.11	<u>General</u>	<u>1,810,000</u>	<u>1,810,000</u>
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4.12	<u>Workers'</u>		
4.13	<u>Compensation</u>	215,000	215,000

4.14 These appropriations are to the Bureau of  
4.15 Criminal Apprehension for the Financial  
4.16 Crimes and Fraud Section.

4.17	Sec. 8. DEPARTMENT OF COMMERCE	\$	(1,330,000)	\$	(1,330,000)
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4.18 Appropriations by Fund

4.19	<u>General</u>	(1,115,000)	(1,115,000)
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4.20	<u>Workers'</u>		
4.21	Compensation	(215,000)	(215,000)

4.22 The amounts in parentheses in this section  
4.23 shall reduce other legislatively enacted  
4.24 appropriations for the biennium ending June  
4.25 30, 2027, made during the 2025 legislative  
4.26 session to the Department of Commerce for  
4.27 their enforcement program.

4.28	Sec. 9. DEPARTMENT OF CORRECTIONS	\$	12,000	\$	44,000
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4.29      This amount is for increased bed costs related  
4.30      to Minnesota Statutes, section 609.5523. The  
4.31      base for this appropriation is \$87,000 in fiscal  
4.32      year 2028 and \$145,000 in fiscal year 2029.

5.1 Sec. 10. APPROPRIATIONS AND TRANSFERS GIVEN EFFECT ONCE.

5.2 If an appropriation, reduction to an appropriation, or transfer in this act is enacted during  
5.3 the 2025 legislative session more than once to fund the same intent and purpose, the  
5.4 appropriation, reduction to an appropriation, or transfer must be given effect only once.

5.5 **ARTICLE 2**

5.6 **DEPARTMENT OF HUMAN SERVICES**

5.7 Section 1. Minnesota Statutes 2024, section 13.46, subdivision 2, is amended to read:

5.8 Subd. 2. **General.** (a) Data on individuals collected, maintained, used, or disseminated  
5.9 by the welfare system are private data on individuals, and shall not be disclosed except:

5.10 (1) according to section 13.05;

5.11 (2) according to court order;

5.12 (3) according to a statute specifically authorizing access to the private data;

5.13 (4) to an agent ~~of the welfare system and an~~ or investigator acting on behalf of a county,  
5.14 the state, or the federal government, including a law enforcement person or attorney in the  
5.15 investigation or prosecution of a criminal, civil, or administrative proceeding relating to the  
5.16 administration of a program;

5.17 (5) to personnel of the welfare system who require the data to verify an individual's  
5.18 identity; determine eligibility, amount of assistance, and the need to provide services to an  
5.19 individual or family across programs; coordinate services for an individual or family;  
5.20 evaluate the effectiveness of programs; assess parental contribution amounts; and investigate  
5.21 suspected fraud;

5.22 (6) to administer federal funds or programs;

5.23 (7) between personnel of the welfare system working in the same program;

5.24 (8) to the Department of Revenue to administer and evaluate tax refund or tax credit  
5.25 programs and to identify individuals who may benefit from these programs, and prepare  
5.26 the databases for reports required under section 270C.13 and Laws 2008, chapter 366, article  
5.27 17, section 6. The following information may be disclosed under this paragraph: an  
5.28 individual's and their dependent's names, dates of birth, Social Security or individual taxpayer  
5.29 identification numbers, income, addresses, and other data as required, upon request by the  
5.30 Department of Revenue. Disclosures by the commissioner of revenue to the commissioner  
5.31 of human services for the purposes described in this clause are governed by section 270B.14,

subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services; the Department of Employment and Economic Development; the Department of Children, Youth, and Families; Direct Care and Treatment; and, when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security or individual taxpayer identification numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from a SNAP applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food and Nutrition Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security or individual taxpayer identification number, and, if available, photograph of any member of a household receiving SNAP benefits shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, or SNAP benefits may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 142A.29, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, when the commissioner or community health board has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;



(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 518A.81, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services; Children, Youth, and Families; and Education, on recipients and former recipients of SNAP benefits, cash assistance under chapter 142F, 256D, 256J, or 256K, child care assistance under chapter 142E, medical programs under chapter 256B or 256L, or a medical program formerly codified under chapter 256D;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services; Department of Children, Youth, and Families; Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c); Department of Health; Department of Employment and Economic Development; and other state agencies as is reasonably necessary to perform these functions;

(29) counties and the Department of Children, Youth, and Families operating child care assistance programs under chapter 142E may disseminate data on program participants, applicants, and providers to the commissioner of education;

(30) child support data on the child, the parents, and relatives of the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as authorized by federal law;

(31) to a health care provider governed by sections 144.291 to 144.298, to the extent necessary to coordinate services;

(32) to the chief administrative officer of a school to coordinate services for a student and family; data that may be disclosed under this clause are limited to name, date of birth, gender, and address;

(33) to county correctional agencies to the extent necessary to coordinate services and diversion programs; data that may be disclosed under this clause are limited to name, client demographics, program, case status, and county worker information; or

10.1 (34) between the Department of Human Services and the Metropolitan Council for the  
10.2 following purposes:

10.3 (i) to coordinate special transportation service provided under section 473.386 with  
10.4 services for people with disabilities and elderly individuals funded by or through the  
10.5 Department of Human Services; and

10.6 (ii) to provide for reimbursement of special transportation service provided under section  
10.7 473.386.

10.8 The data that may be shared under this clause are limited to the individual's first, last, and  
10.9 middle names; date of birth; residential address; and program eligibility status with expiration  
10.10 date for the purposes of informing the other party of program eligibility.

10.11 (b) Information on persons who have been treated for substance use disorder may only  
10.12 be disclosed according to the requirements of Code of Federal Regulations, title 42, sections  
10.13 2.1 to 2.67.

10.14 (c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16),  
10.15 (17), or (18), or paragraph (b), are investigative data and are confidential or protected  
10.16 nonpublic while the investigation is active. The data are private after the investigation  
10.17 becomes inactive under section 13.82, subdivision 7, clause (a) or (b).

10.18 (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but are  
10.19 not subject to the access provisions of subdivision 10, paragraph (b).

10.20 For the purposes of this subdivision, a request will be deemed to be made in writing if  
10.21 made through a computer interface system.

10.22 Sec. 2. Minnesota Statutes 2024, section 13.46, subdivision 3, is amended to read:

10.23 Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services,  
10.24 licensees, and applicants that is collected, maintained, used, or disseminated by the welfare  
10.25 system in an investigation, authorized by statute, and relating to the enforcement of rules  
10.26 or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or  
10.27 protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and  
10.28 shall not be disclosed except:

10.29 (1) pursuant to section 13.05;

10.30 (2) pursuant to statute or valid court order;

10.31 (3) to a party named in a civil or criminal proceeding, administrative or judicial, for  
10.32 preparation of defense;

(4) to an agent ~~of the welfare system~~ or an investigator acting on behalf of a county, state, or federal government, including a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil, or administrative proceeding, unless the commissioner of human services or commissioner of children, youth, and families determines that disclosure may compromise a Department of Human Services or Department of Children, Youth, and Families ongoing investigation; or

(5) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.557 or chapter 260E, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of human services of possible overpayments of public funds to a service provider or recipient or the reduction or withholding of payments may be disclosed if the commissioner determines that it will not compromise the investigation.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 3. Minnesota Statutes 2024, section 142E.51, subdivision 5, is amended to read:

**Subd. 5. Administrative disqualification of child care providers caring for children receiving child care assistance.** (a) The department shall pursue an administrative disqualification, if the child care provider is accused of committing an intentional program violation, in lieu of a criminal action when it has not been pursued. Intentional program violations include intentionally making false or misleading statements; receiving or providing a kickback, as defined in subdivision 6, paragraph (b); intentionally misrepresenting, concealing, or withholding facts; and repeatedly and intentionally violating program regulations under this chapter. Intent may be proven by demonstrating a pattern of conduct that violates program rules under this chapter.

(b) To initiate an administrative disqualification, the commissioner must send written notice using a signature-verified confirmed delivery method to the provider against whom the action is being taken. Unless otherwise specified under this chapter or Minnesota Rules, chapter 3400, the commissioner must send the written notice at least 15 calendar days before

12.1 the adverse action's effective date. The notice shall state (1) the factual basis for the agency's  
12.2 determination, (2) the action the agency intends to take, (3) the dollar amount of the monetary  
12.3 recovery or recoupment, if known, and (4) the provider's right to appeal the agency's proposed  
12.4 action.

12.5 (c) The provider may appeal an administrative disqualification by submitting a written  
12.6 request to the state agency. A provider's request must be received by the state agency no  
12.7 later than 30 days after the date the commissioner mails the notice.

12.8 (d) The provider's appeal request must contain the following:

12.9 (1) each disputed item, the reason for the dispute, and, if applicable, an estimate of the  
12.10 dollar amount involved for each disputed item;

12.11 (2) the computation the provider believes to be correct, if applicable;

12.12 (3) the statute or rule relied on for each disputed item; and

12.13 (4) the name, address, and telephone number of the person at the provider's place of  
12.14 business with whom contact may be made regarding the appeal.

12.15 (e) On appeal, the issuing agency bears the burden of proof to demonstrate by a  
12.16 preponderance of the evidence that the provider committed an intentional program violation.

12.17 (f) The hearing is subject to the requirements of section 142A.20. The human services  
12.18 judge may combine a fair hearing and administrative disqualification hearing into a single  
12.19 hearing if the factual issues arise out of the same or related circumstances and the provider  
12.20 receives prior notice that the hearings will be combined.

12.21 (g) A provider found to have committed an intentional program violation and is  
12.22 administratively disqualified must be disqualified, for a period of three years for the first  
12.23 offense and permanently for any subsequent offense, from receiving any payments from  
12.24 any child care program under this chapter.

12.25 (h) Unless a timely and proper appeal made under this section is received by the  
12.26 department, the administrative determination of the department is final and binding.

12.27 Sec. 4. Minnesota Statutes 2024, section 142E.51, subdivision 6, is amended to read:

12.28 Subd. 6. **Prohibited hiring ~~practice~~ practices.** (a) It is prohibited to hire a child care  
12.29 center employee when, as a condition of employment, the employee is required to have one  
12.30 or more children who are eligible for or receive child care assistance, if:

(1) the individual hiring the employee is, or is acting at the direction of or in cooperation with, a child care center provider, center owner, director, manager, license holder, or other controlling individual; and

(2) the individual hiring the employee knows or has reason to know the purpose in hiring the employee is to obtain child care assistance program funds.

(b) Program applicants, participants, and providers are prohibited from receiving or providing a kickback or payment in exchange for obtaining or attempting to obtain child care assistance benefits for their own financial gain. This paragraph does not apply to:

(1) marketing or promotional offerings that directly benefit an applicant or recipient's child or dependent for whom the child care provider is providing child care services; or

(2) child care provider discounts, scholarships, or other financial assistance allowed under section 142E.17, subdivision 7.

(c) An attempt to buy or sell access to a family's child care subsidy benefits to an unauthorized person by an applicant, a participant, or a provider is a kickback, an intentional program violation under subdivision 5, and wrongfully obtaining assistance under section 256.98.

Sec. 5. Minnesota Statutes 2024, section 245.095, subdivision 5, is amended to read:

Subd. 5. **Withholding of payments.** (a) Except as otherwise provided by state or federal law, the commissioner may withhold payments to a provider, vendor, individual, associated individual, or associated entity in any program administered by the commissioner if the commissioner determines:

(1) there is a credible allegation of fraud for which an investigation is pending for a program administered by a Minnesota state or federal agency;

(2) the individual, the entity, or an associated individual or entity was convicted of a crime charged in state or federal court with an offense that involves fraud or theft against a program administered by the commissioner or another Minnesota state or federal agency. For purposes of this subdivision, "convicted" means a judgment of conviction has been entered by a federal, state, or local court, regardless of whether an appeal from the judgment is pending, and includes a stay of adjudication, a court-ordered diversion program, or a plea of guilty or nolo contendere;

(3) the provider is operating after a Minnesota state or federal agency orders the suspension, revocation, or decertification of the provider's license;

14.1 (4) the provider, vendor, associated individual, or associated entity, including those  
14.2 receiving funds under any contract or registered program, has a background study  
14.3 disqualification under chapter 245C that has not been set aside and for which no variance  
14.4 has been issued, except for a disqualification under sections 245C.14, subdivision 5, and  
14.5 245C.15, subdivision 4c; or

14.6 (5) by a preponderance of the evidence that the provider, vendor, individual, associated  
14.7 individual, or associated entity intentionally provided materially false information when  
14.8 billing the commissioner.

14.9 (b) For purposes of this subdivision, "credible allegation of fraud" means an allegation  
14.10 that has been verified by the commissioner from any source, including but not limited to:

14.11 (1) fraud hotline complaints;

14.12 (2) claims data mining;

14.13 (3) patterns identified through provider audits, civil false claims cases, and law  
14.14 enforcement investigations; and

14.15 (4) court filings and other legal documents, including but not limited to police reports,  
14.16 complaints, indictments, informations, affidavits, declarations, and search warrants.

14.17 (c) The commissioner must send notice of the withholding of payments within five days  
14.18 of taking such action. The notice must:

14.19 (1) state that payments are being withheld according to this subdivision;

14.20 (2) set forth the general allegations related to the withholding action, except the notice  
14.21 need not disclose specific information concerning an ongoing investigation;

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

14.24 (4) inform the provider, vendor, individual, associated individual, or associated entity  
14.25 of the right to submit written evidence to contest the withholding action for consideration  
14.26 by the commissioner.

14.27 (d) If the commissioner withholds payments under this subdivision, the provider, vendor,  
14.28 individual, associated individual, or associated entity has a right to request administrative  
14.29 reconsideration. A request for administrative reconsideration must be made in writing, state  
14.30 with specificity the reasons the payment withholding decision is in error, and include  
14.31 documents to support the request. Within 60 days from receipt of the request, the  
14.32 commissioner shall judiciously review allegations, facts, evidence available to the

15.1 commissioner, and information submitted by the provider, vendor, individual, associated  
15.2 individual, or associated entity to determine whether the payment withholding should remain  
15.3 in place.

15.4 (e) The commissioner shall stop withholding payments if the commissioner determines  
15.5 there is insufficient evidence of fraud by the provider, vendor, individual, associated  
15.6 individual, or associated entity or when legal proceedings relating to the alleged fraud are  
15.7 completed, unless the commissioner has sent notice under subdivision 3 to the provider,  
15.8 vendor, individual, associated individual, or associated entity.

15.9 (f) The withholding of payments is a temporary action and is not subject to appeal under  
15.10 section 256.045 or chapter 14.

15.11 **EFFECTIVE DATE.** This section is effective July 1, 2025.

15.12 Sec. 6. Minnesota Statutes 2024, section 245.095, is amended by adding a subdivision to  
15.13 read:

15.14 **Subd. 6. Data practices.** The commissioner may exchange information, including claims  
15.15 data, with state or federal agencies, professional boards, departments, or programs for the  
15.16 purpose of investigating or prosecuting a criminal, civil, or administrative proceeding related  
15.17 to suspected fraud or exclusion from any program administered by a state or federal agency.

15.18 Sec. 7. Minnesota Statutes 2024, section 245A.04, subdivision 1, is amended to read:

15.19 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government  
15.20 entity that is subject to licensure under section 245A.03 must apply for a license. The  
15.21 application must be made on the forms and in the manner prescribed by the commissioner.  
15.22 The commissioner shall provide the applicant with instruction in completing the application  
15.23 and provide information about the rules and requirements of other state agencies that affect  
15.24 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of  
15.25 Minnesota must have a program office located within 30 miles of the Minnesota border.  
15.26 An applicant who intends to buy or otherwise acquire a program or services licensed under  
15.27 this chapter that is owned by another license holder must apply for a license under this  
15.28 chapter and comply with the application procedures in this section and section 245A.043.

15.29 The commissioner shall act on the application within 90 working days after a complete  
15.30 application and any required reports have been received from other state agencies or  
15.31 departments, counties, municipalities, or other political subdivisions. The commissioner  
15.32 shall not consider an application to be complete until the commissioner receives all of the

required information. If the applicant or a controlling individual is the subject of a pending administrative, civil, or criminal investigation, the application is not complete until the investigation has closed or the related legal proceedings are complete.

When the commissioner receives an application for initial licensure that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.043.

(b) An application for licensure must identify all controlling individuals as defined in section 245A.02, subdivision 5a, and must designate one individual to be the authorized agent. The application must be signed by the authorized agent and must include the authorized agent's first, middle, and last name; mailing address; and email address. By submitting an application for licensure, the authorized agent consents to electronic communication with the commissioner throughout the application process. The authorized agent must be authorized to accept service on behalf of all of the controlling individuals. A government entity that holds multiple licenses under this chapter may designate one authorized agent for all licenses issued under this chapter or may designate a different authorized agent for each license. Service on the authorized agent is service on all of the controlling individuals. It is not a defense to any action arising under this chapter that service was not made on each controlling individual. The designation of a controlling individual as the authorized agent under this paragraph does not affect the legal responsibility of any other controlling individual under this chapter.

(c) An applicant or license holder must have a policy that prohibits license holders, employees, subcontractors, and volunteers, when directly responsible for persons served by the program, from abusing prescription medication or being in any manner under the influence of a chemical that impairs the individual's ability to provide services or care. The license holder must train employees, subcontractors, and volunteers about the program's drug and alcohol policy.

(d) An applicant and license holder must have a program grievance procedure that permits persons served by the program and their authorized representatives to bring a grievance to the highest level of authority in the program.



(e) The commissioner may limit communication during the application process to the authorized agent or the controlling individuals identified on the license application and for whom a background study was initiated under chapter 245C. Upon implementation of the provider licensing and reporting hub, applicants and license holders must use the hub in the manner prescribed by the commissioner. The commissioner may require the applicant, except for child foster care, to demonstrate competence in the applicable licensing requirements by successfully completing a written examination. The commissioner may develop a prescribed written examination format.

(f) When an applicant is an individual, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Social Security number or Minnesota tax identification number, and federal employer identification number if the applicant has employees;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, if any;

(3) if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique Minnesota Provider Identifier (UMPI) number; and

(5) at the request of the commissioner, the notarized signature of the applicant or authorized agent.

(g) When an applicant is an organization, the applicant must provide:

(1) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(2) at the request of the commissioner, a copy of the most recent filing with the secretary of state that includes the complete business name, and if doing business under a different name, the doing business as (DBA) name, as registered with the secretary of state;

(3) the first, middle, and last name, and address for all individuals who will be controlling individuals, including all officers, owners, and managerial officials as defined in section 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant for each controlling individual;

(4) if applicable, the applicant's NPI number and UMPI number;

(5) the documents that created the organization and that determine the organization's internal governance and the relations among the persons that own the organization, have an interest in the organization, or are members of the organization, in each case as provided or authorized by the organization's governing statute, which may include a partnership agreement, bylaws, articles of organization, organizational chart, and operating agreement, or comparable documents as provided in the organization's governing statute; and

(6) the notarized signature of the applicant or authorized agent.

(h) When the applicant is a government entity, the applicant must provide:

(1) the name of the government agency, political subdivision, or other unit of government seeking the license and the name of the program or services that will be licensed;

(2) the applicant's taxpayer identification numbers including the Minnesota tax identification number and federal employer identification number;

(3) a letter signed by the manager, administrator, or other executive of the government entity authorizing the submission of the license application; and

(4) if applicable, the applicant's NPI number and UMPI number.

(i) At the time of application for licensure or renewal of a license under this chapter, the applicant or license holder must acknowledge on the form provided by the commissioner if the applicant or license holder elects to receive any public funding reimbursement from the commissioner for services provided under the license that:

(1) the applicant's or license holder's compliance with the provider enrollment agreement or registration requirements for receipt of public funding may be monitored by the commissioner as part of a licensing investigation or licensing inspection; and

(2) noncompliance with the provider enrollment agreement or registration requirements for receipt of public funding that is identified through a licensing investigation or licensing inspection, or noncompliance with a licensing requirement that is a basis of enrollment for reimbursement for a service, may result in:

(i) a correction order or a conditional license under section 245A.06, or sanctions under section 245A.07;

(ii) nonpayment of claims submitted by the license holder for public program reimbursement;

(iii) recovery of payments made for the service;

(iv) disenrollment in the public payment program; or

19.1 (v) other administrative, civil, or criminal penalties as provided by law.

19.2 Sec. 8. Minnesota Statutes 2024, section 245A.05, is amended to read:

19.3 **245A.05 DENIAL OF APPLICATION.**

19.4 (a) The commissioner may deny a license if an applicant or controlling individual:

19.5 (1) fails to submit a substantially complete application after receiving notice from the  
19.6 commissioner under section 245A.04, subdivision 1;

19.7 (2) fails to comply with applicable laws or rules;

19.8 (3) knowingly withholds relevant information from or gives false or misleading  
19.9 information to the commissioner in connection with an application for a license or during  
19.10 an investigation;

19.11 (4) has a disqualification that has not been set aside under section 245C.22 and no  
19.12 variance has been granted;

19.13 (5) has an individual living in the household who received a background study under  
19.14 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that  
19.15 has not been set aside under section 245C.22, and no variance has been granted;

19.16 (6) is associated with an individual who received a background study under section  
19.17 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to  
19.18 children or vulnerable adults, and who has a disqualification that has not been set aside  
19.19 under section 245C.22, and no variance has been granted;

19.20 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

19.21 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision  
19.22 6;

19.23 (9) has a history of noncompliance as a license holder or controlling individual with  
19.24 applicable laws or rules, including but not limited to this chapter and chapters 142E and  
19.25 245C; ~~or~~

19.26 (10) is prohibited from holding a license according to section 245.095; or

19.27 (11) is the subject of a pending administrative, civil, or criminal investigation.

19.28 (b) An applicant whose application has been denied by the commissioner must be given  
19.29 notice of the denial, which must state the reasons for the denial in plain language. Notice  
19.30 must be given by certified mail, by personal service, or through the provider licensing and  
19.31 reporting hub. The notice must state the reasons the application was denied and must inform

the applicant of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may appeal the denial by notifying the commissioner in writing by certified mail, by personal service, or through the provider licensing and reporting hub. If mailed, the appeal must be postmarked and sent to the commissioner within 20 calendar days after the applicant received the notice of denial. If an appeal request is made by personal service, it must be received by the commissioner within 20 calendar days after the applicant received the notice of denial. If the order is issued through the provider hub, the appeal must be received by the commissioner within 20 calendar days from the date the commissioner issued the order through the hub. Section 245A.08 applies to hearings held to appeal the commissioner's denial of an application.

Sec. 9. Minnesota Statutes 2024, section 245A.07, subdivision 2, is amended to read:

Subd. 2. **Temporary immediate suspension.** (a) The commissioner shall act immediately to temporarily suspend a license issued under this chapter if:

(1) the license holder's or controlling individual's actions or failure to comply with applicable law or rule, or the actions of other individuals or conditions in the program, pose an imminent risk of harm to the health, safety, or rights of persons served by the program;

(2) while the program continues to operate pending an appeal of an order of revocation, the commissioner identifies one or more subsequent violations of law or rule which may adversely affect the health or safety of persons served by the program; or

(3) the license holder or controlling individual is criminally charged in state or federal court with an offense that involves fraud or theft against a program administered by ~~the commissioner~~ a state or federal agency.

(b) No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under this chapter while a license issued under this chapter is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to an expedited hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612, must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license. The appeal of an order immediately suspending a license must be made in writing by certified mail, personal service, or other means expressly set forth in the commissioner's order. If mailed, the appeal must be postmarked and sent to the commissioner within five calendar days after the license holder receives notice that the license has been immediately suspended. If a request is made by personal service, it must

be received by the commissioner within five calendar days after the license holder received the order. A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

(c) The commissioner may act immediately to temporarily suspend a license issued under this chapter if the license holder or controlling individual is the subject of a pending administrative, civil, or criminal investigation or subject to an administrative or civil action related to fraud against a program administered by a state or federal agency.

Sec. 10. **[245A.142] EARLY INTENSIVE DEVELOPMENTAL AND BEHAVIORAL INTERVENTION PROVISIONAL LICENSURE.**

Subdivision 1. **Regulatory powers.** The commissioner shall regulate early intensive developmental and behavioral intervention (EIDBI) agencies pursuant to this section.

Subd. 2. **Provisional license.** (a) The commissioner shall issue a provisional license to an agency providing EIDBI services as described in section 256B.0949 that meet the requirements of this section by .... A provisional license is effective for up to one year from the initial effective date of the license, except that a provisional license may be extended according to subdivisions ..., paragraph (b), and 3.

(b) Beginning ....., no agency providing EIDBI services may operate in Minnesota unless licensed under this section.

Subd. 3. **Provisional license regulatory functions.** The commissioner may:

(1) license, survey, and monitor without advance notice in accordance with this section;

(2) investigate reports of maltreatment;

(3) investigate complaints against EIDBI agencies;

(4) issue correction orders and assess monetary penalties; and

(5) take other action reasonably required to accomplish the purposes of this section.

Subd. 4. **Provisional license requirements.** (a) A provisional license holder must:

(1) identify all controlling individuals, as defined in section 245A.02, subdivision 5a, for the agency;

(2) provide documented disclosures surrounding the use of billing agencies or other consultants, available to the department upon request;

(3) establish provider policies and procedures related to staff training, staff qualifications, quality assurance, and service activities;

22.1 (4) document contracts with independent contractors for qualified supervising  
22.2 professionals, including the number of hours contracted and responsibilities, available to  
22.3 the department upon request; and

22.4 (5) comply with section 256B.0949, subdivisions 2, 3a, 6, 7, 14, 15, 16, and 16a.

22.5 (b) Provisional license holders must comply with this section within 90 calendar days  
22.6 from the effective date of the provisional license.

22.7 Subd. 5. **Reporting of maltreatment.** A provisional license holder must comply with  
22.8 the requirements of reporting of maltreatment of vulnerable adults and minors under section  
22.9 626.557 and chapter 260E.

22.10 Subd. 6. **Background studies.** A provisional license holder must initiate a background  
22.11 study through the commissioner's NETStudy system as provided under sections 245C.03,  
22.12 subdivision 15, and 245C.10, subdivision 17.

22.13 Subd. 7. **Sanctions.** If the provisional license holder is not in substantial compliance  
22.14 with the requirements of this section after 90 days following the effective date of the  
22.15 provisional license, the commissioner may either: (1) not renew or terminate the provisional  
22.16 license; or (2) extend the provisional license for a period not to exceed 90 calendar days  
22.17 and apply conditions necessary to bring the facility into substantial compliance. If the  
22.18 provisional license holder is not in substantial compliance within the time allowed by the  
22.19 extension or does not satisfy the license conditions, the commissioner may terminate the  
22.20 license.

22.21 Subd. 8. **Reconsideration.** (a) If a provisional license holder disagrees with a sanction  
22.22 under subdivision 7, the provisional license holder may request reconsideration by the  
22.23 commissioner. The reconsideration request process must be conducted internally by the  
22.24 commissioner and is not an administrative appeal under chapter 14 or section 256.045.

22.25 (b) The provisional licensee requesting the reconsideration must make the request in  
22.26 writing and list and describe the reasons why the provisional licensee disagrees with the  
22.27 sanction under subdivision 7.

22.28 (c) The reconsideration request and supporting documentation must be received by the  
22.29 commissioner within 15 calendar days after the date the provisional licensee receives notice  
22.30 of the sanction under subdivision 7.

22.31 Subd. 9. **Continued operation.** A provisional license holder may continue to operate  
22.32 after receiving notice of nonrenewal or termination:

22.33 (1) during the 15 calendar day reconsideration window;

23.1 (2) during the pendency of a reconsideration; or

23.2 (3) while in active negotiation with the commissioner for an extension of the provisional  
23.3 license with conditions, and the commissioner confirms the negotiation is active.

23.4 Subd. 10. **Transition to nonprovisional EIDBI license; future licensure standards.** (a)  
23.5 The commissioner must develop a process and transition plan for comprehensive EIDBI  
23.6 agency licensure by January 1, 2026.

23.7 (b) By December 1, 2026, the commissioner shall establish standards for nonprovisional  
23.8 EIDBI agency licensure and submit proposed legislation to the chairs and ranking minority  
23.9 members of the legislative committees with jurisdiction over human services licensing.

23.10 **EFFECTIVE DATE.** This section is effective July 1, 2025.

23.11 Sec. 11. Minnesota Statutes 2024, section 245C.13, subdivision 2, is amended to read:

23.12 Subd. 2. **Activities pending completion of background study.** The subject of a  
23.13 background study may not perform any activity requiring a background study under  
23.14 paragraph (c) until the commissioner has issued one of the notices under paragraph (a).

23.15 (a) Notices from the commissioner required prior to activity under paragraph (c) include:

23.16 (1) a notice of the study results under section 245C.17 stating that:

23.17 (i) the individual is not disqualified; or

23.18 (ii) more time is needed to complete the study but the individual is not required to be  
23.19 removed from direct contact or access to people receiving services prior to completion of  
23.20 the study as provided under section 245C.17, subdivision 1, paragraph (b) or (c). The notice  
23.21 that more time is needed to complete the study must also indicate whether the individual is  
23.22 required to be under continuous direct supervision prior to completion of the background  
23.23 study. When more time is necessary to complete a background study of an individual  
23.24 affiliated with a Title IV-E eligible children's residential facility or foster residence setting,  
23.25 the individual may not work in the facility or setting regardless of whether or not the  
23.26 individual is supervised;

23.27 (2) a notice that a disqualification has been set aside under section 245C.23; or

23.28 (3) a notice that a variance has been granted related to the individual under section  
23.29 245C.30.

23.30 (b) For a background study affiliated with a licensed child care center or certified  
23.31 license-exempt child care center, the notice sent under paragraph (a), clause (1), item (ii),

24.1 must not be issued until the commissioner receives a qualifying result for the individual for  
24.2 the fingerprint-based national criminal history record check or the fingerprint-based criminal  
24.3 history information from the Bureau of Criminal Apprehension. The notice must require  
24.4 the individual to be under continuous direct supervision prior to completion of the remainder  
24.5 of the background study except as permitted in subdivision 3.

24.6 (c) Activities prohibited prior to receipt of notice under paragraph (a) include:

24.7 (1) being issued a license;

24.8 (2) living in the household where the licensed program will be provided;

24.9 (3) providing direct contact services to persons served by a program unless the subject  
24.10 is under continuous direct supervision;

24.11 (4) having access to persons receiving services if the background study was completed  
24.12 under section 144.057, subdivision 1, or 245C.03, subdivision 1, paragraph (a), clause (2),  
24.13 (5), or (6), unless the subject is under continuous direct supervision;

24.14 (5) for licensed child care centers and certified license-exempt child care centers,  
24.15 providing direct contact services to persons served by the program;

24.16 (6) for children's residential facilities or foster residence settings, working in the facility  
24.17 or setting; ~~or~~

24.18 (7) for background studies affiliated with a personal care provider organization, except  
24.19 as provided in section 245C.03, subdivision 3b, before a personal care assistant provides  
24.20 services, the personal care assistance provider agency must initiate a background study of  
24.21 the personal care assistant under this chapter and the personal care assistance provider  
24.22 agency must have received a notice from the commissioner that the personal care assistant  
24.23 is:

24.24 (i) not disqualified under section 245C.14; or

24.25 (ii) disqualified, but the personal care assistant has received a set aside of the  
24.26 disqualification under section 245C.22; or

24.27 (8) for background studies affiliated with an early intensive developmental and behavioral  
24.28 intervention provider, before an individual provides services, the early intensive  
24.29 developmental and behavioral intervention provider must initiate a background study for  
24.30 the individual under this chapter and the early intensive developmental and behavioral  
24.31 intervention provider must have received a notice from the commissioner that the individual  
24.32 is:



25.1 (i) not disqualified under section 245C.14; or

25.2 (ii) disqualified, but the individual has received a set aside of the disqualification under  
25.3 section 245C.22.

25.4 **EFFECTIVE DATE.** This section is effective January 15, 2026.

25.5 Sec. 12. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision  
25.6 to read:

25.7 Subd. 4c. **Two-year disqualification.** An individual is disqualified under section  
25.8 245C.14, subdivision 6, if less than two years has passed since a determination that the  
25.9 individual violated section 142A.12, 245.095, or 256B.064.

25.10 **EFFECTIVE DATE.** This section is effective July 1, 2025.

25.11 Sec. 13. Minnesota Statutes 2024, section 245C.14, is amended by adding a subdivision  
25.12 to read:

25.13 Subd. 6. **Disqualification from owning, operating, or billing.** The commissioner shall  
25.14 disqualify an individual who is the subject of a background study from any position involving  
25.15 ownership, management, or control of a program or billing activities if a background study  
25.16 completed under this chapter shows a violation of section 142A.12, 245.095, or 256B.064.

25.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

25.18 Sec. 14. Minnesota Statutes 2024, section 245C.15, subdivision 1, is amended to read:

25.19 Subdivision 1. **Permanent disqualification.** (a) An individual is disqualified under  
25.20 section 245C.14 if: (1) regardless of how much time has passed since the discharge of the  
25.21 sentence imposed, if any, for the offense; and (2) unless otherwise specified, regardless of  
25.22 the level of the offense, the individual has committed any of the following offenses: sections  
25.23 243.166 (violation of predatory offender registration law); 609.185 (murder in the first  
25.24 degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20  
25.25 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); a felony  
25.26 offense under 609.221 or 609.222 (assault in the first or second degree); a felony offense  
25.27 under sections 609.2242 and 609.2243 (domestic assault), spousal abuse, child abuse or  
25.28 neglect, or a crime against children; 609.2247 (domestic assault by strangulation); 609.228  
25.29 (great bodily harm caused by distribution of drugs); 609.245 (aggravated robbery); 609.247,  
25.30 subdivision 2 or 3 (carjacking in the first or second degree); 609.25 (kidnapping); 609.2661  
25.31 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the

second degree); 609.2663 (murder of an unborn child in the third degree); 609.322 (solicitation, inducement, and promotion of prostitution); 609.324, subdivision 1 (other prohibited acts); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual conduct); 609.365 (incest); a felony offense under 609.377 (malicious punishment of a child); 609.3775 (child torture); a felony offense under 609.378 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.66, subdivision 1e (drive-by shooting); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); 617.23, subdivision 2, clause (1), or subdivision 3, clause (1) (indecent exposure involving a minor); 617.246 (use of minors in sexual performance prohibited); 617.247 (possession of pictorial representations of minors); or, for a child care background study subject, conviction of a crime that would make the individual ineligible for employment under United States Code, title 42, section 9858f, except for a felony drug conviction, regardless of whether a period of disqualification under subdivisions 2 to 4, would apply if the individual were not a child care background study subject.

(b) An individual's aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraph (a), as each of these offenses is defined in Minnesota Statutes, permanently disqualifies the individual under section 245C.14.

(c) An individual's offense in any other state or country, where the elements of the offense are substantially similar to any of the offenses listed in paragraph (a), permanently disqualifies the individual under section 245C.14.

(d) When a disqualification is based on a judicial determination other than a conviction, the disqualification period begins from the date of the court order. When a disqualification is based on an admission, the disqualification period begins from the date of an admission in court. When a disqualification is based on an Alford Plea, the disqualification period begins from the date the Alford Plea is entered in court. When a disqualification is based on a preponderance of evidence of a disqualifying act, the disqualification date begins from the date of the dismissal, the date of discharge of the sentence imposed for a conviction for a disqualifying crime of similar elements, or the date of the incident, whichever occurs last.

(e) If the individual studied commits one of the offenses listed in paragraph (a) that is specified as a felony-level only offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified, but the disqualification

27.1 look-back period for the offense is the period applicable to gross misdemeanor or  
27.2 misdemeanor offenses.

27.3 (f) A child care background study subject shall be disqualified if the individual is  
27.4 registered, or required to be registered, on a state sex offender registry or repository or the  
27.5 National Sex Offender Registry.

27.6 **EFFECTIVE DATE.** This section is effective July 1, 2025.

27.7 Sec. 15. Minnesota Statutes 2024, section 245C.15, subdivision 4a, is amended to read:

27.8 Subd. 4a. **Licensed family foster setting disqualifications.** (a) Notwithstanding  
27.9 subdivisions 1 to 4, for a background study affiliated with a licensed family foster setting,  
27.10 regardless of how much time has passed, an individual is disqualified under section 245C.14  
27.11 if the individual committed an act that resulted in a felony-level conviction for sections:  
27.12 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder  
27.13 in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in  
27.14 the second degree); 609.2112 (criminal vehicular homicide); 609.221 (assault in the first  
27.15 degree); 609.223, subdivision 2 (assault in the third degree, past pattern of child abuse);  
27.16 609.223, subdivision 3 (assault in the third degree, victim under four); a felony offense  
27.17 under sections 609.2242 and 609.2243 (domestic assault, spousal abuse, child abuse or  
27.18 neglect, or a crime against children); 609.2247 (domestic assault by strangulation); 609.2325  
27.19 (criminal abuse of a vulnerable adult resulting in the death of a vulnerable adult); 609.245  
27.20 (aggravated robbery); 609.247, subdivision 2 or 3 (carjacking in the first or second degree);  
27.21 609.25 (kidnapping); 609.255 (false imprisonment); 609.2661 (murder of an unborn child  
27.22 in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663  
27.23 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child  
27.24 in the first degree); 609.2665 (manslaughter of an unborn child in the second degree);  
27.25 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child  
27.26 in the second degree); 609.268 (injury or death of an unborn child in the commission of a  
27.27 crime); 609.322, subdivision 1 (solicitation, inducement, and promotion of prostitution; sex  
27.28 trafficking in the first degree); 609.324, subdivision 1 (other prohibited acts; engaging in,  
27.29 hiring, or agreeing to hire minor to engage in prostitution); 609.342 (criminal sexual conduct  
27.30 in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal  
27.31 sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree);  
27.32 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory  
27.33 conduct); 609.3458 (sexual extortion); 609.352 (solicitation of children to engage in sexual  
27.34 conduct); 609.377 (malicious punishment of a child); 609.3775 (child torture); 609.378

28.1 (neglect or endangerment of a child); 609.561 (arson in the first degree); 609.582, subdivision  
28.2 1 (burglary in the first degree); 609.746 (interference with privacy); 617.23 (indecent  
28.3 exposure); 617.246 (use of minors in sexual performance prohibited); or 617.247 (possession  
28.4 of pictorial representations of minors).

28.5 (b) Notwithstanding subdivisions 1 to 4, for the purposes of a background study affiliated  
28.6 with a licensed family foster setting, an individual is disqualified under section 245C.14,  
28.7 regardless of how much time has passed, if the individual:

28.8 (1) committed an action under paragraph (e) that resulted in death or involved sexual  
28.9 abuse, as defined in section 260E.03, subdivision 20;

28.10 (2) committed an act that resulted in a gross misdemeanor-level conviction for section  
28.11 609.3451 (criminal sexual conduct in the fifth degree);

28.12 (3) committed an act against or involving a minor that resulted in a felony-level conviction  
28.13 for: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the  
28.14 third degree); 609.2231 (assault in the fourth degree); or 609.224 (assault in the fifth degree);  
28.15 or

28.16 (4) committed an act that resulted in a misdemeanor or gross misdemeanor-level  
28.17 conviction for section 617.293 (dissemination and display of harmful materials to minors).

28.18 (c) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed  
28.19 family foster setting, an individual is disqualified under section 245C.14 if fewer than 20  
28.20 years have passed since the termination of the individual's parental rights under section  
28.21 260C.301, subdivision 1, paragraph (b), or if the individual consented to a termination of  
28.22 parental rights under section 260C.301, subdivision 1, paragraph (a), to settle a petition to  
28.23 involuntarily terminate parental rights. An individual is disqualified under section 245C.14  
28.24 if fewer than 20 years have passed since the termination of the individual's parental rights  
28.25 in any other state or country, where the conditions for the individual's termination of parental  
28.26 rights are substantially similar to the conditions in section 260C.301, subdivision 1, paragraph  
28.27 (b).

28.28 (d) Notwithstanding subdivisions 1 to 4, for a background study affiliated with a licensed  
28.29 family foster setting, an individual is disqualified under section 245C.14 if fewer than five  
28.30 years have passed since a felony-level violation for sections: 152.021 (controlled substance  
28.31 crime in the first degree); 152.022 (controlled substance crime in the second degree); 152.023  
28.32 (controlled substance crime in the third degree); 152.024 (controlled substance crime in the  
28.33 fourth degree); 152.025 (controlled substance crime in the fifth degree); 152.0261 (importing  
28.34 controlled substances across state borders); 152.0262, subdivision 1, paragraph (b)

(possession of substance with intent to manufacture methamphetamine); 152.027, subdivision 6, paragraph (c) (sale or possession of synthetic cannabinoids); 152.096 (conspiracies prohibited); 152.097 (simulated controlled substances); 152.136 (anhydrous ammonia; prohibited conduct; criminal penalties; civil liabilities); 152.137 (methamphetamine-related crimes involving children or vulnerable adults); 169A.24 (felony first-degree driving while impaired); 243.166 (violation of predatory offender registration requirements); 609.2113 (criminal vehicular operation; bodily harm); 609.2114 (criminal vehicular operation; unborn child); 609.228 (great bodily harm caused by distribution of drugs); 609.2325 (criminal abuse of a vulnerable adult not resulting in the death of a vulnerable adult); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate a crime); 609.24 (simple robbery); 609.247, subdivision 4 (carjacking in the third degree); 609.322, subdivision 1a (solicitation, inducement, and promotion of prostitution; sex trafficking in the second degree); 609.498, subdivision 1 (tampering with a witness in the first degree); 609.498, subdivision 1b (aggravated first-degree witness tampering); 609.562 (arson in the second degree); 609.563 (arson in the third degree); 609.582, subdivision 2 (burglary in the second degree); 609.66 (felony dangerous weapons); 609.687 (adulteration); 609.713 (terroristic threats); 609.749, subdivision 3, 4, or 5 (felony-level harassment or stalking); 609.855, subdivision 5 (shooting at or in a public transit vehicle or facility); or 624.713 (certain people not to possess firearms).

(e) Notwithstanding subdivisions 1 to 4, except as provided in paragraph (a), for a background study affiliated with a licensed family child foster care license, an individual is disqualified under section 245C.14 if fewer than five years have passed since:

(1) a felony-level violation for an act not against or involving a minor that constitutes: section 609.222 (assault in the second degree); 609.223, subdivision 1 (assault in the third degree); 609.2231 (assault in the fourth degree); or 609.224, subdivision 4 (assault in the fifth degree);

(2) a violation of an order for protection under section 518B.01, subdivision 14;

(3) a determination or disposition of the individual's failure to make required reports under section 260E.06 or 626.557, subdivision 3, for incidents in which the final disposition under chapter 260E or section 626.557 was substantiated maltreatment and the maltreatment was recurring or serious;

(4) a determination or disposition of the individual's substantiated serious or recurring maltreatment of a minor under chapter 260E, a vulnerable adult under section 626.557, or serious or recurring maltreatment in any other state, the elements of which are substantially

30.1 similar to the elements of maltreatment under chapter 260E or section 626.557 and meet  
30.2 the definition of serious maltreatment or recurring maltreatment;

30.3 (5) a gross misdemeanor-level violation for sections: 609.224, subdivision 2 (assault in  
30.4 the fifth degree); 609.2242 and 609.2243 (domestic assault); 609.233 (criminal neglect);  
30.5 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child);  
30.6 609.746 (interference with privacy); 609.749 (stalking); or 617.23 (indecent exposure); or

30.7 (6) committing an act against or involving a minor that resulted in a misdemeanor-level  
30.8 violation of section 609.224, subdivision 1 (assault in the fifth degree).

30.9 (f) For purposes of this subdivision, the disqualification begins from:

30.10 (1) the date of the alleged violation, if the individual was not convicted;

30.11 (2) the date of conviction, if the individual was convicted of the violation but not  
30.12 committed to the custody of the commissioner of corrections; or

30.13 (3) the date of release from prison, if the individual was convicted of the violation and  
30.14 committed to the custody of the commissioner of corrections.

30.15 Notwithstanding clause (3), if the individual is subsequently reincarcerated for a violation  
30.16 of the individual's supervised release, the disqualification begins from the date of release  
30.17 from the subsequent incarceration.

30.18 (g) An individual's aiding and abetting, attempt, or conspiracy to commit any of the  
30.19 offenses listed in paragraphs (a) and (b), as each of these offenses is defined in Minnesota  
30.20 Statutes, permanently disqualifies the individual under section 245C.14. An individual is  
30.21 disqualified under section 245C.14 if fewer than five years have passed since the individual's  
30.22 aiding and abetting, attempt, or conspiracy to commit any of the offenses listed in paragraphs  
30.23 (d) and (e).

30.24 (h) An individual's offense in any other state or country, where the elements of the  
30.25 offense are substantially similar to any of the offenses listed in paragraphs (a) and (b),  
30.26 permanently disqualifies the individual under section 245C.14. An individual is disqualified  
30.27 under section 245C.14 if fewer than five years have passed since an offense in any other  
30.28 state or country, the elements of which are substantially similar to the elements of any  
30.29 offense listed in paragraphs (d) and (e).

30.30 **EFFECTIVE DATE.** This section is effective July 1, 2025.

31.1 Sec. 16. Minnesota Statutes 2024, section 245C.16, subdivision 1, is amended to read:

31.2 Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines  
31.3 that the individual studied has a disqualifying characteristic, the commissioner shall review  
31.4 the information immediately available and make a determination as to the subject's immediate  
31.5 risk of harm to persons served by the program where the individual studied will have direct  
31.6 contact with, or access to, people receiving services.

31.7 (b) The commissioner shall consider all relevant information available, including the  
31.8 following factors in determining the immediate risk of harm:

31.9 (1) the recency of the disqualifying characteristic;

31.10 (2) the recency of discharge from probation for the crimes;

31.11 (3) the number of disqualifying characteristics;

31.12 (4) the intrusiveness or violence of the disqualifying characteristic;

31.13 (5) the vulnerability of the victim involved in the disqualifying characteristic;

31.14 (6) the similarity of the victim to the persons served by the program where the individual  
31.15 studied will have direct contact;

31.16 (7) whether the individual has a disqualification from a previous background study that  
31.17 has not been set aside;

31.18 (8) if the individual has a disqualification which may not be set aside because it is a  
31.19 permanent bar under section 245C.24, subdivision 1, or the individual is a child care  
31.20 background study subject who has a felony-level conviction for a drug-related offense in  
31.21 the last five years, the commissioner may order the immediate removal of the individual  
31.22 from any position allowing direct contact with, or access to, persons receiving services from  
31.23 the program and from working in a children's residential facility or foster residence setting;  
31.24 and

31.25 (9) if the individual has a disqualification which may not be set aside because it is a  
31.26 permanent bar under section 245C.24, subdivision 2, or the individual is a child care  
31.27 background study subject who has a felony-level conviction for a drug-related offense during  
31.28 the last five years, the commissioner may order the immediate removal of the individual  
31.29 from any position allowing direct contact with or access to persons receiving services from  
31.30 the center and from working in a licensed child care center or certified license-exempt child  
31.31 care center.

(c) This section does not apply when the subject of a background study is regulated by a health-related licensing board as defined in chapter 214, and the subject is determined to be responsible for substantiated maltreatment under section 626.557 or chapter 260E.

(d) This section does not apply to a background study related to an initial application for a child foster family setting license.

(e) Except for paragraph (f), this section does not apply to a background study that is also subject to the requirements under section 256B.0659, subdivisions 11 and 13, for a personal care assistant or a qualified professional as defined in section 256B.0659, subdivision 1, or to a background study for an individual providing early intensive developmental and behavioral intervention services under section 245A.142 or 256B.0949.

(f) If the commissioner has reason to believe, based on arrest information or an active maltreatment investigation, that an individual poses an imminent risk of harm to persons receiving services, the commissioner may order that the person be continuously supervised or immediately removed pending the conclusion of the maltreatment investigation or criminal proceedings.

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

Sec. 17. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 13d. **Individual counseling.** "Individual counseling" means professionally led psychotherapeutic treatment for substance use disorders that is delivered in a one-to-one setting or in a setting with the client and the client's family and other natural supports.

Sec. 18. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20f. **Psychoeducation.** "Psychoeducation" means the services described in section 245G.07, subdivision 1a, clause (2).

Sec. 19. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision to read:

Subd. 20g. **Psychosocial treatment services.** "Psychosocial treatment services" means the services described in section 245G.07, subdivision 1a.



33.1 Sec. 20. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
33.2 to read:

33.3 Subd. 20h. **Recovery support services.** "Recovery support services" means the services  
33.4 described in section 245G.07, subdivision 2a, paragraph (b), clause (1).

33.5 Sec. 21. Minnesota Statutes 2024, section 245G.01, is amended by adding a subdivision  
33.6 to read:

33.7 Subd. 26a. **Treatment coordination.** "Treatment coordination" means the services  
33.8 described in section 245G.07, subdivision 1b.

33.9 Sec. 22. Minnesota Statutes 2024, section 245G.02, subdivision 2, is amended to read:

33.10 Subd. 2. **Exemption from license requirement.** This chapter does not apply to a county  
33.11 or recovery community organization that is providing a service for which the county or  
33.12 recovery community organization is an eligible vendor under section 254B.05. This chapter  
33.13 does not apply to an organization whose primary functions are information, referral,  
33.14 diagnosis, case management, and assessment for the purposes of client placement, education,  
33.15 support group services, or self-help programs. This chapter does not apply to the activities  
33.16 of a licensed professional in private practice. A license holder providing the initial set of  
33.17 substance use disorder services allowable under section 254A.03, subdivision 3, paragraph  
33.18 (c), to an individual referred to a licensed nonresidential substance use disorder treatment  
33.19 program after a positive screen for alcohol or substance misuse is exempt from sections  
33.20 245G.05; 245G.06, subdivisions 1, 1a, and 4; 245G.07, ~~subdivisions 1, paragraph (a), clauses~~  
33.21 ~~(2) to (4), and 2, clauses (1) to (7)~~ subdivision 1a, clause (2); and 245G.17.

33.22 **EFFECTIVE DATE.** This section is effective July 1, 2026.

33.23 Sec. 23. Minnesota Statutes 2024, section 245G.07, subdivision 1, is amended to read:

33.24 Subdivision 1. **Treatment service.** (a) A licensed ~~residential~~ treatment program must  
33.25 offer the treatment services in ~~clauses (1) to (5)~~ subdivisions 1a and 1b and may offer the  
33.26 treatment services in subdivision 2 to each client, unless clinically inappropriate and the  
33.27 justifying clinical rationale is documented. ~~A nonresidential~~ The treatment program must  
33.28 ~~offer all treatment services in clauses (1) to (5) and~~ document in the individual treatment  
33.29 plan the specific services for which a client has an assessed need and the plan to provide  
33.30 the services.

33.31 ~~(1) individual and group counseling to help the client identify and address needs related~~  
33.32 ~~to substance use and develop strategies to avoid harmful substance use after discharge and~~

34.1 ~~to help the client obtain the services necessary to establish a lifestyle free of the harmful~~  
34.2 ~~effects of substance use disorder;~~

34.3 ~~(2) client education strategies to avoid inappropriate substance use and health problems~~  
34.4 ~~related to substance use and the necessary lifestyle changes to regain and maintain health.~~  
34.5 ~~Client education must include information on tuberculosis education on a form approved~~  
34.6 ~~by the commissioner, the human immunodeficiency virus according to section 245A.19,~~  
34.7 ~~other sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis;~~

34.8 ~~(3) a service to help the client integrate gains made during treatment into daily living~~  
34.9 ~~and to reduce the client's reliance on a staff member for support;~~

34.10 ~~(4) a service to address issues related to co-occurring disorders, including client education~~  
34.11 ~~on symptoms of mental illness, the possibility of comorbidity, and the need for continued~~  
34.12 ~~medication compliance while recovering from substance use disorder. A group must address~~  
34.13 ~~co-occurring disorders, as needed. When treatment for mental health problems is indicated,~~  
34.14 ~~the treatment must be integrated into the client's individual treatment plan; and~~

34.15 ~~(5) treatment coordination provided one-to-one by an individual who meets the staff~~  
34.16 ~~qualifications in section 245G.11, subdivision 7. Treatment coordination services include:~~

34.17 ~~(i) assistance in coordination with significant others to help in the treatment planning~~  
34.18 ~~process whenever possible;~~

34.19 ~~(ii) assistance in coordination with and follow up for medical services as identified in~~  
34.20 ~~the treatment plan;~~

34.21 ~~(iii) facilitation of referrals to substance use disorder services as indicated by a client's~~  
34.22 ~~medical provider, comprehensive assessment, or treatment plan;~~

34.23 ~~(iv) facilitation of referrals to mental health services as identified by a client's~~  
34.24 ~~comprehensive assessment or treatment plan;~~

34.25 ~~(v) assistance with referrals to economic assistance, social services, housing resources,~~  
34.26 ~~and prenatal care according to the client's needs;~~

34.27 ~~(vi) life skills advocacy and support accessing treatment follow-up, disease management,~~  
34.28 ~~and education services, including referral and linkages to long-term services and supports~~  
34.29 ~~as needed; and~~

34.30 ~~(vii) documentation of the provision of treatment coordination services in the client's~~  
34.31 ~~file.~~

(b) A treatment service provided to a client must be provided according to the individual treatment plan and must consider cultural differences and special needs of a client.

(c) A supportive service alone does not constitute a treatment service. Supportive services include:

(1) milieu management or supervising or monitoring clients without also providing a treatment service identified in subdivision 1a, 1b, or 2a;

(2) transporting clients; and

(3) waiting with clients for appointments at social service agencies, court hearings, and similar activities.

(d) A treatment service provided in a group setting must be provided in a cohesive manner and setting that allows every client receiving the service to interact and receive the same service at the same time.

Sec. 24. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision to read:

Subd. 1a. **Psychosocial treatment service.** Psychosocial treatment services must be provided according to the hours identified in section 254B.19 for the ASAM level of care provided to the client. A license holder must provide the following psychosocial treatment services as a part of the client's individual treatment:

(1) counseling services that provide a client with professional assistance in managing substance use disorder and co-occurring conditions, either individually or in a group setting. Counseling must:

(i) utilization of evidence-based techniques to help a client modify behavior, overcome obstacles, and achieve and sustain recovery through techniques such as active listening, guidance, discussion, feedback, and clarification;

(ii) help for the client to identify and address needs related to substance use, develop strategies to avoid harmful substance use, and establish a lifestyle free of the harmful effects of substance use disorder; and

(iii) work to improve well-being and mental health, resolve or mitigate symptomatic behaviors, beliefs, compulsions, thoughts, and emotions, and enhance relationships and social skills, while addressing client-centered psychological and emotional needs; and

(2) psychoeducation services to provide a client with information about substance use and co-occurring conditions, either individually or in a group setting. Psychoeducation

36.1 includes structured presentations, interactive discussions, and practical exercises to help  
36.2 clients understand and manage their conditions effectively. Topics include but are not limited  
36.3 to:

36.4 (i) the causes of substance use disorder and co-occurring disorders;

36.5 (ii) behavioral techniques that help a client change behaviors, thoughts, and feelings;

36.6 (iii) the importance of maintaining mental health, including understanding symptoms  
36.7 of mental illness;

36.8 (iv) medications for addiction and psychiatric disorders and the importance of medication  
36.9 adherence;

36.10 (v) the importance of maintaining physical health, health-related risk factors associated  
36.11 with substance use disorder, and specific health education on tuberculosis, HIV, other  
36.12 sexually transmitted diseases, drug and alcohol use during pregnancy, and hepatitis; and

36.13 (vi) harm-reduction strategies.

36.14 Sec. 25. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision  
36.15 to read:

36.16 Subd. 1b. **Treatment coordination.** (a) Treatment coordination must be provided  
36.17 one-to-one by an individual who meets the staff qualifications in section 245G.11, subdivision  
36.18 7. Treatment coordination services include:

36.19 (1) coordinating directly with others involved in the client's treatment and recovery,  
36.20 including the referral source, family or natural supports, social services agencies, and external  
36.21 care providers;

36.22 (2) providing clients with training and facilitating connections to community resources  
36.23 that support recovery;

36.24 (3) assisting clients in obtaining necessary resources and services such as financial  
36.25 assistance, housing, food, clothing, medical care, education, harm reduction services,  
36.26 vocational support, and recreational services that promote recovery;

36.27 (4) helping clients connect and engage with self-help support groups and expand social  
36.28 support networks with family, friends, and organizations; and

36.29 (5) assisting clients in transitioning between levels of care, including providing direct  
36.30 connections to ensure continuity of care.

37.1 (b) Treatment coordination does not include coordinating services or communicating  
37.2 with staff members within the licensed program.

37.3 (c) Treatment coordination may be provided in a setting with the individual client and  
37.4 others involved in the client's treatment and recovery.

37.5 Sec. 26. Minnesota Statutes 2024, section 245G.07, is amended by adding a subdivision  
37.6 to read:

37.7 Subd. 2a. **Ancillary treatment service.** (a) A license holder may provide ancillary  
37.8 services in addition to the hours of psychosocial treatment services identified in section  
37.9 254B.19 for the ASAM level of care provided to the client.

37.10 (b) A license holder may provide the following ancillary treatment services as a part of  
37.11 the client's individual treatment:

37.12 (1) recovery support services provided individually or in a group setting, that include:

37.13 (i) supporting clients in restoring daily living skills, such as health and health care  
37.14 navigation and self-care to enhance personal well-being;

37.15 (ii) providing resources and assistance to help clients restore life skills, including effective  
37.16 parenting, financial management, pro-social behavior, education, employment, and nutrition;

37.17 (iii) assisting clients in restoring daily functioning and routines affected by substance  
37.18 use and supporting them in developing skills for successful community integration; and

37.19 (iv) helping clients respond to or avoid triggers that threaten their community stability,  
37.20 assisting the client in identifying potential crises and developing a plan to address them,  
37.21 and providing support to restore the client's stability and functioning; and

37.22 (2) peer recovery support services provided according to sections 254B.05, subdivision  
37.23 5, and 254B.052.

37.24 Sec. 27. Minnesota Statutes 2024, section 245G.07, subdivision 3, is amended to read:

37.25 Subd. 3. ~~Counselors~~ **Treatment service providers.** (a) All treatment services, except  
37.26 peer recovery support services and treatment coordination, must be provided by an alcohol  
37.27 and drug counselor qualified according to section 245G.11, subdivision 5, unless the  
37.28 individual providing the service is specifically qualified according to the accepted credential  
37.29 required to provide the service. The commissioner shall maintain a current list of  
37.30 professionals qualified to provide treatment services.

(b) Psychosocial treatment services must be provided by an alcohol and drug counselor qualified according to section 245G.11, subdivision 5, unless the individual providing the service is specifically qualified according to the accepted credential required to provide the service. The commissioner shall maintain a current list of professionals qualified to provide psychosocial treatment services.

(c) Treatment coordination must be provided by a treatment coordinator qualified according to section 245G.11, subdivision 7.

(d) Recovery support services must be provided by a behavioral health practitioner qualified according to section 245G.11, subdivision 12.

(e) Peer recovery support services must be provided by a recovery peer qualified according to section 245I.04, subdivision 18.

Sec. 28. Minnesota Statutes 2024, section 245G.07, subdivision 4, is amended to read:

**Subd. 4. Location of service provision.** (a) The license holder must provide all treatment services a client receives at one of the license holder's substance use disorder treatment licensed locations or at a location allowed under paragraphs (b) to (f). If the services are provided at the locations in paragraphs (b) to (d), the license holder must document in the client record the location services were provided.

(b) The license holder may provide nonresidential individual treatment services at a client's home or place of residence.

(c) If the license holder provides treatment services by telehealth, the services must be provided according to this paragraph:

(1) the license holder must maintain a licensed physical location in Minnesota where the license holder must offer all treatment services in subdivision 1, ~~paragraph (a), clauses (1) to (4),~~ 1a physically in-person to each client;

(2) the license holder must meet all requirements for the provision of telehealth in sections 254B.05, subdivision 5, paragraph (f), and 256B.0625, subdivision 3b. The license holder must document all items in section 256B.0625, subdivision 3b, paragraph (c), for each client receiving services by telehealth, regardless of payment type or whether the client is a medical assistance enrollee;

(3) the license holder may provide treatment services by telehealth to clients individually;

(4) the license holder may provide treatment services by telehealth to a group of clients that are each in a separate physical location;

(5) the license holder must not provide treatment services remotely by telehealth to a group of clients meeting together in person, unless permitted under clause (7);

(6) clients and staff may join an in-person group by telehealth if a staff member qualified to provide the treatment service is physically present with the group of clients meeting together in person; and

(7) the qualified professional providing a residential group treatment service by telehealth must be physically present on-site at the licensed residential location while the service is being provided. If weather conditions or short-term illness prohibit a qualified professional from traveling to the residential program and another qualified professional is not available to provide the service, a qualified professional may provide a residential group treatment service by telehealth from a location away from the licensed residential location. In such circumstances, the license holder must ensure that a qualified professional does not provide a residential group treatment service by telehealth from a location away from the licensed residential location for more than one day at a time, must ensure that a staff person who qualifies as a paraprofessional is physically present with the group of clients, and must document the reason for providing the remote telehealth service in the records of clients receiving the service. The license holder must document the dates that residential group treatment services were provided by telehealth from a location away from the licensed residential location in a central log and must provide the log to the commissioner upon request.

(d) The license holder may provide the ~~additional~~ ancillary treatment services under subdivision 2, ~~clauses (2) to (6) and (8), 2a~~ away from the licensed location at a suitable location appropriate to the treatment service.

(e) Upon written approval from the commissioner for each satellite location, the license holder may provide nonresidential treatment services at satellite locations that are in a school, jail, or nursing home. A satellite location may only provide services to students of the school, inmates of the jail, or residents of the nursing home. Schools, jails, and nursing homes are exempt from the licensing requirements in section 245A.04, subdivision 2a, to document compliance with building codes, fire and safety codes, health rules, and zoning ordinances.

(f) The commissioner may approve other suitable locations as satellite locations for nonresidential treatment services. The commissioner may require satellite locations under this paragraph to meet all applicable licensing requirements. The license holder may not have more than two satellite locations per license under this paragraph.

(g) The license holder must provide the commissioner access to all files, documentation, staff persons, and any other information the commissioner requires at the main licensed location for all clients served at any location under paragraphs (b) to (f).

(h) Notwithstanding sections 245A.65, subdivision 2, and 626.557, subdivision 14, a program abuse prevention plan is not required for satellite or other locations under paragraphs (b) to (e). An individual abuse prevention plan is still required for any client that is a vulnerable adult as defined in section 626.5572, subdivision 21.

Sec. 29. Minnesota Statutes 2024, section 245G.11, subdivision 6, is amended to read:

Subd. 6. **Paraprofessionals.** A paraprofessional must have knowledge of client rights, according to section 148F.165, and staff member responsibilities. A paraprofessional may not make decisions to admit, transfer, or discharge a client but may perform tasks related to intake and orientation. A paraprofessional may be the responsible for the delivery of ~~treatment service~~ staff member according to section 245G.10, subdivision 3. A paraprofessional is not qualified to provide a treatment service according to section 245G.07, subdivisions 1a, 1b, and 2a.

Sec. 30. Minnesota Statutes 2024, section 245G.11, subdivision 7, is amended to read:

Subd. 7. **Treatment coordination provider qualifications.** (a) Treatment coordination must be provided by qualified staff. An individual is qualified to provide treatment coordination if the individual meets the qualifications of an alcohol and drug counselor under subdivision 5 or if the individual:

(1) is skilled in the process of identifying and assessing a wide range of client needs;

(2) is knowledgeable about local community resources and how to use those resources for the benefit of the client;

(3) has successfully completed 30 hours of classroom instruction on treatment coordination for an individual with substance use disorder;

(4) has ~~either:~~ a high school diploma or equivalent; and

~~(i) a bachelor's degree in one of the behavioral sciences or related fields; or~~

~~(ii) current certification as an alcohol and drug counselor, level I, by the Upper Midwest Indian Council on Addictive Disorders; and~~

(5) has at least ~~2,000~~ 1,000 hours of supervised experience working with individuals with substance use disorder.



(b) A treatment coordinator must receive at least one hour of supervision regarding individual service delivery from an alcohol and drug counselor, or a mental health professional who has substance use treatment and assessments within the scope of their practice, on a monthly basis.

Sec. 31. Minnesota Statutes 2024, section 245G.11, is amended by adding a subdivision to read:

Subd. 12. **Behavioral health practitioners.** (a) A behavioral health practitioner must meet the qualifications in section 245I.04, subdivision 4.

(b) A behavioral health practitioner working within a substance use disorder treatment program licensed under this chapter has the following scope of practice:

(1) a behavioral health practitioner may provide clients with recovery support services, as defined in section 245G.07, subdivision 2a, paragraph (b), clause (1); and

(2) a behavioral health practitioner must not provide treatment supervision to other staff persons.

(c) A behavioral health practitioner working within a substance use disorder treatment program licensed under this chapter must receive at least one hour of supervision per month on individual service delivery from an alcohol and drug counselor or a mental health professional who has substance use treatment and assessments within the scope of their practice.

Sec. 32. Minnesota Statutes 2024, section 245G.22, subdivision 11, is amended to read:

Subd. 11. **Waiting list.** An opioid treatment program must have a waiting list system. If the person seeking admission cannot be admitted within 14 days of the date of application, each person seeking admission must be placed on the waiting list, unless the person seeking admission is assessed by the program and found ineligible for admission according to this chapter and Code of Federal Regulations, title 42, part 1, subchapter A, section 8.12 (e), and title 45, parts 160 to 164. The waiting list must assign a unique client identifier for each person seeking treatment while awaiting admission. A person seeking admission on a waiting list who receives no services under section 245G.07, subdivision ~~4~~ 1a or 1b, must not be considered a client as defined in section 245G.01, subdivision 9.

42.1 Sec. 33. Minnesota Statutes 2024, section 245G.22, subdivision 15, is amended to read:

42.2 Subd. 15. **Nonmedication treatment services; documentation.** (a) The program must  
42.3 offer at least 50 consecutive minutes of individual or group therapy treatment services as  
42.4 defined in section 245G.07, subdivision 1, ~~paragraph (a)~~ 1a, clause (1), per week, for the  
42.5 first ten weeks following the day of service initiation, and at least 50 consecutive minutes  
42.6 per month thereafter. As clinically appropriate, the program may offer these services  
42.7 cumulatively and not consecutively in increments of no less than 15 minutes over the required  
42.8 time period, and for a total of 60 minutes of treatment services over the time period, and  
42.9 must document the reason for providing services cumulatively in the client's record. The  
42.10 program may offer additional levels of service when deemed clinically necessary.

42.11 (b) Notwithstanding the requirements of comprehensive assessments in section 245G.05,  
42.12 the assessment must be completed within 21 days from the day of service initiation.

42.13 Sec. 34. Minnesota Statutes 2024, section 254B.01, subdivision 10, is amended to read:

42.14 Subd. 10. **Skilled Psychosocial treatment services.** "~~Skilled Psychosocial~~ treatment  
42.15 services" includes the treatment services described in section 245G.07, ~~subdivisions 1,~~  
42.16 ~~paragraph (a), clauses (1) to (4), and 2, clauses (1) to (6).~~ Skilled subdivision 1a. Psychosocial  
42.17 treatment services must be provided by qualified professionals as identified in section  
42.18 245G.07, subdivision 3, paragraph (b).

42.19 Sec. 35. Minnesota Statutes 2024, section 254B.01, subdivision 11, is amended to read:

42.20 Subd. 11. ~~Sober home~~ **Recovery residence.** A ~~sober home~~ recovery residence is a  
42.21 cooperative living residence, a room and board residence, an apartment, or any other living  
42.22 accommodation that:

42.23 (1) provides temporary housing to persons with substance use disorders;

42.24 (2) stipulates that residents must abstain from using alcohol or other illicit drugs or  
42.25 substances not prescribed by a physician;

42.26 (3) charges a fee for living there;

42.27 (4) does not provide counseling or treatment services to residents;

42.28 (5) promotes sustained recovery from substance use disorders; and

42.29 (6) follows the sober living guidelines published by the federal Substance Abuse and  
42.30 Mental Health Services Administration.

42.31 **EFFECTIVE DATE.** This section is effective January 1, 2027.

Sec. 36. Minnesota Statutes 2024, section 254B.05, subdivision 1, is amended to read:

**Subdivision 1. Licensure or certification required.** (a) Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide substance use disorder treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors.

(b) A licensed professional in private practice as defined in section 245G.01, subdivision 17, who meets the requirements of section 245G.11, subdivisions 1 and 4, is an eligible vendor of a comprehensive assessment provided according to section 254A.19, subdivision 3, and treatment services provided according to sections 245G.06 and 245G.07, ~~subdivision 1, paragraphs (a), clauses (1) to (5), and (b); and subdivision 2, clauses (1) to (6).~~ subdivisions 1, 1a, and 1b.

(c) A county is an eligible vendor for a comprehensive assessment when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 5, and completed according to the requirements of section 254A.19, subdivision 3. A county is an eligible vendor of ~~care~~ treatment coordination services when provided by an individual who meets the staffing credentials of section 245G.11, subdivisions 1 and 7, and provided according to the requirements of section 245G.07, subdivision 1, ~~paragraph (a), clause (5)~~ 1b. A county is an eligible vendor of peer recovery services when the services are provided by an individual who meets the requirements of section 245G.11, subdivision 8, and according to section 254B.052.

(d) A recovery community organization that meets the requirements of clauses (1) to (14) and meets certification or accreditation requirements of the Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Support Services, or a Minnesota statewide recovery organization identified by the commissioner is an eligible vendor of peer recovery support services. A Minnesota statewide recovery organization identified by the commissioner must update recovery community organization applicants for certification or accreditation on the status of the application within 45 days of receipt. If the approved statewide recovery organization denies an application, it must provide a written explanation for the denial to the recovery community organization. Eligible vendors under this paragraph must:

(1) be nonprofit organizations under section 501(c)(3) of the Internal Revenue Code, be free from conflicting self-interests, and be autonomous in decision-making, program

44.1 development, peer recovery support services provided, and advocacy efforts for the purpose  
44.2 of supporting the recovery community organization's mission;

44.3 (2) be led and governed by individuals in the recovery community, with more than 50  
44.4 percent of the board of directors or advisory board members self-identifying as people in  
44.5 personal recovery from substance use disorders;

44.6 (3) have a mission statement and conduct corresponding activities indicating that the  
44.7 organization's primary purpose is to support recovery from substance use disorder;

44.8 (4) demonstrate ongoing community engagement with the identified primary region and  
44.9 population served by the organization, including individuals in recovery and their families,  
44.10 friends, and recovery allies;

44.11 (5) be accountable to the recovery community through documented priority-setting and  
44.12 participatory decision-making processes that promote the engagement of, and consultation  
44.13 with, people in recovery and their families, friends, and recovery allies;

44.14 (6) provide nonclinical peer recovery support services, including but not limited to  
44.15 recovery support groups, recovery coaching, telephone recovery support, skill-building,  
44.16 and harm-reduction activities, and provide recovery public education and advocacy;

44.17 (7) have written policies that allow for and support opportunities for all paths toward  
44.18 recovery and refrain from excluding anyone based on their chosen recovery path, which  
44.19 may include but is not limited to harm reduction paths, faith-based paths, and nonfaith-based  
44.20 paths;

44.21 (8) maintain organizational practices to meet the needs of Black, Indigenous, and people  
44.22 of color communities, LGBTQ+ communities, and other underrepresented or marginalized  
44.23 communities. Organizational practices may include board and staff training, service offerings,  
44.24 advocacy efforts, and culturally informed outreach and services;

44.25 (9) use recovery-friendly language in all media and written materials that is supportive  
44.26 of and promotes recovery across diverse geographical and cultural contexts and reduces  
44.27 stigma;

44.28 (10) establish and maintain a publicly available recovery community organization code  
44.29 of ethics and grievance policy and procedures;

44.30 (11) not classify or treat any recovery peer hired on or after July 1, 2024, as an  
44.31 independent contractor;

45.1 (12) not classify or treat any recovery peer as an independent contractor on or after  
45.2 January 1, 2025;

45.3 (13) provide an orientation for recovery peers that includes an overview of the consumer  
45.4 advocacy services provided by the Ombudsman for Mental Health and Developmental  
45.5 Disabilities and other relevant advocacy services; and

45.6 (14) provide notice to peer recovery support services participants that includes the  
45.7 following statement: "If you have a complaint about the provider or the person providing  
45.8 your peer recovery support services, you may contact the Minnesota Alliance of Recovery  
45.9 Community Organizations. You may also contact the Office of Ombudsman for Mental  
45.10 Health and Developmental Disabilities." The statement must also include:

45.11 (i) the telephone number, website address, email address, and mailing address of the  
45.12 Minnesota Alliance of Recovery Community Organizations and the Office of Ombudsman  
45.13 for Mental Health and Developmental Disabilities;

45.14 (ii) the recovery community organization's name, address, email, telephone number, and  
45.15 name or title of the person at the recovery community organization to whom problems or  
45.16 complaints may be directed; and

45.17 (iii) a statement that the recovery community organization will not retaliate against a  
45.18 peer recovery support services participant because of a complaint.

45.19 (e) A recovery community organization approved by the commissioner before June 30,  
45.20 2023, must have begun the application process as required by an approved certifying or  
45.21 accrediting entity and have begun the process to meet the requirements under paragraph (d)  
45.22 by September 1, 2024, in order to be considered as an eligible vendor of peer recovery  
45.23 support services.

45.24 (f) A recovery community organization that is aggrieved by an accreditation, certification,  
45.25 or membership determination and believes it meets the requirements under paragraph (d)  
45.26 may appeal the determination under section 256.045, subdivision 3, paragraph (a), clause  
45.27 (14), for reconsideration as an eligible vendor. If the human services judge determines that  
45.28 the recovery community organization meets the requirements under paragraph (d), the  
45.29 recovery community organization is an eligible vendor of peer recovery support services.

45.30 (g) All recovery community organizations must be certified or accredited by an entity  
45.31 listed in paragraph (d) by June 30, 2025.

45.32 (h) Detoxification programs licensed under Minnesota Rules, parts 9530.6510 to  
45.33 9530.6590, are not eligible vendors. Programs that are not licensed as a residential or

nonresidential substance use disorder treatment or withdrawal management program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors.

(i) Hospitals, federally qualified health centers, and rural health clinics are eligible vendors of a comprehensive assessment when the comprehensive assessment is completed according to section 254A.19, subdivision 3, and by an individual who meets the criteria of an alcohol and drug counselor according to section 245G.11, subdivision 5. The alcohol and drug counselor must be individually enrolled with the commissioner and reported on the claim as the individual who provided the service.

(j) Any complaints about a recovery community organization or peer recovery support services may be made to and reviewed or investigated by the ombudsperson for behavioral health and developmental disabilities under sections 245.91 and 245.94.

Sec. 37. Minnesota Statutes 2024, section 254B.05, subdivision 1a, is amended to read:

Subd. 1a. **Room and board provider requirements.** (a) Vendors of room and board are eligible for behavioral health fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) is determined to meet applicable health and safety requirements;

(3) is not a jail or prison;

(4) is not concurrently receiving funds under chapter 256I for the recipient;

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site whenever a client is present;

(8) has staff who are at least 18 years of age and meet the requirements of section 245G.11, subdivision 1, paragraph (b);

(9) has emergency behavioral procedures that meet the requirements of section 245G.16;

(10) meets the requirements of section 245G.08, subdivision 5, if administering medications to clients;

(11) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

47.1 (12) documents coordination with the treatment provider to ensure compliance with  
47.2 section 254B.03, subdivision 2;

47.3 (13) protects client funds and ensures freedom from exploitation by meeting the  
47.4 provisions of section 245A.04, subdivision 13;

47.5 (14) has a grievance procedure that meets the requirements of section 245G.15,  
47.6 subdivision 2; and

47.7 (15) has sleeping and bathroom facilities for men and women separated by a door that  
47.8 is locked, has an alarm, or is supervised by awake staff.

47.9 (b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from  
47.10 paragraph (a), clauses (5) to (15).

47.11 (c) Programs providing children's mental health crisis admissions and stabilization under  
47.12 section 245.4882, subdivision 6, are eligible vendors of room and board.

47.13 (d) Programs providing children's residential services under section 245.4882, except  
47.14 services for individuals who have a placement under chapter 260C or 260D, are eligible  
47.15 vendors of room and board.

47.16 (e) Licensed programs providing intensive residential treatment services or residential  
47.17 crisis stabilization services pursuant to section 256B.0622 or 256B.0624 are eligible vendors  
47.18 of room and board and are exempt from paragraph (a), clauses (6) to (15).

47.19 (f) A vendor that is not licensed as a residential treatment program must have a policy  
47.20 to address staffing coverage when a client may unexpectedly need to be present at the room  
47.21 and board site.

47.22 (g) No new vendors for room and board services may be approved after June 30, 2025,  
47.23 to receive payments from the behavioral health fund, under the provisions of section 254B.04,  
47.24 subdivision 2a. Room and board vendors that were approved and operating prior to July 1,  
47.25 2025, may continue to receive payments from the behavioral health fund for services provided  
47.26 until June 30, 2027. Room and board vendors providing services in accordance with section  
47.27 254B.04, subdivision 2a, will no longer be eligible to claim reimbursement for room and  
47.28 board services provided on or after July 1, 2027.

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

Sec. 38. Minnesota Statutes 2024, section 254B.06, is amended by adding a subdivision to read:

**Subd. 5. Prohibition of duplicative claim submission.** (a) For time-based claims, submissions must follow the guidelines in the Centers for Medicare and Medicaid Services' Healthcare Common Procedure Coding System and the American Medical Association's Current Procedural Terminology to determine the appropriate units of time to report.

(b) More than half the duration of a time-based code must be spent performing the service to be eligible under this section. Any provision of service during the remaining balance of the unit of time is not eligible for any other claims submission and would be considered a duplicative claim submission.

(c) A provider may only round up to the next whole number of service units on a submitted claim when more than one and one-half times the defined value of the code has occurred and no additional time increment code exists.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 39. Minnesota Statutes 2024, section 254B.181, subdivision 1, is amended to read:

**Subdivision 1. Requirements.** (a) All recovery residences must be certified by the commissioner in accordance with the standards of a National Alliance for Recovery Residences Level 1 or Level 2 recovery residence.

(b) All ~~sober homes~~ recovery residences must:

(1) comply with applicable state laws and regulations and local ordinances related to maximum occupancy, fire safety, and sanitation. ~~In addition, all sober homes must:~~

(2) have safety policies and procedures that at a minimum address:

(i) safety inspections requiring periodic verification of smoke detectors, carbon monoxide detectors, and fire extinguishers, and emergency evacuation drills;

(ii) exposure to bodily fluids and contagious diseases; and

(iii) emergency procedures posted in conspicuous locations in the residence;

~~(1)~~ (3) maintain a supply of an opiate antagonist in the home ~~in a conspicuous location~~ and, post information on proper use, and train staff on how to administer the opiate antagonist;

~~(2)~~ (4) have written policies regarding access to all prescribed medications and storage of medications when requested by a resident;



- 49.1 ~~(3)~~ (5) have written policies regarding ~~evictions~~ residency termination that include how  
49.2 length of stay is determined and eviction procedures;
- 49.3 ~~(4)~~ (6) return all property and medications to a person discharged from the home and  
49.4 retain the items for a minimum of 60 days if the person did not collect them upon discharge.  
49.5 The owner must make an effort to contact persons listed as emergency contacts for the  
49.6 discharged person so that the items are returned;
- 49.7 (7) ensure separation of funds of persons served by the program from funds of the  
49.8 program or program staff. The program and staff must not:
- 49.9 (i) borrow money from a person served by the program;
- 49.10 (ii) purchase personal items from a person served by the program;
- 49.11 (iii) sell merchandise or personal services to a person served by the program;
- 49.12 (iv) require a person served by the program to purchase items for which the program is  
49.13 eligible for reimbursement; or
- 49.14 (v) use funds of persons served by the program to purchase items for which the program  
49.15 is already receiving public or private payments;
- 49.16 ~~(5)~~ (8) document the names and contact information for persons to contact in case of an  
49.17 emergency or upon discharge and notification of a family member, or other emergency  
49.18 contact designated by the resident under certain circumstances, including but not limited to  
49.19 death due to an overdose;
- 49.20 ~~(6)~~ (9) maintain contact information for emergency resources in the community to address  
49.21 mental health and health emergencies;
- 49.22 ~~(7)~~ (10) have policies on staff qualifications and prohibition against fraternization;
- 49.23 ~~(8)~~ (11) permit residents to use, as directed by a licensed prescriber, legally prescribed  
49.24 and dispensed or administered pharmacotherapies approved by the United States Food and  
49.25 Drug Administration for the treatment of opioid use disorder;
- 49.26 ~~(9)~~ (12) permit residents to use, as directed by a licensed prescriber, legally prescribed  
49.27 and dispensed or administered pharmacotherapies approved by the United States Food and  
49.28 Drug Administration to treat co-occurring substance use disorders and mental health  
49.29 conditions;
- 49.30 ~~(10)~~ (13) have a fee schedule and refund policy;
- 49.31 ~~(11)~~ (14) have rules for residents, including on any prohibited items;

50.1       ~~(12)~~ (15) have policies that promote resident participation in treatment, self-help groups,  
50.2 or other recovery supports;

50.3       ~~(13)~~ (16) have policies requiring abstinence from alcohol and illicit drugs on the property.  
50.4 If the program utilizes drug screening or toxicology, the procedures must be included in  
50.5 policy; and

50.6       ~~(14)~~ (17) distribute and post in the common areas the ~~sober home~~ resident bill of rights,  
50.7 resident rules, and grievance process;

50.8       (18) have policies and procedures on searches;

50.9       (19) have code of ethics policies and procedures that are aligned with the National  
50.10 Alliance for Recovery Residences code of ethics and document that the policies and  
50.11 procedures are read and signed by every individual associated with the operation of the  
50.12 recovery residence, including owners, operators, staff, and volunteers;

50.13       (20) have a description of how residents are involved with the governance of the  
50.14 residence, including decision-making procedures, how residents are involved in setting and  
50.15 implementing rules, and the role of peer leaders, if any; and

50.16       (21) have procedures to maintain a respectful environment, including appropriate action  
50.17 to stop intimidation, bullying, sexual harassment, or threatening behavior of residents, staff,  
50.18 and visitors within the residence. Programs must consider trauma-informed and  
50.19 resilience-promoting practices when determining action.

50.20       Sec. 40. Minnesota Statutes 2024, section 254B.181, subdivision 2, is amended to read:

50.21       Subd. 2. **Bill of rights.** An individual living in a ~~sober home~~ recovery residence has the  
50.22 right to:

50.23       (1) have access to an environment that supports recovery;

50.24       (2) have access to an environment that is safe and free from alcohol and other illicit  
50.25 drugs or substances;

50.26       (3) be free from physical and verbal abuse, neglect, financial exploitation, and all forms  
50.27 of maltreatment covered under the Vulnerable Adults Act, sections 626.557 to 626.5572;

50.28       (4) be treated with dignity and respect and to have personal property treated with respect;

50.29       (5) have personal, financial, and medical information kept private and to be advised of  
50.30 the ~~sober home's~~ recovery residence's policies and procedures regarding disclosure of such  
50.31 information;

51.1 (6) access, while living in the residence, to other community-based support services as  
51.2 needed;

51.3 (7) be referred to appropriate services upon leaving the residence, if necessary;

51.4 (8) retain personal property that does not jeopardize safety or health;

51.5 (9) assert these rights personally or have them asserted by the individual's representative  
51.6 or by anyone on behalf of the individual without retaliation;

51.7 (10) be provided with the name, address, and telephone number of the ombudsman for  
51.8 mental health, ~~substance use disorder~~, and developmental disabilities and the certifying  
51.9 designated state affiliate and information about the right to file a complaint;

51.10 (11) be fully informed of these rights and responsibilities, as well as program policies  
51.11 and procedures; and

51.12 (12) not be required to perform services for the residence that are not included in the  
51.13 usual expectations for all residents.

51.14 Sec. 41. Minnesota Statutes 2024, section 254B.181, subdivision 3, is amended to read:

51.15 Subd. 3. **Complaints; ~~ombudsman for mental health and developmental~~**  
51.16 **~~disabilities~~.** Any complaints about a ~~sober home~~ recovery residence may be made to and  
51.17 reviewed or investigated by the ombudsman for mental health and developmental disabilities,  
51.18 pursuant to sections 245.91 and 245.94, and the certifying designated state affiliate.

51.19 Sec. 42. Minnesota Statutes 2024, section 254B.181, is amended by adding a subdivision  
51.20 to read:

51.21 Subd. 5. **Resident records.** (a) A recovery residence must maintain documentation for  
51.22 each resident of a written agreement prior to beginning residency that includes the following:

51.23 (1) the resident bill of rights;

51.24 (2) financial obligations and agreements, refund policy, and payments from third party  
51.25 payers for any fees paid on the resident's behalf;

51.26 (3) services provided;

51.27 (4) recovery goals;

51.28 (5) relapse policies; and

51.29 (6) policies on personal property.

- 52.1 (b) A recovery residence must maintain documentation for each resident demonstrating:
- 52.2 (1) completion of orientation on emergency procedures;
- 52.3 (2) completion of orientation on resident rules;
- 52.4 (3) that the resident is formally linked with the community, such as the resident
- 52.5 maintaining or searching for a job, being enrolled in an education program, or working with
- 52.6 family services or health and housing programs;
- 52.7 (4) that residents and staff engage in community relations and interactions to promote
- 52.8 kinship with other recovery communities and goodwill for recovery services; and
- 52.9 (5) any referrals made for additional services.
- 52.10 (c) Resident records are private data on individuals as defined in section 13.02,
- 52.11 subdivision 12.

52.12 Sec. 43. Minnesota Statutes 2024, section 254B.181, is amended by adding a subdivision

52.13 to read:

52.14 Subd. 6. **Staff requirements.** Certified level 2 programs must have staff to model and

52.15 teach recovery skills and behaviors and must have the following policies and procedures:

- 52.16 (1) written job descriptions for each staff member position, including position
- 52.17 responsibilities and qualifications;
- 52.18 (2) performance plans for development of staff in need of improvement;
- 52.19 (3) a staffing plan that demonstrates continuous development for all staff;
- 52.20 (4) background checks for all staff who will have direct and regular interaction with
- 52.21 residents;
- 52.22 (5) expectations for staff to maintain clear personal and professional boundaries;
- 52.23 (6) annual trainings on emergency procedures, the resident bill of rights, grievance
- 52.24 policies and procedures, and the code of ethics; and
- 52.25 (7) a prohibition on staff providing billable peer recovery support services to residents
- 52.26 of the recovery residence.

52.27 Sec. 44. **[254B.182] RECOVERY RESIDENCE CERTIFICATION.**

- 52.28 (a) Effective January 1, 2027, the commissioner of human services shall certify all
- 52.29 recovery residences in Minnesota that are in compliance with section 254B.181. Beginning

53.1 January 1, 2027, a recovery residence may not serve clients without a certification from the  
53.2 commissioner.

53.3 (b) The commissioner shall:

53.4 (1) publish a list of certified recovery residences, including any data related to date of  
53.5 certification, contact information, compliance reports, and the results of any investigations.  
53.6 The facts of any investigation that substantiates an adverse impact on an individual's health  
53.7 or safety is public information, except for any identifying information on a resident or  
53.8 complainant;

53.9 (2) make requirements for certification of recovery residences publicly accessible;

53.10 (3) review and recertify recovery residences every three years;

53.11 (4) compile an annual report on the number of recovery residences, the number of newly  
53.12 certified recovery residences in the last year, and the number of recovery residences that  
53.13 lost certification in the last year;

53.14 (5) review and make certification determinations for all recovery residences beginning  
53.15 on July 1, 2027; and

53.16 (6) make a certification determination for a recovery residence within 90 days of  
53.17 application.

53.18 (c) The commissioner may decertify a recovery residence with a 30-day notice.

53.19 (d) A recovery residence that is not certified or is decertified may request reconsideration.  
53.20 The recovery residence must appeal a denial or decertification in writing and send or deliver  
53.21 the reconsideration request to the commissioner by certified mail, by personal service, or  
53.22 through the provider licensing and reporting hub. If the recovery residence mails the  
53.23 reconsideration request, the reconsideration request must be postmarked and sent to the  
53.24 commissioner within ten calendar days after the recovery residence receives the order of  
53.25 certification denial or decertification. If the recovery residence delivers a reconsideration  
53.26 request by personal service, the commissioner must receive the reconsideration request  
53.27 within ten calendar days after the recovery residence received the order. If the order is issued  
53.28 through the provider hub, the request must be received by the commissioner within 20  
53.29 calendar days from the date the commissioner issued the order through the hub. If a recovery  
53.30 residence submits a timely reconsideration request of an order of certification denial or  
53.31 decertification, the recovery residence may continue to operate the program until the  
53.32 commissioner issues a final order. The commissioner's disposition of a request for  
53.33 reconsideration is final and not subject to appeal under chapter 14.

54.1 Sec. 45. Minnesota Statutes 2024, section 254B.19, subdivision 1, is amended to read:

54.2 Subdivision 1. **Level of care requirements.** (a) For each client assigned an ASAM level  
54.3 of care, eligible vendors must implement the standards set by the ASAM for the respective  
54.4 level of care. Additionally, vendors must meet the following requirements:

54.5 (1) For ASAM level 0.5 early intervention targeting individuals who are at risk of  
54.6 developing a substance-related problem but may not have a diagnosed substance use disorder,  
54.7 early intervention services may include individual or group counseling, treatment  
54.8 coordination, peer recovery support, screening brief intervention, and referral to treatment  
54.9 provided according to section 254A.03, subdivision 3, paragraph (c).

54.10 (2) For ASAM level 1.0 outpatient clients, adults must receive up to eight hours per  
54.11 week of ~~skilled~~ psychosocial treatment services and adolescents must receive up to five  
54.12 hours per week. Services must be licensed according to section 245G.20 and meet  
54.13 requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment  
54.14 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service  
54.15 hours allowable per week.

54.16 (3) For ASAM level 2.1 intensive outpatient clients, adults must receive nine to 19 hours  
54.17 per week of ~~skilled~~ psychosocial treatment services and adolescents must receive six or  
54.18 more hours per week. Vendors must be licensed according to section 245G.20 and must  
54.19 meet requirements under section 256B.0759. ~~Peer recovery~~ Ancillary services and treatment  
54.20 coordination may be provided beyond the hourly ~~skilled~~ psychosocial treatment service  
54.21 hours allowable per week. If clinically indicated on the client's treatment plan, this service  
54.22 may be provided in conjunction with room and board according to section 254B.05,  
54.23 subdivision 1a.

54.24 (4) For ASAM level 2.5 partial hospitalization clients, adults must receive 20 hours or  
54.25 more of ~~skilled~~ psychosocial treatment services. Services must be licensed according to  
54.26 section 245G.20 ~~and must meet requirements under section 256B.0759~~. Level 2.5 is for  
54.27 clients who need daily monitoring in a structured setting, as directed by the individual  
54.28 treatment plan and in accordance with the limitations in section 254B.05, subdivision 5,  
54.29 paragraph (h). If clinically indicated on the client's treatment plan, this service may be  
54.30 provided in conjunction with room and board according to section 254B.05, subdivision  
54.31 1a.

54.32 (5) For ASAM level 3.1 clinically managed low-intensity residential clients, programs  
54.33 must provide at least 5 hours of ~~skilled~~ psychosocial treatment services per week according  
54.34 to each client's specific treatment schedule, as directed by the individual treatment plan.

55.1 Programs must be licensed according to section 245G.20 and must meet requirements under  
55.2 section 256B.0759.

55.3 (6) For ASAM level 3.3 clinically managed population-specific high-intensity residential  
55.4 clients, programs must be licensed according to section 245G.20 and must meet requirements  
55.5 under section 256B.0759. Programs must have 24-hour staffing coverage. Programs must  
55.6 be enrolled as a disability responsive program as described in section 254B.01, subdivision  
55.7 4b, and must specialize in serving persons with a traumatic brain injury or a cognitive  
55.8 impairment so significant, and the resulting level of impairment so great, that outpatient or  
55.9 other levels of residential care would not be feasible or effective. Programs must provide,  
55.10 at a minimum, daily ~~skilled~~ psychosocial treatment services seven days a week according  
55.11 to each client's specific treatment schedule, as directed by the individual treatment plan.

55.12 (7) For ASAM level 3.5 clinically managed high-intensity residential clients, services  
55.13 must be licensed according to section 245G.20 and must meet requirements under section  
55.14 256B.0759. Programs must have 24-hour staffing coverage and provide, at a minimum,  
55.15 daily ~~skilled~~ psychosocial treatment services seven days a week according to each client's  
55.16 specific treatment schedule, as directed by the individual treatment plan.

55.17 (8) For ASAM level withdrawal management 3.2 clinically managed clients, withdrawal  
55.18 management must be provided according to chapter 245F.

55.19 (9) For ASAM level withdrawal management 3.7 medically monitored clients, withdrawal  
55.20 management must be provided according to chapter 245F.

55.21 (b) Notwithstanding the minimum daily ~~skilled~~ psychosocial treatment service  
55.22 requirements under paragraph (a), clauses (6) and (7), ASAM level 3.3 and 3.5 vendors  
55.23 must provide each client at least 30 hours of treatment services per week for the period  
55.24 between January 1, 2024, through June 30, 2024.

55.25 Sec. 46. Minnesota Statutes 2024, section 256.98, subdivision 1, is amended to read:

55.26 Subdivision 1. **Wrongfully obtaining assistance.** (a) A person who commits any of the  
55.27 following acts or omissions with intent to defeat the purposes of sections 145.891 to 145.897,  
55.28 the MFIP program formerly codified in sections 256.031 to 256.0361, the AFDC program  
55.29 formerly codified in sections 256.72 to 256.871, chapter 142G, 256B, 256D, 256I, 256K,  
55.30 or 256L, child care assistance programs, and emergency assistance programs under section  
55.31 256D.06, is guilty of theft and shall be sentenced under section 609.52, subdivision 3, clauses  
55.32 (1) to (5):

(1) obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of any material fact, or by impersonation or other fraudulent device, assistance or the continued receipt of assistance, to include child care assistance or food benefits produced according to sections 145.891 to 145.897 and MinnesotaCare services according to sections 256.9365, 256.94, and 256L.01 to 256L.15, to which the person is not entitled or assistance greater than that to which the person is entitled;

(2) knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency; or

(3) obtains or attempts to obtain, alone or in collusion with others, the receipt of payments to which the individual is not entitled as a provider of subsidized child care, ~~or by furnishing or concurring in receiving or providing any prohibited payment, as defined in section 609.542, subdivision 2, including a kickback, or by submitting or aiding or abetting the submission of a willfully false claim for child care assistance.~~

(b) The continued receipt of assistance to which the person is not entitled or greater than that to which the person is entitled as a result of any of the acts, failure to act, or concealment described in this subdivision shall be deemed to be continuing offenses from the date that the first act or failure to act occurred.

Sec. 47. Minnesota Statutes 2024, section 256.983, subdivision 4, is amended to read:

Subd. 4. **Funding.** (a) County and Tribal agency reimbursement shall be made through the settlement provisions applicable to the Supplemental Nutrition Assistance Program (SNAP), MFIP, child care assistance programs, the medical assistance program, and other federal and state-funded programs.

(b) The commissioners will maintain program compliance if for any ~~three consecutive month period~~ quarter, a county or Tribal agency fails to comply with fraud prevention investigation program guidelines, or fails to meet the cost-effectiveness standards developed by the commissioners. This result is contingent on the commissioners providing written notice, including an offer of technical assistance, within 30 days of the end of the ~~third or subsequent month~~ quarter of noncompliance. The county or Tribal agency shall be required to submit a corrective action plan to the commissioners within 30 days of receipt of a notice of noncompliance. Failure to submit a corrective action plan or, continued deviation from standards of more than ten percent after submission of a corrective action plan, will result in denial of funding for each subsequent month, or billing the county or Tribal agency for fraud prevention investigation (FPI) service provided by the commissioners, or reallocation



of program grant funds, or investigative resources, or both, to other counties or Tribal agencies. The denial of funding shall apply to the general settlement received by the county or Tribal agency on a quarterly basis and shall not reduce the grant amount applicable to the FPI project.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 48. Minnesota Statutes 2024, section 256B.04, subdivision 21, is amended to read:

Subd. 21. **Provider enrollment.** (a) The commissioner shall enroll providers and conduct screening activities as required by Code of Federal Regulations, title 42, section 455, subpart E. A provider must enroll each provider-controlled location where direct services are provided. The commissioner may deny a provider's incomplete application if a provider fails to respond to the commissioner's request for additional information within 60 days of the request. The commissioner must conduct a background study under chapter 245C, including a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5), for a provider described in this paragraph. The background study requirement may be satisfied if the commissioner conducted a fingerprint-based background study on the provider that includes a review of databases in section 245C.08, subdivision 1, paragraph (a), clauses (1) to (5).

(b) The commissioner shall revalidate ~~each~~:

(1) each provider under this subdivision at least once every five years; ~~and~~

(2) each personal care assistance agency under this subdivision once every three years; ~~and~~

(3) at the commissioner's discretion, any other Medicaid-only provider type the commissioner deems "high risk" under this subdivision.

(c) The commissioner shall conduct revalidation as follows:

(1) provide 30-day notice of the revalidation due date including instructions for revalidation and a list of materials the provider must submit;

(2) if a provider fails to submit all required materials by the due date, notify the provider of the deficiency within 30 days after the due date and allow the provider an additional 30 days from the notification date to comply; and

(3) if a provider fails to remedy a deficiency within the 30-day time period, give 60-day notice of termination and immediately suspend the provider's ability to bill. The provider does not have the right to appeal suspension of ability to bill.

(d) If a provider fails to comply with any individual provider requirement or condition of participation, the commissioner may suspend the provider's ability to bill until the provider comes into compliance. The commissioner's decision to suspend the provider is not subject to an administrative appeal.

(e) Correspondence and notifications, including notifications of termination and other actions, may be delivered electronically to a provider's MN-ITS mailbox. This paragraph does not apply to correspondences and notifications related to background studies.

(f) If the commissioner or the Centers for Medicare and Medicaid Services determines that a provider is designated "high-risk," the commissioner may withhold payment from providers within that category upon initial enrollment for a 90-day period. The withholding for each provider must begin on the date of the first submission of a claim.

(g) An enrolled provider that is also licensed by the commissioner under chapter 245A, is licensed as a home care provider by the Department of Health under chapter 144A, or is licensed as an assisted living facility under chapter 144G and has a home and community-based services designation on the home care license under section 144A.484, must designate an individual as the entity's compliance officer. The compliance officer must:

(1) develop policies and procedures to assure adherence to medical assistance laws and regulations and to prevent inappropriate claims submissions;

(2) train the employees of the provider entity, and any agents or subcontractors of the provider entity including billers, on the policies and procedures under clause (1);

(3) respond to allegations of improper conduct related to the provision or billing of medical assistance services, and implement action to remediate any resulting problems;

(4) use evaluation techniques to monitor compliance with medical assistance laws and regulations;

(5) promptly report to the commissioner any identified violations of medical assistance laws or regulations; and

(6) within 60 days of discovery by the provider of a medical assistance reimbursement overpayment, report the overpayment to the commissioner and make arrangements with the commissioner for the commissioner's recovery of the overpayment.

The commissioner may require, as a condition of enrollment in medical assistance, that a provider within a particular industry sector or category establish a compliance program that contains the core elements established by the Centers for Medicare and Medicaid Services.

(h) The commissioner may revoke the enrollment of an ordering or rendering provider for a period of not more than one year, if the provider fails to maintain and, upon request from the commissioner, provide access to documentation relating to written orders or requests for payment for durable medical equipment, certifications for home health services, or referrals for other items or services written or ordered by such provider, when the commissioner has identified a pattern of a lack of documentation. A pattern means a failure to maintain documentation or provide access to documentation on more than one occasion. Nothing in this paragraph limits the authority of the commissioner to sanction a provider under the provisions of section 256B.064.

(i) The commissioner shall terminate or deny the enrollment of any individual or entity if the individual or entity has been terminated from participation in Medicare or under the Medicaid program or Children's Health Insurance Program of any other state. The commissioner may exempt a rehabilitation agency from termination or denial that would otherwise be required under this paragraph, if the agency:

(1) is unable to retain Medicare certification and enrollment solely due to a lack of billing to the Medicare program;

(2) meets all other applicable Medicare certification requirements based on an on-site review completed by the commissioner of health; and

(3) serves primarily a pediatric population.

(j) As a condition of enrollment in medical assistance, the commissioner shall require that a provider designated "moderate" or "high-risk" by the Centers for Medicare and Medicaid Services or the commissioner permit the Centers for Medicare and Medicaid Services, its agents, or its designated contractors and the state agency, its agents, or its designated contractors to conduct unannounced on-site inspections of any provider location. The commissioner shall publish in the Minnesota Health Care Program Provider Manual a list of provider types designated "limited," "moderate," or "high-risk," based on the criteria and standards used to designate Medicare providers in Code of Federal Regulations, title 42, section 424.518. The list and criteria are not subject to the requirements of chapter 14. The commissioner's designations are not subject to administrative appeal.

(k) As a condition of enrollment in medical assistance, the commissioner shall require that a high-risk provider, or a person with a direct or indirect ownership interest in the provider of five percent or higher, consent to criminal background checks, including fingerprinting, when required to do so under state law or by a determination by the

60.1 commissioner or the Centers for Medicare and Medicaid Services that a provider is designated  
60.2 high-risk for fraud, waste, or abuse.

60.3 (1)(1) Upon initial enrollment, reenrollment, and notification of revalidation, all durable  
60.4 medical equipment, prosthetics, orthotics, and supplies (DMEPOS) medical suppliers  
60.5 meeting the durable medical equipment provider and supplier definition in clause (3),  
60.6 operating in Minnesota and receiving Medicaid funds must purchase a surety bond that is  
60.7 annually renewed and designates the Minnesota Department of Human Services as the  
60.8 obligee, and must be submitted in a form approved by the commissioner. For purposes of  
60.9 this clause, the following medical suppliers are not required to obtain a surety bond: a  
60.10 federally qualified health center, a home health agency, the Indian Health Service, a  
60.11 pharmacy, and a rural health clinic.

60.12 (2) At the time of initial enrollment or reenrollment, durable medical equipment providers  
60.13 and suppliers defined in clause (3) must purchase a surety bond of \$50,000. If a revalidating  
60.14 provider's Medicaid revenue in the previous calendar year is up to and including \$300,000,  
60.15 the provider agency must purchase a surety bond of \$50,000. If a revalidating provider's  
60.16 Medicaid revenue in the previous calendar year is over \$300,000, the provider agency must  
60.17 purchase a surety bond of \$100,000. The surety bond must allow for recovery of costs and  
60.18 fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions  
60.19 from a surety bond must occur within six years from the date the debt is affirmed by a final  
60.20 agency decision. An agency decision is final when the right to appeal the debt has been  
60.21 exhausted or the time to appeal has expired under section 256B.064.

60.22 (3) "Durable medical equipment provider or supplier" means a medical supplier that can  
60.23 purchase medical equipment or supplies for sale or rental to the general public and is able  
60.24 to perform or arrange for necessary repairs to and maintenance of equipment offered for  
60.25 sale or rental.

60.26 (m) The Department of Human Services may require a provider to purchase a surety  
60.27 bond as a condition of initial enrollment, reenrollment, reinstatement, or continued enrollment  
60.28 if: (1) the provider fails to demonstrate financial viability, (2) the department determines  
60.29 there is significant evidence of or potential for fraud and abuse by the provider, or (3) the  
60.30 provider or category of providers is designated high-risk pursuant to paragraph (f) and as  
60.31 per Code of Federal Regulations, title 42, section 455.450. The surety bond must be in an  
60.32 amount of \$100,000 or ten percent of the provider's payments from Medicaid during the  
60.33 immediately preceding 12 months, whichever is greater. The surety bond must name the  
60.34 Department of Human Services as an obligee and must allow for recovery of costs and fees

61.1 in pursuing a claim on the bond. This paragraph does not apply if the provider currently  
61.2 maintains a surety bond under the requirements in section 256B.0659 or 256B.85.

61.3 **EFFECTIVE DATE.** This section is effective July 1, 2025.

61.4 Sec. 49. Minnesota Statutes 2024, section 256B.0625, subdivision 5m, is amended to read:

61.5 Subd. 5m. **Certified community behavioral health clinic services.** (a) Medical  
61.6 assistance covers services provided by a not-for-profit certified community behavioral health  
61.7 clinic (CCBHC) that meets the requirements of section 245.735, subdivision 3.

61.8 (b) The commissioner shall reimburse CCBHCs on a per-day basis for each day that an  
61.9 eligible service is delivered using the CCBHC daily bundled rate system for medical  
61.10 assistance payments as described in paragraph (c). The commissioner shall include a quality  
61.11 incentive payment in the CCBHC daily bundled rate system as described in paragraph (e).  
61.12 There is no county share for medical assistance services when reimbursed through the  
61.13 CCBHC daily bundled rate system.

61.14 (c) The commissioner shall ensure that the CCBHC daily bundled rate system for CCBHC  
61.15 payments under medical assistance meets the following requirements:

61.16 (1) the CCBHC daily bundled rate shall be a provider-specific rate calculated for each  
61.17 CCBHC, based on the daily cost of providing CCBHC services and the total annual allowable  
61.18 CCBHC costs divided by the total annual number of CCBHC visits. For calculating the  
61.19 payment rate, total annual visits include visits covered by medical assistance and visits not  
61.20 covered by medical assistance. Allowable costs include but are not limited to the salaries  
61.21 and benefits of medical assistance providers; the cost of CCBHC services provided under  
61.22 section 245.735, subdivision 3, paragraph (a), clauses (6) and (7); and other costs such as  
61.23 insurance or supplies needed to provide CCBHC services;

61.24 (2) payment shall be limited to one payment per day per medical assistance enrollee  
61.25 when an eligible CCBHC service is provided. A CCBHC visit is eligible for reimbursement  
61.26 if at least one of the CCBHC services listed under section 245.735, subdivision 3, paragraph  
61.27 (a), clause (6), is furnished to a medical assistance enrollee by a health care practitioner or  
61.28 licensed agency employed by or under contract with a CCBHC;

61.29 (3) initial CCBHC daily bundled rates for newly certified CCBHCs under section 245.735,  
61.30 subdivision 3, shall be established by the commissioner using a provider-specific rate based  
61.31 on the newly certified CCBHC's audited historical cost report data adjusted for the expected  
61.32 cost of delivering CCBHC services. Estimates are subject to review by the commissioner

62.1 and must include the expected cost of providing the full scope of CCBHC services and the  
62.2 expected number of visits for the rate period;

62.3 (4) the commissioner shall rebase CCBHC rates once every two years following the last  
62.4 rebasing and no less than 12 months following an initial rate or a rate change due to a change  
62.5 in the scope of services. For CCBHCs certified after September 31, 2020, and before January  
62.6 1, 2021, the commissioner shall rebase rates according to this clause for services provided  
62.7 on or after January 1, 2024;

62.8 (5) the commissioner shall provide for a 60-day appeals process after notice of the results  
62.9 of the rebasing;

62.10 (6) an entity that receives a CCBHC daily bundled rate that overlaps with another federal  
62.11 Medicaid rate is not eligible for the CCBHC rate methodology;

62.12 (7) payments for CCBHC services to individuals enrolled in managed care shall be  
62.13 coordinated with the state's phase-out of CCBHC wrap payments. The commissioner shall  
62.14 complete the phase-out of CCBHC wrap payments within 60 days of the implementation  
62.15 of the CCBHC daily bundled rate system in the Medicaid Management Information System  
62.16 (MMIS), for CCBHCs reimbursed under this chapter, with a final settlement of payments  
62.17 due made payable to CCBHCs no later than 18 months thereafter;

62.18 (8) the CCBHC daily bundled rate for each CCBHC shall be updated by trending each  
62.19 provider-specific rate by the Medicare Economic Index for primary care services. This  
62.20 update shall occur each year in between rebasing periods determined by the commissioner  
62.21 in accordance with clause (4). CCBHCs must provide data on costs and visits to the state  
62.22 annually using the CCBHC cost report established by the commissioner; and

62.23 (9) a CCBHC may request a rate adjustment for changes in the CCBHC's scope of  
62.24 services when such changes are expected to result in an adjustment to the CCBHC payment  
62.25 rate by 2.5 percent or more. The CCBHC must provide the commissioner with information  
62.26 regarding the changes in the scope of services, including the estimated cost of providing  
62.27 the new or modified services and any projected increase or decrease in the number of visits  
62.28 resulting from the change. Estimated costs are subject to review by the commissioner. Rate  
62.29 adjustments for changes in scope shall occur no more than once per year in between rebasing  
62.30 periods per CCBHC and are effective on the date of the annual CCBHC rate update.

62.31 (d) Managed care plans and county-based purchasing plans shall reimburse CCBHC  
62.32 providers at the CCBHC daily bundled rate. The commissioner shall monitor the effect of  
62.33 this requirement on the rate of access to the services delivered by CCBHC providers. If, for  
62.34 any contract year, federal approval is not received for this paragraph, the commissioner

must adjust the capitation rates paid to managed care plans and county-based purchasing plans for that contract year to reflect the removal of this provision. Contracts between managed care plans and county-based purchasing plans and providers to whom this paragraph applies must allow recovery of payments from those providers if capitation rates are adjusted in accordance with this paragraph. Payment recoveries must not exceed the amount equal to any increase in rates that results from this provision. This paragraph expires if federal approval is not received for this paragraph at any time.

(e) The commissioner shall implement a quality incentive payment program for CCBHCs that meets the following requirements:

(1) a CCBHC shall receive a quality incentive payment upon meeting specific numeric thresholds for performance metrics established by the commissioner, in addition to payments for which the CCBHC is eligible under the CCBHC daily bundled rate system described in paragraph (c);

(2) a CCBHC must be certified and enrolled as a CCBHC for the entire measurement year to be eligible for incentive payments;

(3) each CCBHC shall receive written notice of the criteria that must be met in order to receive quality incentive payments at least 90 days prior to the measurement year; and

(4) a CCBHC must provide the commissioner with data needed to determine incentive payment eligibility within six months following the measurement year. The commissioner shall notify CCBHC providers of their performance on the required measures and the incentive payment amount within 12 months following the measurement year.

(f) All claims to managed care plans for CCBHC services as provided under this section shall be submitted directly to, and paid by, the commissioner on the dates specified no later than January 1 of the following calendar year, if:

(1) one or more managed care plans does not comply with the federal requirement for payment of clean claims to CCBHCs, as defined in Code of Federal Regulations, title 42, section 447.45(b), and the managed care plan does not resolve the payment issue within 30 days of noncompliance; and

(2) the total amount of clean claims not paid in accordance with federal requirements by one or more managed care plans is 50 percent of, or greater than, the total CCBHC claims eligible for payment by managed care plans.

If the conditions in this paragraph are met between January 1 and June 30 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on January 1 of

the following year. If the conditions in this paragraph are met between July 1 and December 31 of a calendar year, claims shall be submitted to and paid by the commissioner beginning on July 1 of the following year.

(g) Peer services provided by a CCBHC certified under section 245.735 are a covered service under medical assistance when a licensed mental health professional or alcohol and drug counselor determines that peer services are medically necessary. Eligibility under this subdivision for peer services provided by a CCBHC supersede eligibility standards under sections 256B.0615, 256B.0616, and 245G.07, subdivision ~~2~~ 2a, paragraph (b), clause (8) (2).

Sec. 50. Minnesota Statutes 2024, section 256B.0659, subdivision 21, is amended to read:

**Subd. 21. Requirements for provider enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment, reenrollment, and revalidation as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and email address;

(2) proof of surety bond coverage for each business location providing services. Upon new enrollment, or if the provider's Medicaid revenue in the previous calendar year is up to and including \$300,000, the provider agency must purchase a surety bond of \$50,000. If the Medicaid revenue in the previous year is over \$300,000, the provider agency must purchase a surety bond of \$100,000. The surety bond must be in a form approved by the commissioner, must be renewed annually, and must allow for recovery of costs and fees in pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a surety bond must occur within six years from the date the debt is affirmed by a final agency decision. An agency decision is final when the right to appeal the debt has been exhausted or the time to appeal has expired under section 256B.064;

(3) proof of fidelity bond coverage in the amount of \$20,000 for each business location providing service;

(4) proof of workers' compensation insurance coverage identifying the business location where personal care assistance services are provided;

(5) proof of liability insurance coverage identifying the business location where personal care assistance services are provided and naming the department as a certificate holder;



(6) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(7) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(8) a list of all training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(9) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section, including the requirements under subdivision 11, paragraph (d), if enhanced personal care assistance services are provided and submitted for an enhanced rate under subdivision 17a;

(10) documentation of the agency's marketing practices;

(11) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services;

(12) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers. The revenue generated by the qualified professional and the reasonable costs associated with the qualified professional shall not be used in making this calculation; and

(13) effective May 15, 2010, documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or

for another personal care assistance provider agency after leaving the agency and that the agency is not taking action on any such agreements or requirements regardless of the date signed.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before submitting an application for enrollment of the agency as a provider. All personal care assistance provider agencies shall also require qualified professionals to complete the training required by subdivision 13 before submitting an application for enrollment of the agency as a provider. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available with meaningful access according to title VI of the Civil Rights Act and federal regulations adopted under that law or any guidance from the United States Health and Human Services Department. The required training must be available online or by electronic remote connection. The required training must provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision. When available, Medicare-certified home health agency owners, supervisors, or managers must successfully complete the competency test.

(d) All surety bonds, fidelity bonds, workers' compensation insurance, and liability insurance required by this subdivision must be maintained continuously. After initial

enrollment, a provider must submit proof of bonds and required coverages at any time at the request of the commissioner. Services provided while there are lapses in coverage are not eligible for payment. Lapses in coverage may result in sanctions, including termination. The commissioner shall send instructions and a due date to submit the requested information to the personal care assistance provider agency.

**EFFECTIVE DATE.** This section is effective July 1, 2025.

Sec. 51. Minnesota Statutes 2024, section 256B.0757, subdivision 4c, is amended to read:

**Subd. 4c. Behavioral health home services staff qualifications.** (a) A behavioral health home services provider must maintain staff with required professional qualifications appropriate to the setting.

(b) If behavioral health home services are offered in a mental health setting, the integration specialist must be a licensed nurse, as defined in section 148.171, subdivision 9.

(c) If behavioral health home services are offered in a primary care setting, the integration specialist must be a mental health professional who is qualified according to section 245I.04, subdivision 2.

(d) If behavioral health home services are offered in either a primary care setting or mental health setting, the systems navigator must be a mental health practitioner who is qualified according to section 245I.04, subdivision 4, or a community health worker as defined in section 256B.0625, subdivision 49.

(e) If behavioral health home services are offered in either a primary care setting or mental health setting, the qualified health home specialist must be one of the following:

(1) a mental health certified peer specialist who is qualified according to section 245I.04, subdivision 10;

(2) a mental health certified family peer specialist who is qualified according to section 245I.04, subdivision 12;

(3) a case management associate as defined in section 245.462, subdivision 4, paragraph (g), or 245.4871, subdivision 4, paragraph (j);

(4) a mental health rehabilitation worker who is qualified according to section 245I.04, subdivision 14;

(5) a community paramedic as defined in section 144E.28, subdivision 9;

68.1 (6) a peer recovery specialist as defined in section ~~245G.07, subdivision 1, clause (5)~~  
68.2 245G.11, subdivision 8; or

68.3 (7) a community health worker as defined in section 256B.0625, subdivision 49.

68.4 Sec. 52. Minnesota Statutes 2024, section 256B.0949, subdivision 2, is amended to read:

68.5 Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given in this  
68.6 subdivision.

68.7 (b) "Advanced certification" means a person who has completed advanced certification  
68.8 in an approved modality under subdivision 13, paragraph (b).

68.9 (c) "Agency" means the legal entity that is enrolled with Minnesota health care programs  
68.10 as a medical assistance provider according to Minnesota Rules, part 9505.0195, to provide  
68.11 EIDBI services and that has the legal responsibility to ensure that its employees or contractors  
68.12 carry out the responsibilities defined in this section. Agency includes a licensed individual  
68.13 professional who practices independently and acts as an agency.

68.14 (d) "Autism spectrum disorder or a related condition" or "ASD or a related condition"  
68.15 means either autism spectrum disorder (ASD) as defined in the current version of the  
68.16 Diagnostic and Statistical Manual of Mental Disorders (DSM) or a condition that is found  
68.17 to be closely related to ASD, as identified under the current version of the DSM, and meets  
68.18 all of the following criteria:

68.19 (1) is severe and chronic;

68.20 (2) results in impairment of adaptive behavior and function similar to that of a person  
68.21 with ASD;

68.22 (3) requires treatment or services similar to those required for a person with ASD; and

68.23 (4) results in substantial functional limitations in three core developmental deficits of  
68.24 ASD: social or interpersonal interaction; functional communication, including nonverbal  
68.25 or social communication; and restrictive or repetitive behaviors or hyperreactivity or  
68.26 hyporeactivity to sensory input; and may include deficits or a high level of support in one  
68.27 or more of the following domains:

68.28 (i) behavioral challenges and self-regulation;

68.29 (ii) cognition;

68.30 (iii) learning and play;

68.31 (iv) self-care; or

69.1 (v) safety.

69.2 (e) "Person" means a person under 21 years of age.

69.3 (f) "Clinical supervision" means the overall responsibility for the control and direction  
69.4 of EIDBI service delivery, including individual treatment planning, staff supervision,  
69.5 individual treatment plan progress monitoring, and treatment review for each person. Clinical  
69.6 supervision is provided by a qualified supervising professional (QSP) who takes full  
69.7 professional responsibility for the service provided by each supervisee.

69.8 (g) "Commissioner" means the commissioner of human services, unless otherwise  
69.9 specified.

69.10 (h) "Comprehensive multidisciplinary evaluation" or "CMDE" means a comprehensive  
69.11 evaluation of a person to determine medical necessity for EIDBI services based on the  
69.12 requirements in subdivision 5.

69.13 (i) "Department" means the Department of Human Services, unless otherwise specified.

69.14 (j) "Early intensive developmental and behavioral intervention benefit" or "EIDBI  
69.15 benefit" means a variety of individualized, intensive treatment modalities approved and  
69.16 published by the commissioner that are based in behavioral and developmental science  
69.17 consistent with best practices on effectiveness.

69.18 (k) "Employee" means any person who is employed by an agency, including temporary  
69.19 and part-time employees, and who performs work for at least 80 hours in a year for that  
69.20 agency in Minnesota. Employee does not include an independent contractor.

69.21 ~~(k)~~ (l) "Generalizable goals" means results or gains that are observed during a variety  
69.22 of activities over time with different people, such as providers, family members, other adults,  
69.23 and people, and in different environments including, but not limited to, clinics, homes,  
69.24 schools, and the community.

69.25 ~~(l)~~ (m) "Incident" means when any of the following occur:

69.26 (1) an illness, accident, or injury that requires first aid treatment;

69.27 (2) a bump or blow to the head; or

69.28 (3) an unusual or unexpected event that jeopardizes the safety of a person or staff,  
69.29 including a person leaving the agency unattended.

69.30 ~~(m)~~ (n) "Individual treatment plan" or "ITP" means the person-centered, individualized  
69.31 written plan of care that integrates and coordinates person and family information from the

70.1 CMDE for a person who meets medical necessity for the EIDBI benefit. An individual  
70.2 treatment plan must meet the standards in subdivision 6.

70.3 ~~(n)~~ (o) "Legal representative" means the parent of a child who is under 18 years of age,  
70.4 a court-appointed guardian, or other representative with legal authority to make decisions  
70.5 about service for a person. For the purpose of this subdivision, "other representative with  
70.6 legal authority to make decisions" includes a health care agent or an attorney-in-fact  
70.7 authorized through a health care directive or power of attorney.

70.8 ~~(o)~~ (p) "Mental health professional" means a staff person who is qualified according to  
70.9 section 245I.04, subdivision 2.

70.10 ~~(p)~~ (q) "Person-centered" means a service that both responds to the identified needs,  
70.11 interests, values, preferences, and desired outcomes of the person or the person's legal  
70.12 representative and respects the person's history, dignity, and cultural background and allows  
70.13 inclusion and participation in the person's community.

70.14 ~~(q)~~ (r) "Qualified EIDBI provider" means a person who is a QSP or a level I, level II,  
70.15 or level III treatment provider.

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

70.17 Sec. 53. Minnesota Statutes 2024, section 256B.0949, subdivision 15, is amended to read:

70.18 Subd. 15. **EIDBI provider qualifications.** (a) A QSP must be ~~employed by~~ an employee  
70.19 of an agency and be:

70.20 (1) a licensed mental health professional who has at least 2,000 hours of supervised  
70.21 clinical experience or training in examining or treating people with ASD or a related condition  
70.22 or equivalent documented coursework at the graduate level by an accredited university in  
70.23 ASD diagnostics, ASD developmental and behavioral treatment strategies, and typical child  
70.24 development; or

70.25 (2) a developmental or behavioral pediatrician who has at least 2,000 hours of supervised  
70.26 clinical experience or training in examining or treating people with ASD or a related condition  
70.27 or equivalent documented coursework at the graduate level by an accredited university in  
70.28 the areas of ASD diagnostics, ASD developmental and behavioral treatment strategies, and  
70.29 typical child development.

70.30 (b) A level I treatment provider must be ~~employed by~~ an employee of an agency and:

70.31 (1) have at least 2,000 hours of supervised clinical experience or training in examining  
70.32 or treating people with ASD or a related condition or equivalent documented coursework

71.1 at the graduate level by an accredited university in ASD diagnostics, ASD developmental  
71.2 and behavioral treatment strategies, and typical child development or an equivalent  
71.3 combination of documented coursework or hours of experience; and

71.4 (2) have or be at least one of the following:

71.5 (i) a master's degree in behavioral health or child development or related fields including,  
71.6 but not limited to, mental health, special education, social work, psychology, speech  
71.7 pathology, or occupational therapy from an accredited college or university;

71.8 (ii) a bachelor's degree in a behavioral health, child development, or related field  
71.9 including, but not limited to, mental health, special education, social work, psychology,  
71.10 speech pathology, or occupational therapy, from an accredited college or university, and  
71.11 advanced certification in a treatment modality recognized by the department;

71.12 (iii) a board-certified behavior analyst as defined by the Behavior Analyst Certification  
71.13 Board or a qualified behavior analyst as defined by the Qualified Applied Behavior Analysis  
71.14 Credentialing Board; or

71.15 (iv) a board-certified assistant behavior analyst with 4,000 hours of supervised clinical  
71.16 experience that meets all registration, supervision, and continuing education requirements  
71.17 of the certification.

71.18 (c) A level II treatment provider must be ~~employed by~~ an employee of an agency and  
71.19 must be:

71.20 (1) a person who has a bachelor's degree from an accredited college or university in a  
71.21 behavioral or child development science or related field including, but not limited to, mental  
71.22 health, special education, social work, psychology, speech pathology, or occupational  
71.23 therapy; and meets at least one of the following:

71.24 (i) has at least 1,000 hours of supervised clinical experience or training in examining or  
71.25 treating people with ASD or a related condition or equivalent documented coursework at  
71.26 the graduate level by an accredited university in ASD diagnostics, ASD developmental and  
71.27 behavioral treatment strategies, and typical child development or a combination of  
71.28 coursework or hours of experience;

71.29 (ii) has certification as a board-certified assistant behavior analyst from the Behavior  
71.30 Analyst Certification Board or a qualified autism service practitioner from the Qualified  
71.31 Applied Behavior Analysis Credentialing Board;

72.1 (iii) is a registered behavior technician as defined by the Behavior Analyst Certification  
72.2 Board or an applied behavior analysis technician as defined by the Qualified Applied  
72.3 Behavior Analysis Credentialing Board; or

72.4 (iv) is certified in one of the other treatment modalities recognized by the department;  
72.5 or

72.6 (2) a person who has:

72.7 (i) an associate's degree in a behavioral or child development science or related field  
72.8 including, but not limited to, mental health, special education, social work, psychology,  
72.9 speech pathology, or occupational therapy from an accredited college or university; and

72.10 (ii) at least 2,000 hours of supervised clinical experience in delivering treatment to people  
72.11 with ASD or a related condition. Hours worked as a mental health behavioral aide or level  
72.12 III treatment provider may be included in the required hours of experience; or

72.13 (3) a person who has at least 4,000 hours of supervised clinical experience in delivering  
72.14 treatment to people with ASD or a related condition. Hours worked as a mental health  
72.15 behavioral aide or level III treatment provider may be included in the required hours of  
72.16 experience; or

72.17 (4) a person who is a graduate student in a behavioral science, child development science,  
72.18 or related field and is receiving clinical supervision by a QSP affiliated with an agency to  
72.19 meet the clinical training requirements for experience and training with people with ASD  
72.20 or a related condition; or

72.21 (5) a person who is at least 18 years of age and who:

72.22 (i) is fluent in a non-English language or is an individual certified by a Tribal Nation;

72.23 (ii) completed the level III EIDBI training requirements; and

72.24 (iii) receives observation and direction from a QSP or level I treatment provider at least  
72.25 once a week until the person meets 1,000 hours of supervised clinical experience.

72.26 (d) A level III treatment provider must be ~~employed by~~ an employee of an agency, have  
72.27 completed the level III training requirement, be at least 18 years of age, and have at least  
72.28 one of the following:

72.29 (1) a high school diploma or commissioner of education-selected high school equivalency  
72.30 certification;

72.31 (2) fluency in a non-English language or Tribal Nation certification;



(3) one year of experience as a primary personal care assistant, community health worker, waiver service provider, or special education assistant to a person with ASD or a related condition within the previous five years; or

(4) completion of all required EIDBI training within six months of employment.

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

Sec. 54. Minnesota Statutes 2024, section 256B.0949, subdivision 16, is amended to read:

Subd. 16. **Agency duties.** (a) An agency delivering an EIDBI service under this section must:

(1) enroll as a medical assistance Minnesota health care program provider according to Minnesota Rules, part 9505.0195, and section 256B.04, subdivision 21, and meet all applicable provider standards and requirements;

(2) demonstrate compliance with federal and state laws for EIDBI service;

(3) verify and maintain records of a service provided to the person or the person's legal representative as required under Minnesota Rules, parts 9505.2175 and 9505.2197;

(4) demonstrate that while enrolled or seeking enrollment as a Minnesota health care program provider the agency did not have a lead agency contract or provider agreement discontinued because of a conviction of fraud; or did not have an owner, board member, or manager fail a state or federal criminal background check or appear on the list of excluded individuals or entities maintained by the federal Department of Human Services Office of Inspector General;

(5) have established business practices including written policies and procedures, internal controls, and a system that demonstrates the organization's ability to deliver quality EIDBI services;

(6) have an office located in Minnesota or a border state;

(7) conduct a criminal background check on an individual who has direct contact with the person or the person's legal representative;

(8) report maltreatment according to section 626.557 and chapter 260E;

(9) comply with any data requests consistent with the Minnesota Government Data Practices Act, sections 256B.064 and 256B.27;

(10) provide training for all agency staff on the requirements and responsibilities listed in the Maltreatment of Minors Act, chapter 260E, and the Vulnerable Adult Protection Act,

section 626.557, including mandated and voluntary reporting, nonretaliation, and the agency's policy for all staff on how to report suspected abuse and neglect;

(11) have a written policy to resolve issues collaboratively with the person and the person's legal representative when possible. The policy must include a timeline for when the person and the person's legal representative will be notified about issues that arise in the provision of services;

(12) provide the person's legal representative with prompt notification if the person is injured while being served by the agency. An incident report must be completed by the agency staff member in charge of the person. A copy of all incident and injury reports must remain on file at the agency for at least five years from the report of the incident; ~~and~~

(13) before starting a service, provide the person or the person's legal representative a description of the treatment modality that the person shall receive, including the staffing certification levels and training of the staff who shall provide a treatment;

(14) provide clinical supervision by a qualified supervising professional for a minimum of one hour of supervision for every ten hours of direct treatment per person that meets clinical licensure requirements for quality supervision and effective intervention; and

(15) provide clinical, in-person supervision sessions by a qualified supervising professional at least once per month for intervention, observation, and direction.

(b) When delivering the ITP, and annually thereafter, an agency must provide the person or the person's legal representative with:

(1) a written copy and a verbal explanation of the person's or person's legal representative's rights and the agency's responsibilities;

(2) documentation in the person's file the date that the person or the person's legal representative received a copy and explanation of the person's or person's legal representative's rights and the agency's responsibilities; and

(3) reasonable accommodations to provide the information in another format or language as needed to facilitate understanding of the person's or person's legal representative's rights and the agency's responsibilities.

Sec. 55. Minnesota Statutes 2024, section 256B.0949, is amended by adding a subdivision to read:

Subd. 18. **Provisional licensure.** Beginning on January 1, 2026, the commissioner shall begin issuing provisional licenses to enrolled EIDBI agencies while permanent licensing

75.1 standards are developed. EIDBI agencies enrolled by December 31, 2025, have 60 calendar  
75.2 days to submit an application for provisional licensure on the forms and in the manner  
75.3 prescribed by the commissioner. The commissioner must act on an application within 90  
75.4 working days after receiving a complete application.

75.5 Sec. 56. Minnesota Statutes 2024, section 256B.12, is amended to read:

75.6 **256B.12 LEGAL REPRESENTATION.**

75.7 The attorney general or the appropriate county attorney appearing at the direction of the  
75.8 attorney general shall be the attorney for the state agency, and the county attorney of the  
75.9 appropriate county shall be the attorney for the ~~local~~ agency in all matters pertaining hereto.  
75.10 To prosecute under this chapter or sections 609.466 ~~and~~, 609.52, subdivision 2, and 609.542  
75.11 or to recover payments wrongfully made under this chapter, the attorney general or the  
75.12 appropriate county attorney, acting independently or at the direction of the attorney general  
75.13 may institute a criminal or civil action.

75.14 Sec. 57. Minnesota Statutes 2024, section 256B.85, subdivision 12, is amended to read:

75.15 Subd. 12. **Requirements for enrollment of CFSS agency-providers.** (a) All CFSS  
75.16 agency-providers must provide, at the time of enrollment, reenrollment, and revalidation  
75.17 as a CFSS agency-provider in a format determined by the commissioner, information and  
75.18 documentation that includes but is not limited to the following:

75.19 (1) the CFSS agency-provider's current contact information including address, telephone  
75.20 number, and email address;

75.21 (2) proof of surety bond coverage. Upon new enrollment, or if the agency-provider's  
75.22 Medicaid revenue in the previous calendar year is less than or equal to \$300,000, the  
75.23 agency-provider must purchase a surety bond of \$50,000. If the agency-provider's Medicaid  
75.24 revenue in the previous calendar year is greater than \$300,000, the agency-provider must  
75.25 purchase a surety bond of \$100,000. The surety bond must be in a form approved by the  
75.26 commissioner, must be renewed annually, and must allow for recovery of costs and fees in  
75.27 pursuing a claim on the bond. Any action to obtain monetary recovery or sanctions from a  
75.28 surety bond must occur within six years from the date the debt is affirmed by a final agency  
75.29 decision. An agency decision is final when the right to appeal the debt has been exhausted  
75.30 or the time to appeal has expired under section 256B.064;

75.31 (3) proof of fidelity bond coverage in the amount of \$20,000 per provider location;

75.32 (4) proof of workers' compensation insurance coverage;

- 76.1 (5) proof of liability insurance;
- 76.2 (6) a copy of the CFSS agency-provider's organizational chart identifying the names  
76.3 and roles of all owners, managing employees, staff, board of directors, and additional  
76.4 documentation reporting any affiliations of the directors and owners to other service  
76.5 providers;
- 76.6 (7) proof that the CFSS agency-provider has written policies and procedures including:  
76.7 hiring of employees; training requirements; service delivery; and employee and consumer  
76.8 safety, including the process for notification and resolution of participant grievances, incident  
76.9 response, identification and prevention of communicable diseases, and employee misconduct;
- 76.10 (8) proof that the CFSS agency-provider has all of the following forms and documents:
- 76.11 (i) a copy of the CFSS agency-provider's time sheet; and
- 76.12 (ii) a copy of the participant's individual CFSS service delivery plan;
- 76.13 (9) a list of all training and classes that the CFSS agency-provider requires of its staff  
76.14 providing CFSS services;
- 76.15 (10) documentation that the CFSS agency-provider and staff have successfully completed  
76.16 all the training required by this section;
- 76.17 (11) documentation of the agency-provider's marketing practices;
- 76.18 (12) disclosure of ownership, leasing, or management of all residential properties that  
76.19 are used or could be used for providing home care services;
- 76.20 (13) documentation that the agency-provider will use at least the following percentages  
76.21 of revenue generated from the medical assistance rate paid for CFSS services for CFSS  
76.22 support worker wages and benefits: 72.5 percent of revenue from CFSS providers, except  
76.23 100 percent of the revenue generated by a medical assistance rate increase due to a collective  
76.24 bargaining agreement under section 179A.54 must be used for support worker wages and  
76.25 benefits. The revenue generated by the worker training and development services and the  
76.26 reasonable costs associated with the worker training and development services shall not be  
76.27 used in making this calculation; and
- 76.28 (14) documentation that the agency-provider does not burden participants' free exercise  
76.29 of their right to choose service providers by requiring CFSS support workers to sign an  
76.30 agreement not to work with any particular CFSS participant or for another CFSS  
76.31 agency-provider after leaving the agency and that the agency is not taking action on any  
76.32 such agreements or requirements regardless of the date signed.

77.1 (b) CFSS agency-providers shall provide to the commissioner the information specified  
77.2 in paragraph (a).

77.3 (c) All CFSS agency-providers shall require all employees in management and  
77.4 supervisory positions and owners of the agency who are active in the day-to-day management  
77.5 and operations of the agency to complete mandatory training as determined by the  
77.6 commissioner. Employees in management and supervisory positions and owners who are  
77.7 active in the day-to-day operations of an agency who have completed the required training  
77.8 as an employee with a CFSS agency-provider do not need to repeat the required training if  
77.9 they are hired by another agency and they have completed the training within the past three  
77.10 years. CFSS agency-provider billing staff shall complete training about CFSS program  
77.11 financial management. Any new owners or employees in management and supervisory  
77.12 positions involved in the day-to-day operations are required to complete mandatory training  
77.13 as a requisite of working for the agency.

77.14 (d) Agency-providers shall submit all required documentation in this section within 30  
77.15 days of notification from the commissioner. If an agency-provider fails to submit all the  
77.16 required documentation, the commissioner may take action under subdivision 23a.

77.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

77.18 Sec. 58. Minnesota Statutes 2024, section 256I.04, subdivision 2a, is amended to read:

77.19 Subd. 2a. **License required; staffing qualifications.** (a) Except as provided in paragraph  
77.20 ~~(b)~~ (c), an agency may not enter into an agreement with an establishment to provide housing  
77.21 support unless:

77.22 (1) the establishment is licensed by the Department of Health as a hotel and restaurant;  
77.23 a board and lodging establishment; a boarding care home before March 1, 1985; or a  
77.24 supervised living facility, and the service provider for residents of the facility is licensed  
77.25 under chapter 245A. However, an establishment licensed by the Department of Health to  
77.26 provide lodging need not also be licensed to provide board if meals are being supplied to  
77.27 residents under a contract with a food vendor who is licensed by the Department of Health;

77.28 (2) the residence is: (i) licensed by the commissioner of human services under Minnesota  
77.29 Rules, parts 9555.5050 to 9555.6265; (ii) certified by a county human services agency prior  
77.30 to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265;  
77.31 (iii) licensed by the commissioner under Minnesota Rules, parts 2960.0010 to 2960.0120,  
77.32 with a variance under section 245A.04, subdivision 9; or (iv) licensed under section 245D.02,

- 78.1 subdivision 4a, as a community residential setting by the commissioner of human services;  
78.2 or
- 78.3 (3) the facility is licensed under chapter 144G and provides three meals a day.
- 78.4 (b) Effective January 1, 2027, the commissioner may enter into housing support  
78.5 agreements with a board and lodging establishment under section 256I.04, subdivision 2a,  
78.6 paragraph (a), clause (1), that is also certified by the commissioner as a recovery residence,  
78.7 subject to the requirements of section 256I.04, subdivisions 2a to 2f. When doing so, the  
78.8 department of human services serves as the lead agency for the agreement.
- 78.9 ~~(b)~~ (c) The requirements under paragraph (a) do not apply to establishments exempt  
78.10 from state licensure because they are:
- 78.11 (1) located on Indian reservations and subject to tribal health and safety requirements;  
78.12 or
- 78.13 (2) supportive housing establishments where an individual has an approved habitability  
78.14 inspection and an individual lease agreement.
- 78.15 ~~(c)~~ (d) Supportive housing establishments that serve individuals who have experienced  
78.16 long-term homelessness and emergency shelters must participate in the homeless management  
78.17 information system and a coordinated assessment system as defined by the commissioner.
- 78.18 ~~(d)~~ (e) Effective July 1, 2016, an agency shall not have an agreement with a provider of  
78.19 housing support unless all staff members who have direct contact with recipients:
- 78.20 (1) have skills and knowledge acquired through one or more of the following:
- 78.21 (i) a course of study in a health- or human services-related field leading to a bachelor  
78.22 of arts, bachelor of science, or associate's degree;
- 78.23 (ii) one year of experience with the target population served;
- 78.24 (iii) experience as a mental health certified peer specialist according to section 256B.0615;  
78.25 or
- 78.26 (iv) meeting the requirements for unlicensed personnel under sections 144A.43 to  
78.27 144A.483;
- 78.28 (2) hold a current driver's license appropriate to the vehicle driven if transporting  
78.29 recipients;
- 78.30 (3) complete training on vulnerable adults mandated reporting and child maltreatment  
78.31 mandated reporting, where applicable; and

79.1 (4) complete housing support orientation training offered by the commissioner.

79.2 Sec. 59. Minnesota Statutes 2024, section 260E.14, subdivision 1, is amended to read:

79.3 Subdivision 1. **Facilities and schools.** (a) The local welfare agency is the agency  
79.4 responsible for investigating allegations of maltreatment in child foster care, family child  
79.5 care, legally nonlicensed child care, and reports involving children served by an unlicensed  
79.6 personal care provider organization under section 256B.0659. Copies of findings related to  
79.7 personal care provider organizations under section 256B.0659 must be forwarded to the  
79.8 Department of Human Services provider enrollment.

79.9 (b) The Department of Children, Youth, and Families is the agency responsible for  
79.10 screening and investigating allegations of maltreatment in juvenile correctional facilities  
79.11 listed under section 241.021 located in the local welfare agency's county and in facilities  
79.12 licensed or certified under chapters 245A and 245D.

79.13 (c) The Department of Health is the agency responsible for screening and investigating  
79.14 allegations of maltreatment in facilities licensed under sections 144.50 to 144.58 and 144A.43  
79.15 to 144A.482 or chapter 144H.

79.16 (d) The Department of Education is the agency responsible for screening and investigating  
79.17 allegations of maltreatment in a school as defined in section 120A.05, subdivisions 9, 11,  
79.18 and 13, and chapter 124E. The Department of Education's responsibility to screen and  
79.19 investigate includes allegations of maltreatment involving students 18 through 21 years of  
79.20 age, including students receiving special education services, up to and including graduation  
79.21 and the issuance of a secondary or high school diploma.

79.22 (e) The Department of Human Services is the agency responsible for screening and  
79.23 investigating allegations of maltreatment of minors in an EIDBI agency operating under a  
79.24 provisional license under section 245A.142.

79.25 ~~(e)~~ (f) A health or corrections agency receiving a report may request the local welfare  
79.26 agency to provide assistance pursuant to this section and sections 260E.20 and 260E.22.

79.27 ~~(f)~~ (g) The Department of Children, Youth, and Families is the agency responsible for  
79.28 screening and investigating allegations of maltreatment in facilities or programs not listed  
79.29 in paragraph (a) that are licensed or certified under chapters 142B and 142C.

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

Sec. 60. Minnesota Statutes 2024, section 325F.725, is amended to read:

**325F.725 ~~SOBER HOME~~ RECOVERY RESIDENCE TITLE PROTECTION.**

No person or entity may use the phrase "~~sober home~~," "recovery residence," whether alone or in combination with other words and whether orally or in writing, to advertise, market, or otherwise describe, offer, or promote itself, or any housing, service, service package, or program that it provides within this state, unless the person or entity meets the definition of a ~~sober home~~ recovery residence in section 254B.01, subdivision 11, and meets the requirements of section 254B.181.

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

Sec. 61. **[609.542] HUMAN SERVICES PROGRAMS CRIMES.**

Subdivision 1. **Definition.** For purposes of this section, "federal health care program" has the meaning given in United States Code, title 42, section 1320a-7b(f).

Subd. 2. **Prohibited payments made relating to human services programs.** A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally offers or pays any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind, to another person:

(1) to induce that person to apply for, receive, or induce another person to apply for or receive an item or service for which payment may be made in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E; or

(2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing, leasing, or ordering of any good, facility, service, or item for which payment may be made in whole or in part, or which is administered in whole or in part under a federal health care program, state behavioral health program under section 254B.04, or family program under chapter 142E.

Subd. 3. **Receipt of prohibited payments relating to human services programs.** A person is guilty of a crime and may be sentenced as provided in subdivision 5 if the person intentionally solicits or receives any remuneration, including any kickback, bribe, or rebate, directly or indirectly, overtly or covertly, in cash or in kind:

(1) in return for applying for or receiving a human services benefit, service, or grant for which payment may be made in whole or in part under a federal health care program, state



81.1 behavioral health program under section 254B.04, or family program under chapter 142E;  
81.2 or

81.3 (2) in return for purchasing, leasing, ordering, or arranging for or inducing the purchasing,  
81.4 leasing, or ordering of any good, facility, service, or item for which payment may be made  
81.5 in whole or in part under a federal health care program, state behavioral health program  
81.6 under section 254B.04, or family program under chapter 142E.

81.7 Subd. 4. **Exemptions.** (a) This section does not apply to remuneration exempted under  
81.8 the Anti-Kickback Statute, United States Code, title 42, section 1320a-7b(b)(3), or payment  
81.9 made under a federal health care program which is exempt from liability by United States  
81.10 Code, title 42, section 1001.952.

81.11 (b) This section does not apply to:

81.12 (1) any amount paid by an employer to a bona fide employee for providing covered  
81.13 items or services under chapter 142E while acting in the course and scope of employment;  
81.14 or

81.15 (2) child care provider discounts, scholarships, or other financial assistance to families  
81.16 allowed under section 142E.17, subdivision 7.

81.17 Subd. 5. **Sentence.** (a) A person convicted under subdivision 2 or 3 may be sentenced  
81.18 pursuant to section 609.52, subdivision 3.

81.19 (b) For purposes of sentencing a violation of subdivision 2, "value" means the fair market  
81.20 value of the good, facility, service, or item that was obtained as a direct or indirect result  
81.21 of the prohibited payment.

81.22 (c) For purposes of sentencing a violation of subdivision 3, "value" means the amount  
81.23 of the prohibited payment solicited or received.

81.24 (d) As a matter of law, a claim for any good, facility, service, or item rendered or claimed  
81.25 to have been rendered in violation of this section is noncompensable and unenforceable at  
81.26 the time the claim is made.

81.27 Subd. 6. **Aggregation.** In a prosecution under this section, the value of the money,  
81.28 property, or benefit received or solicited by the defendant within a six-month period may  
81.29 be aggregated and the defendant charged accordingly in applying the provisions of  
81.30 subdivision 5.

81.31 Subd. 7. **False claims.** In addition to the penalties provided for in this section, a claim,  
81.32 as defined in section 15C.01, subdivision 2, that includes items or services resulting from

82.1 a violation of this section constitutes a false or fraudulent claim for purposes of section  
82.2 15C.02.

82.3 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to crimes  
82.4 committed on or after that date.

82.5 Sec. 62. Minnesota Statutes 2024, section 626.5572, subdivision 13, is amended to read:

82.6 Subd. 13. **Lead investigative agency.** "Lead investigative agency" is the primary  
82.7 administrative agency responsible for investigating reports made under section 626.557.

82.8 (a) The Department of Health is the lead investigative agency for facilities or services  
82.9 licensed or required to be licensed as hospitals, home care providers, nursing homes, boarding  
82.10 care homes, hospice providers, residential facilities that are also federally certified as  
82.11 intermediate care facilities that serve people with developmental disabilities, or any other  
82.12 facility or service not listed in this subdivision that is licensed or required to be licensed by  
82.13 the Department of Health for the care of vulnerable adults. "Home care provider" has the  
82.14 meaning provided in section 144A.43, subdivision 4, and applies when care or services are  
82.15 delivered in the vulnerable adult's home.

82.16 (b) The Department of Human Services is the lead investigative agency for facilities or  
82.17 services licensed or required to be licensed as adult day care, adult foster care, community  
82.18 residential settings, programs for people with disabilities, family adult day services, mental  
82.19 health programs, mental health clinics, substance use disorder programs, the Minnesota Sex  
82.20 Offender Program, or any other facility or service not listed in this subdivision that is licensed  
82.21 or required to be licensed by the Department of Human Services, including EIDBI agencies  
82.22 operating under a provisional license under section 245A.142.

82.23 (c) The county social service agency or its designee is the lead investigative agency for  
82.24 all other reports, including, but not limited to, reports involving vulnerable adults receiving  
82.25 services from a personal care provider organization under section 256B.0659.

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

82.27 Sec. 63. **TRANSITION TO NONPROVISIONAL EIDBI LICENSE; FUTURE**  
82.28 **LICENSURE STANDARDS.**

82.29 (a) The commissioner must develop a process and transition plan for comprehensive  
82.30 EIDBI agency licensure by January 1, 2026.

82.31 (b) By December 1, 2026, in consultation with stakeholders the commissioner shall draft  
82.32 standards for nonprovisional EIDBI agency licensure and submit proposed legislation to

83.1 the chairs and ranking minority members of the legislative committees with jurisdiction  
83.2 over human services licensing.

83.3 **EFFECTIVE DATE.** This section is effective August 1, 2025.

83.4 Sec. 64. **WORKING GROUP FOR RECOVERY RESIDENCES.**

83.5 (a) The commissioner of human services must convene a working group on recovery  
83.6 residences.

83.7 (b) The working group must:

83.8 (1) produce a report that examines how other states fund recovery residences, identifying  
83.9 best practices and models that could be applicable to Minnesota;

83.10 (2) engage with communities to ensure meaningful collaboration with key external  
83.11 partners on the ideas being developed that will inform the final plan and recommendations;  
83.12 and

83.13 (3) develop an implementable plan addressing housing needs for individuals in outpatient  
83.14 substance use disorder treatment that includes:

83.15 (i) clear strategies for aligning housing models with individual treatment needs;

83.16 (ii) an assessment of funding streams, including potential federal funding sources;

83.17 (iii) a timeline for implementation, with key milestones and action steps;

83.18 (iv) recommendations for future resource allocation to ensure long-term housing stability  
83.19 for individuals in recovery; and

83.20 (v) specific recommendations for policy or legislative changes that may be required to  
83.21 support sustainable recovery housing solutions.

83.22 (c) The working group shall include but is not limited to:

83.23 (1) at least two designees from the Department of Human Services, at least one  
83.24 representing behavioral health policy and at least one representing homelessness, housing  
83.25 and support services policy;

83.26 (2) the commissioner of health or a designee;

83.27 (3) two people who have experience living in a recovery residence;

83.28 (4) representatives from at least three substance use disorder lodging facilities currently  
83.29 operating in Minnesota;

(5) three representatives from county social services agencies, at least one from within and one from outside the seven-county metropolitan area;

(6) a representative from a Tribal social services agency; and

(7) representatives from national or state organizations specializing in recovery residences and substance use disorder treatment.

(d) The working group shall meet at least monthly and as necessary to fulfill its responsibilities. The commissioner of human services shall provide administrative support and meeting space for the working group. The working group may conduct meetings remotely.

(e) The commissioner of human services shall make appointments to the working group by October 1, 2025, and convene the first meeting of the working group by January 15, 2026.

(f) The working group shall submit a final report with recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance on or before January 1, 2027.

Sec. 65. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the terms "mental health practitioner" and "mental health practitioners" to "behavioral health practitioner" or "behavioral health practitioners" wherever they appear in Minnesota Statutes, chapter 245I.

Sec. 66. **REPEALER.**

(a) Minnesota Statutes 2024, sections 245G.01, subdivision 20d; 245G.07, subdivision 2; and 254B.01, subdivision 5, are repealed.

(b) Minnesota Statutes 2024, section 254B.04, subdivision 2a, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective July 1, 2025, and paragraph (b) is effective July 1, 2027.

**ARTICLE 3**

**DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES**

Section 1. Minnesota Statutes 2024, section 142E.16, subdivision 7, is amended to read:

Subd. 7. **Record-keeping requirement.** (a) As a condition of payment, all providers receiving child care assistance payments must:

85.1 (1) keep accurate and legible daily attendance records at the site where services are  
85.2 delivered for children receiving child care assistance; ~~and~~

85.3 (2) make those records available immediately to the county or the commissioner upon  
85.4 request. Any records not provided to a county or the commissioner at the date and time of  
85.5 the request are deemed inadmissible if offered as evidence by the provider in any proceeding  
85.6 to contest an overpayment or disqualification of the provider; and

85.7 (3) submit data on child enrollment and attendance in the form and manner specified by  
85.8 the commissioner.

85.9 (b) As a condition of payment, attendance records must be completed daily and include  
85.10 the date, the first and last name of each child in attendance, and the times when each child  
85.11 is dropped off and picked up. To the extent possible, the times that the child was dropped  
85.12 off to and picked up from the child care provider must be entered by the person dropping  
85.13 off or picking up the child. The daily attendance records must be retained at the site where  
85.14 services are delivered for six years after the date of service.

85.15 (c) When the county or the commissioner knows or has reason to believe that a current  
85.16 or former provider has not complied with the record-keeping requirement in this subdivision:

85.17 (1) the commissioner may:

85.18 (i) deny or revoke a provider's authorization to receive child care assistance payments  
85.19 under section 142E.17, subdivision 9, paragraph (d);

85.20 (ii) pursue an administrative disqualification under sections 142E.51, subdivision 5, and  
85.21 256.98; or

85.22 (iii) take an action against the provider under ~~sections 142E.50 to 142E.58~~ section  
85.23 142E.51; or

85.24 (2) a county or the commissioner may establish an attendance record overpayment under  
85.25 paragraph (d).

85.26 (d) To calculate an attendance record overpayment under this subdivision, the  
85.27 commissioner or county agency shall subtract the maximum daily rate from the total amount  
85.28 paid to a provider for each day that a child's attendance record is missing, unavailable,  
85.29 incomplete, inaccurate, or otherwise inadequate.

85.30 (e) The commissioner shall develop criteria for a county to determine an attendance  
85.31 record overpayment under this subdivision.

85.32 **EFFECTIVE DATE.** This section is effective June 22, 2026.

**ARTICLE 4****DEPARTMENT OF REVENUE**

Section 1. Minnesota Statutes 2024, section 270C.445, subdivision 3, is amended to read:

**Subd. 3. Standards of conduct.** No tax preparer shall:

(1) without good cause fail to promptly, diligently, and without unreasonable delay complete a client's return;

(2) obtain the signature of a client to a return or authorizing document that contains blank spaces to be filled in after it has been signed;

(3) fail to sign a client's return when compensation for services rendered has been made;

(4) fail to provide on a client's return the preparer tax identification number when required under section 6109(a)(4) of the Internal Revenue Code or section 289A.60, subdivision 28;

(5) fail or refuse to give a client a copy of any document requiring the client's signature within a reasonable time after the client signs the document;

(6) fail to retain for at least four years a copy of a client's returns;

(7) fail to maintain a confidential relationship with clients or former clients;

(8) fail to take commercially reasonable measures to safeguard a client's nonpublic personal information;

(9) make, authorize, publish, disseminate, circulate, or cause to make, either directly or indirectly, any false, deceptive, or misleading statement or representation relating to or in connection with the offering or provision of tax preparation services;

(10) require a client to enter into a loan arrangement in order to complete a client's return;

(11) claim credits or deductions on a client's return for which the tax preparer knows or reasonably should know the client does not qualify;

(12) report a household income on a client's claim filed under chapter 290A that the tax preparer knows or reasonably should know is not accurate;

(13) engage in any conduct that is subject to a penalty under section 289A.60, subdivision 13, 20, 20a, 26, or 28;

(14) whether or not acting as a taxpayer representative, fail to conform to the standards of conduct required by Minnesota Rules, part 8052.0300, subpart 4;

87.1 (15) whether or not acting as a taxpayer representative, engage in any conduct that is  
87.2 incompetent conduct under Minnesota Rules, part 8052.0300, subpart 5;

87.3 (16) whether or not acting as a taxpayer representative, engage in any conduct that is  
87.4 disreputable conduct under Minnesota Rules, part 8052.0300, subpart 6;

87.5 (17) charge, offer to accept, or accept a fee based upon a percentage of an anticipated  
87.6 refund for tax preparation services;

87.7 (18) under any circumstances, withhold or fail to return to a client a document provided  
87.8 by the client for use in preparing the client's return;

87.9 (19) take control or ownership of a client's refund by any means, including:

87.10 (i) directly or indirectly endorsing or otherwise negotiating a check or other refund  
87.11 instrument, including an electronic version of a check;

87.12 (ii) directing an electronic or direct deposit of the refund into an account unless the  
87.13 client's name is on the account; and

87.14 (iii) establishing or using an account in the preparer's name to receive a client's refund  
87.15 through a direct deposit or any other instrument unless the client's name is also on the  
87.16 account; ~~except that a taxpayer may assign the portion of a refund representing the Minnesota~~  
87.17 ~~education credit available under section 290.0674 to a bank account without the client's~~  
87.18 ~~name, as provided under section 290.0679;~~

87.19 (20) fail to act in the best interests of the client;

87.20 (21) fail to safeguard and account for any money handled for the client;

87.21 (22) fail to disclose all material facts of which the preparer has knowledge which might  
87.22 reasonably affect the client's rights and interests;

87.23 (23) violate any provision of section 332.37;

87.24 (24) include any of the following in any document provided or signed in connection  
87.25 with the provision of tax preparation services:

87.26 (i) a hold harmless clause;

87.27 (ii) a confession of judgment or a power of attorney to confess judgment against the  
87.28 client or appear as the client in any judicial proceeding;

87.29 (iii) a waiver of the right to a jury trial, if applicable, in any action brought by or against  
87.30 a debtor;

88.1 (iv) an assignment of or an order for payment of wages or other compensation for  
88.2 services;

88.3 (v) a provision in which the client agrees not to assert any claim or defense otherwise  
88.4 available;

88.5 (vi) a waiver of any provision of this section or a release of any obligation required to  
88.6 be performed on the part of the tax preparer; or

88.7 (vii) a waiver of the right to injunctive, declaratory, or other equitable relief or relief on  
88.8 a class basis; or

88.9 (25) if making, providing, or facilitating a refund anticipation loan, fail to provide all  
88.10 disclosures required by the federal Truth in Lending Act, United States Code, title 15, in a  
88.11 form that may be retained by the client.

88.12 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
88.13 31, 2025.

88.14 **ARTICLE 5**

88.15 **DEPARTMENT OF EDUCATION**

88.16 Section 1. **[13.3211] DEPARTMENT OF EDUCATION OFFICE OF THE**  
88.17 **INSPECTOR GENERAL; INVESTIGATIVE DATA.**

88.18 (a) Data on persons that are collected, maintained, used, or disseminated by the  
88.19 Department of Education in an investigation conducted under section 127A.21 are  
88.20 confidential data on individuals pursuant to section 13.02, subdivision 3, or protected  
88.21 nonpublic data on an individual pursuant to section 13.02, subdivision 13, and shall not be  
88.22 disclosed except:

88.23 (1) pursuant to section 13.05;

88.24 (2) pursuant to statute or valid court order;

88.25 (3) to a party named in a civil or criminal proceeding for preparation of a defense;

88.26 (4) to an investigator acting on behalf of a county, state, or federal government, including  
88.27 a law enforcement officer or attorney in the investigation or prosecution of a criminal, civil,  
88.28 or administrative proceeding, unless the inspector general determines that disclosure may  
88.29 compromise an investigation; or

88.30 (5) to provide notices required or permitted by statute.



89.1 (b) The data referred to in this section shall be classified as public data upon submission  
89.2 to a court in a civil or criminal proceeding, or when the investigation is no longer being  
89.3 pursued actively, except that the data shall be disclosed as required to comply with section  
89.4 6.67 or 609.456, unless chapter 13 provides otherwise.

89.5 (c) Notwithstanding paragraph (a), the existence of an investigation conducted by the  
89.6 Office of the Inspector General or withholding of payment by the commissioner may be  
89.7 disclosed if the commissioner, after consulting with the inspector general, determines that  
89.8 it will not compromise the investigation.

89.9 Sec. 2. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

89.10 Subdivision 1. **Application.** This section shall apply to agencies which carry on a law  
89.11 enforcement function, including but not limited to municipal police departments, county  
89.12 sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota  
89.13 State Patrol, the Board of Peace Officer Standards and Training, the Department of  
89.14 Commerce, the Office of the Inspector General within the Department of Education, and  
89.15 county human service agency client and provider fraud investigation, prevention, and control  
89.16 units operated or supervised by the Department of Human Services.

89.17 Sec. 3. Minnesota Statutes 2024, section 124D.111, subdivision 2a, is amended to read:

89.18 Subd. 2a. **Federal child and adult care food program and federal summer food**  
89.19 **service program; criteria and notice; board of directors; salaries.** (a) The commissioner  
89.20 must post on the department's website eligibility criteria and application information for  
89.21 nonprofit organizations interested in applying to the commissioner for approval as a multisite  
89.22 sponsoring organization under the federal child and adult care food program and federal  
89.23 summer food service program. The posted criteria and information must inform interested  
89.24 nonprofit organizations about:

89.25 (1) the criteria the commissioner uses to approve or disapprove an application, including  
89.26 how an applicant demonstrates financial viability for the Minnesota program, among other  
89.27 criteria;

89.28 (2) the commissioner's process and time line for notifying an applicant when its  
89.29 application is approved or disapproved and, if the application is disapproved, the explanation  
89.30 the commissioner provides to the applicant; and

89.31 (3) any appeal or other recourse available to a disapproved applicant.

90.1 (b) The commissioner must evaluate financial eligibility as part of the application process.  
90.2 An organization applying to be a prospective nonprofit multisite sponsoring organization  
90.3 for the federal child and adult care food program or the federal summer food service program  
90.4 must provide documentation of financial viability as an organization. Documentation must  
90.5 include:

90.6 (1) evidence that the organization has operated for at least one year and has filed at least  
90.7 one tax return;

90.8 (2) the most recent tax return submitted by the organization and corresponding forms  
90.9 and financial statements;

90.10 (3) a profit and loss statement and balance sheet or similar financial information; and

90.11 (4) evidence that at least ten percent of the organization's operating revenue comes from  
90.12 sources other than the United States Department of Agriculture child nutrition program and  
90.13 that the organization has additional funds or a performance bond available to cover at least  
90.14 one month of reimbursement claims.

90.15 (c) When a nonprofit organization applies for sponsorship as a multisite sponsoring  
90.16 organization under the federal child and adult care food program and federal summer food  
90.17 service program, applications are evaluated on the following criteria in addition to federal  
90.18 requirements:

90.19 (1) any sponsor that receives reimbursement over the federal single audit threshold, as  
90.20 defined under Code of Federal Regulations, title 2, part 200, must ensure a minimum of  
90.21 one full-time equivalent financial director or similar role for the organization. This position  
90.22 must be solely dedicated to the responsibilities of a financial director or similar role and be  
90.23 separate from any other position within the organization;

90.24 (2) volunteers must not be allowed to make organization-level decisions, monitor sites,  
90.25 or provide financial oversight. Board members, whether paid or unpaid, are not considered  
90.26 volunteers; and

90.27 (3) unless granted special approval by the commissioner, sponsoring organizations are  
90.28 limited to an annual maximum increase of 25 percent for the number of sponsored sites and  
90.29 total reimbursement.

90.30 (d) A nonprofit organization's board of directors:

90.31 (1) must have bylaws that outline the procedures for changing the governance structure,  
90.32 consistent with chapter 317A;

91.1 (2) must have meetings that comply with chapter 13D governing open meetings; and

91.2 (3) that have nonprofit multisite sponsoring organizations must publish and maintain:

91.3 (i) the meeting minutes of the board of directors and of members and committees having  
 91.4 board-delegated authority within 30 days following the earlier of the date of board approval  
 91.5 of the minutes or at the next regularly scheduled meeting and must maintain meeting minutes  
 91.6 for at least 365 days from the date of publication; and

91.7 (ii) directory information for the board of directors and for the members of committees  
 91.8 having board-delegated authority.

91.9 (e) The commissioner must post annually on the department's website the salary ranges  
 91.10 for the positions of executive director, financial director, monitoring staff, administrative  
 91.11 staff, and officer-level positions for multisite sponsoring organizations under the federal  
 91.12 child and adult care food program and federal summer food service program. Salaries  
 91.13 charged to the nonprofit food service fund must fall within these ranges.

91.14 Sec. 4. Minnesota Statutes 2024, section 124E.02, is amended to read:

91.15 **124E.02 DEFINITIONS.**

91.16 (a) For purposes of this chapter, the terms defined in this section have the meanings  
 91.17 given them.

91.18 (b) "Affidavit" means a written statement the authorizer submits to the commissioner  
 91.19 for approval to establish a charter school under section 124E.06, subdivision 4, attesting to  
 91.20 its review and approval process before chartering a school.

91.21 (c) "Affiliate" means a person that directly or indirectly, through one or more  
 91.22 intermediaries, controls, is controlled by, or is under common control with another person.

91.23 (d) "Charter management organization" or "CMO" means a nonprofit entity or  
 91.24 organization that operates or manages a charter school or a network of charter schools or  
 91.25 can control all or substantially all of a school's education program or a school's administrative,  
 91.26 financial, business, or operational functions.

91.27 (e) "Competitive procurement process" means a process for procurement by sealed bids  
 91.28 or by proposals under section 124E.26, subdivision 4a.

91.29 ~~(e)~~ (f) "Control" means the ability to affect the management, operations, or policy actions  
 91.30 or decisions of a person, whether by owning voting securities, by contract, or otherwise.

92.1 ~~(f)~~ (g) "Educational management organization" or "EMO" means a for-profit entity or  
 92.2 organization that operates or manages a charter school or a network of charter schools or  
 92.3 can control all or substantially all of a school's education program, or a school's  
 92.4 administrative, financial, business, or operational functions.

92.5 ~~(g)~~ (h) "Immediate family member" means any relationship by blood, marriage, adoption,  
 92.6 or partnership of spouses, parents, grandparents, siblings, children, first cousins, aunts,  
 92.7 uncles, grandchildren, nieces, and nephews.

92.8 ~~(h)~~ (i) "Market need and demand study" means a study that includes the following for  
 92.9 the proposed locations of the school or additional site that supports all of the proposed  
 92.10 grades, sites, and programs:

- 92.11 (1) current and projected demographic information;
- 92.12 (2) student enrollment patterns;
- 92.13 (3) information on existing schools and types of educational programs currently available;
- 92.14 (4) characteristics of proposed students and families;
- 92.15 (5) availability of properly zoned and classified facilities; and
- 92.16 (6) quantification of existing demand for the school or site.

92.17 ~~(i)~~ (j) "Person" means an individual or entity of any kind.

92.18 ~~(j)~~ (k) "Related party" means an affiliate or immediate family member of the other  
 92.19 interested party, an affiliate of an immediate family member who is the other interested  
 92.20 party, or an immediate family member of an affiliate who is the other interested party.

92.21 ~~(k)~~ (l) For purposes of this chapter, the terms defined in section 120A.05 have the same  
 92.22 meanings.

92.23 Sec. 5. Minnesota Statutes 2024, section 124E.16, subdivision 1, is amended to read:

92.24 Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits,  
 92.25 audit procedures, and audit requirements as a district, except as required under this  
 92.26 subdivision. Audits must be conducted in compliance with generally accepted governmental  
 92.27 auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing  
 92.28 auditing procedures. The audit must comply with the requirements of sections 123B.75 to  
 92.29 123B.83 governing school district finance, except when the commissioner and authorizer  
 92.30 approve a deviation made necessary because of school program finances. The commissioner,  
 92.31 state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance

93.1 audits. A charter school in statutory operating debt under sections 123B.81 to 123B.83 must  
93.2 submit a plan under section 123B.81, subdivision 4.

93.3 (b) The charter school must submit an audit report, including all supplemental information  
93.4 included with the audit, to the commissioner and its authorizer annually by December 31.

93.5 (c) The charter school, with the assistance of the auditor conducting the audit, must  
93.6 include with the report, as supplemental information: (1) a copy of ~~a new~~ any management  
93.7 agreement ~~or an amendment to a current agreement~~ with a CMO or EMO ~~signed during the~~  
93.8 ~~audit year~~; and (2) a copy of a service agreement or contract with a company or individual  
93.9 totaling over five percent of the audited expenditures for the most recent audit year. The  
93.10 agreements must detail the terms of the agreement, including the services provided and the  
93.11 annual costs for those services.

93.12 (d) A charter school independent audit report shall include audited financial data of an  
93.13 affiliated building corporation under section 124E.13, subdivision 3, or other component  
93.14 unit.

93.15 (e) If the audit report finds that a material weakness exists in the financial reporting  
93.16 systems of a charter school, the charter school must submit a written report to the  
93.17 commissioner explaining how the charter school will resolve that material weakness. An  
93.18 auditor, as a condition of providing financial services to a charter school, must agree to  
93.19 make available information about a charter school's financial audit to the commissioner and  
93.20 authorizer upon request.

93.21 Sec. 6. Minnesota Statutes 2024, section 124E.16, is amended by adding a subdivision to  
93.22 read:

93.23 Subd. 4. **Authorizer performance evaluation report.** (a) A charter school must publish  
93.24 on its website the formal written performance evaluation from its authorizer and disseminate  
93.25 the evaluation to enrolled families in languages parents understand.

93.26 (b) Evaluations must be published on the charter school's website within 15 business  
93.27 days of receipt of the evaluation by the charter school.

93.28 Sec. 7. Minnesota Statutes 2024, section 124E.26, subdivision 4, is amended to read:

93.29 Subd. 4. **Required policy components.** A charter school procurement policy must at a  
93.30 minimum include:

93.31 (1) conflict of interest provisions consistent with section 124E.14;

94.1 (2) thresholds for purchases by employees without board approval;

94.2 (3) thresholds for purchases that require competitive ~~bidding~~ procurement processes as  
94.3 defined in section 124E.02, paragraph (e), except that a competitive bidding procurement  
94.4 process must occur for any procurement estimated to exceed \$25,000; and

94.5 (4) a prohibition on breaking up a procurement into smaller components to avoid the  
94.6 thresholds established in clauses (2) and (3).

94.7 Notwithstanding clause (3), for a procurement estimated to exceed \$25,000 but not \$175,000,  
94.8 the purchase may be made either by a competitive procurement process, or by direct  
94.9 negotiation by obtaining two or more bids or proposals for the purchase or sale when possible  
94.10 and without advertising for bids or proposals or otherwise complying with the requirements  
94.11 of a competitive procurement process. If a procurement is estimated to exceed \$175,000, a  
94.12 competitive procurement process must occur.

94.13 Sec. 8. Minnesota Statutes 2024, section 124E.26, is amended by adding a subdivision to  
94.14 read:

94.15 Subd. 4a. **Competitive procurement.** (a) "Procurement by sealed bids" means a process  
94.16 in which bids are publicly solicited and a firm fixed price contract by lump sum or unit price  
94.17 is awarded to the responsible bidder whose bid, conforming with all material terms and  
94.18 conditions of the invitation for bids, is the lowest in price. If sealed bids are used, the  
94.19 following requirements apply:

94.20 (1) bids must be solicited from an adequate number of qualified sources, providing  
94.21 bidders sufficient response time prior to the date set for opening bids;

94.22 (2) the invitation for bids, which includes any specifications and pertinent attachments,  
94.23 must define the items or services in order for the bidder to properly respond;

94.24 (3) all bids will be opened at the time and place prescribed in the invitation for bids, and  
94.25 the bids must be opened publicly;

94.26 (4) a firm fixed price contract award will be made in writing to the lowest responsive  
94.27 and responsible bidder. Where specified in bidding documents, factors such as discounts,  
94.28 transportation cost, and life cycle costs must be considered in determining which bid is  
94.29 lowest. Payment discounts will only be used to determine the low bid when prior experience  
94.30 indicates that the discounts are usually taken advantage of;

94.31 (5) any or all bids may be rejected if there is a sound documented reason; and

94.32 (6) in order for a sealed bid to be feasible, the following conditions must be present:

95.1 (i) a complete, adequate, and realistic specification or purchase description is available;  
95.2 (ii) two or more responsible bidders are willing and able to compete effectively for the  
95.3 business; and

95.4 (iii) the procurement lends itself to a firm fixed price contract and the selection of the  
95.5 successful bidder can be made principally on the price.

95.6 (b) "Procurement by proposals" means a process in which either a fixed price or  
95.7 cost-reimbursement type contract is awarded. Proposals are generally used when conditions  
95.8 are not appropriate for the use of sealed bids. They are awarded in accordance with the  
95.9 following requirements:

95.10 (1) requests for proposals must be publicized and identify all evaluation factors and their  
95.11 relative importance. Proposals must be solicited from an adequate number of qualified  
95.12 offerors. Any response to publicized requests for proposals must be considered to the  
95.13 maximum extent practical;

95.14 (2) the charter school must have a written method for conducting technical evaluations  
95.15 of the proposals received and for making selections; and

95.16 (3) contracts must be awarded to the responsible offeror whose proposal is most  
95.17 advantageous to the charter school, with price and other factors considered.

95.18 Sec. 9. Minnesota Statutes 2024, section 124E.26, subdivision 5, is amended to read:

95.19 Subd. 5. **Reduction in aid.** If a charter school makes a purchase with a policy not  
95.20 consistent with this section or without a procurement policy adopted by the school's board,  
95.21 or makes a purchase not in conformity with the school's procurement policy, the  
95.22 commissioner may reduce that charter school's state aid in an amount equal to the purchase.

95.23 Sec. 10. Minnesota Statutes 2024, section 127A.21, subdivision 1, is amended to read:

95.24 Subdivision 1. **Establishment of Office of the Inspector General; powers; duties.** The  
95.25 commissioner must establish within the department an Office of the Inspector General. The  
95.26 inspector general shall report directly to the commissioner. The Office of the Inspector  
95.27 General is charged with protecting the integrity of the department and the state by detecting  
95.28 and preventing fraud, theft, waste, and abuse in department programs. The Office of the  
95.29 Inspector General must conduct independent and objective investigations to promote the  
95.30 integrity of the department's programs and operations. When fraud, theft, or other misuse  
95.31 of public funds is detected, the Office of the Inspector General must report it to the

96.1 appropriate law enforcement entity and collaborate and cooperate with law enforcement to  
96.2 assist in the investigation and any subsequent civil and criminal prosecution.

96.3 Sec. 11. Minnesota Statutes 2024, section 127A.21, subdivision 1a, is amended to read:

96.4 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the  
96.5 meanings given.

96.6 (b) "Abuse" means actions that may, directly or indirectly, result in unnecessary costs  
96.7 to department programs. Abuse may involve paying for items or services when there is no  
96.8 legal entitlement to that payment, or behavior that is deficient or improper when compared  
96.9 with behavior that a prudent person would consider a reasonable and necessary business  
96.10 practice given the facts and circumstances. Abuse includes but is not limited to:

96.11 (1) obtaining or attempting to obtain department program funds when required  
96.12 information is missing or incorrect;

96.13 (2) failing to correct errors in the filing or maintenance of records in a timely manner  
96.14 after a request by the department;

96.15 (3) obtaining or attempting to obtain department program funds that overstate the level  
96.16 or amount that is allowed to be reimbursed under law, program rules, or contract;

96.17 (4) obtaining or attempting to obtain grant funds from the department program by means  
96.18 that are not allowed or do not comply with grant requirements;

96.19 (5) failing to disclose or make available requested records to the department pursuant  
96.20 to law, program rules, or contract;

96.21 (6) refusing to provide access to records as required by subdivision 4;

96.22 (7) failing to keep or maintain records as required by law, rule, or contract; and

96.23 (8) a program participant seeking department program funds after being excluded.

96.24 (c) "Department program" means a program funded by the Department of Education  
96.25 that involves the transfer or disbursement of public funds or other resources to a program  
96.26 participant. "Department program" includes state and federal aids or grants received by a  
96.27 school district or charter school or other program participant.

96.28 (d) "Excluded" means removed by any means from a program administered by a  
96.29 Minnesota state agency or federal agency.

96.30 ~~(d)~~ (e) "Fraud" means an intentional or deliberate act to deprive another of property or  
96.31 money or to acquire property or money by deception or other unfair means. Fraud includes



97.1 intentionally submitting false information to the department for the purpose of either  
97.2 obtaining a greater compensation or benefit than that to which the ~~person~~ program participant  
97.3 is legally entitled or hiding the misuse of funds. ~~Fraud also includes failure to correct errors~~  
97.4 ~~in the maintenance of records in a timely manner after a request by the department~~. Fraud  
97.5 also includes acts that constitute a crime against any program, or attempts or conspiracies  
97.6 to commit those crimes, including but not limited to the following:

97.7 (1) theft in violation of section 609.52;

97.8 (2) perjury in violation of section 609.48; and

97.9 (3) aggravated forgery and forgery in violation of sections 609.625 and 609.63.

97.10 ~~(e)~~ (f) "Investigation" means an audit, investigation, proceeding, or inquiry by the Office  
97.11 of the Inspector General related to a program participant in a department program.

97.12 ~~(f)~~ (g) "Program participant" means any entity or person, including associated entities  
97.13 or persons, that receives, disburses, or has custody of funds or other resources transferred  
97.14 or disbursed under a department program. Associated persons or entities include but are not  
97.15 limited to vendors or other entities or persons that contract with recipients of department  
97.16 program funds.

97.17 (h) "Theft" means the act defined in section 609.52, subdivision 2.

97.18 ~~(g)~~ (i) "Waste" means practices that, directly or indirectly, result in unnecessary costs  
97.19 to department programs, such as misusing resources. Waste includes an attempt or act using  
97.20 or expending resources carelessly, extravagantly, or to no purpose.

97.21 ~~(h)~~ (j) For purposes of this section, neither "fraud," "theft," "waste," nor "abuse" includes  
97.22 decisions on instruction, curriculum, personnel, or other discretionary policy decisions made  
97.23 by a school district, charter school, cooperative unit as defined by section 123A.24,  
97.24 subdivision 2, or any library, library system, or library district defined in section 134.001.

97.25 Sec. 12. Minnesota Statutes 2024, section 127A.21, subdivision 4, is amended to read:

97.26 Subd. 4. **Access to records.** (a) For purposes of an investigation, and regardless of the  
97.27 data's classification under chapter 13, the Office of the Inspector General shall have access  
97.28 to all relevant books, accounts, documents, data, and property related to department programs  
97.29 that are maintained by a program participant, charter school, or government entity as defined  
97.30 by section 13.02.

(b) Notwithstanding paragraph (a), the Office of the Inspector General must issue a subpoena under subdivision 3 in order to access routing and account numbers to which Department of Education funds have been disbursed.

(c) Records requested by the Office of the Inspector General under this subdivision shall be provided in a format, place, and time frame reasonably requested by the Office of the Inspector General.

(d) The department may enter into specific agreements with other state agencies related to records requests by the Office of the Inspector General.

(e) In an investigation, program participants must give the Office of the Inspector General immediate access without prior notice to any locations of potential record storage and the records themselves, whether physical or electronic, during regular business hours, and to any records related to a department program. Denying the Office of the Inspector General access to requested records is cause for immediate suspension of payment.

(f) The Office of the Inspector General, at its own expense, may photocopy or otherwise duplicate any record related to a department program. Photocopying or electronic duplication shall be done on the program participant's premises when immediate access is requested, unless removal is specifically permitted by the program participant. If requested, a program participant must help the Office of the Inspector General duplicate any department program record or other records related to a department program's operation, including hard copies or electronically stored data, on the day when access is requested.

Sec. 13. Minnesota Statutes 2024, section 127A.21, subdivision 5, is amended to read:

Subd. 5. **Sanctions; appeal.** (a) This subdivision does not authorize any sanction that reduces, pauses, or otherwise interrupts state or federal aid to a school district, charter school, cooperative unit as defined by section 123A.24, subdivision 2, or any library, library system, or library district defined in section 134.001.

(b) The inspector general may recommend that the commissioner impose appropriate temporary sanctions, ~~including withholding of payments under the department program, on a program participant pending an investigation by the Office of the Inspector General if:~~

~~(1) during the course of an investigation, the Office of the Inspector General finds credible indicia of fraud, waste, or abuse by the program participant;~~

~~(2) (1) there has been a criminal, civil, or administrative adjudication of fraud, theft, waste, or abuse against the program participant in Minnesota or in another state or jurisdiction; or~~

~~(3) the program participant was receiving funds under any contract or registered in any program administered by another Minnesota state agency, a government agency in another state, or a federal agency, and was excluded from that contract or program for reasons credibly indicating fraud, waste, or abuse by the program participant; or~~

~~(4)~~ (2) the program participant has a pattern of noncompliance with an investigation.

(c) If an investigation finds, by a preponderance of the evidence, fraud, theft, waste, or abuse by a program participant, the inspector general may, after reviewing all facts and evidence and when acting judiciously on a case-by-case basis, recommend that the commissioner impose appropriate sanctions on the program participant.

(d) Unless prohibited by law, the commissioner has the authority to implement recommendations by the inspector general, including imposing appropriate sanctions; ~~temporarily or otherwise~~, on a program participant. Sanctions may include ending program participation, stopping disbursement of funds or resources, monetary recovery, and termination of department contracts with the participant for any current or future department program or contract. A sanction may be imposed for up to the longest period permitted by state or federal law. Sanctions authorized under this subdivision are in addition to other remedies and penalties available under law.

(e) If the commissioner imposes sanctions on a program participant under this subdivision, the commissioner must notify the participant in writing within seven business days of imposing the sanction, unless requested in writing by a law enforcement agency to temporarily delay issuing the notice to prevent disruption of an ongoing law enforcement agency investigation. A notice of sanction must state:

(1) the sanction being imposed;

(2) the general allegations that form the basis for the sanction;

(3) the duration of the sanction;

(4) the department programs to which the sanction applies; and

(5) how the program participant may appeal the sanction pursuant to paragraph (e).

(f) A program participant sanctioned under this subdivision may, within 30 days after the date the notice of sanction was mailed to the participant, appeal the determination by requesting in writing that the commissioner initiate a contested case proceeding under chapter 14. The scope of any contested case hearing is limited to the sanction imposed under this subdivision. An appeal request must specify with particularity each disputed item, the

100.1 reason for the dispute, and must include the name and contact information of the person or  
100.2 entity that may be contacted regarding the appeal.

100.3 (g) The commissioner shall lift sanctions imposed under this subdivision if the Office  
100.4 of the Inspector General determines there is insufficient evidence of fraud, theft, waste, or  
100.5 abuse by the program participant. The commissioner must notify the participant in writing  
100.6 within seven business days of lifting the sanction.

100.7 Sec. 14. Minnesota Statutes 2024, section 127A.21, subdivision 6, is amended to read:

100.8 Subd. 6. **Data practices.** (a) It is not a violation of rights conferred by chapter 13 or any  
100.9 other statute related to the confidentiality of government data for a government entity as  
100.10 defined in section 13.02 to provide data or information under this section.

100.11 (b) The inspector general is subject to the Government Data Practices Act, chapter 13,  
100.12 and shall protect from unlawful disclosure data classified as not public. Data collected,  
100.13 created, received, or maintained by the inspector general relating to an ~~audit~~, investigation,  
100.14 proceeding, or inquiry are subject to ~~section 13.39~~ sections 13.3211 and 13.82.

100.15 Sec. 15. Minnesota Statutes 2024, section 127A.21, subdivision 7, is amended to read:

100.16 Subd. 7. ~~**Retaliation, Interference prohibited.** (a) An employee or other individual~~  
100.17 ~~who discloses information to the Office of the Inspector General about fraud, waste, or~~  
100.18 ~~abuse in department programs is protected under section 181.932, governing disclosure of~~  
100.19 ~~information by employees.~~

100.20 ~~(b)~~ No state employee may interfere with or obstruct an investigation authorized by this  
100.21 section.

100.22 Sec. 16. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
100.23 to read:

100.24 Subd. 8. **Immunity and confidentiality.** (a) A person who makes a good faith report  
100.25 is immune from any civil liability that might otherwise arise from reporting or participating  
100.26 in the investigation. Nothing in this subdivision affects an individual's or entity's  
100.27 responsibility for any monetary recovery under existing law or contractual obligation when  
100.28 receiving public funds.

100.29 (b) For purposes of this subdivision, "person" means a natural person.

100.30 (c) After an investigation is complete, the reporter's name and any identifying information  
100.31 must be kept confidential. The subject of the report may compel disclosure of the reporter's

101.1 name only with the consent of the reporter or upon a written finding by a district court that  
101.2 the report was false and there is evidence that the report was made in bad faith. This  
101.3 subdivision does not alter disclosure responsibilities or obligations under the Rules of  
101.4 Criminal Procedure, except that when the identity of the reporter is relevant to a criminal  
101.5 prosecution the district court shall conduct an in-camera review before determining whether  
101.6 to order disclosure of the reporter's identity.

101.7 Sec. 17. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
101.8 to read:

101.9 Subd. 9. **Limits on receiving public funds; prohibition.** (a) This subdivision does not  
101.10 authorize any action that reduces, pauses, or otherwise interrupts state or federal aid to a  
101.11 school district, charter school, cooperative unit as defined in section 123A.24, subdivision  
101.12 2, or any library, library system, or library district defined in section 134.001.

101.13 (b) For purposes of this subdivision, "program participant" includes individuals or persons  
101.14 who have an ownership interest in, control of, or the ability to control a program participant  
101.15 in a department program.

101.16 (c) If a program participant is excluded from a department program, the inspector general  
101.17 shall notify the commissioner, who shall:

101.18 (1) prohibit the excluded program participant from enrolling in, receiving grant money  
101.19 from, or registering in any other program administered by the commissioner; and

101.20 (2) disenroll or disqualify the excluded program participant from any other program  
101.21 administered by the commissioner.

101.22 (d) If a program participant enrolled, licensed, or receiving funds under any contract or  
101.23 program administered by a Minnesota state agency or federal agency is excluded from that  
101.24 program, the inspector general shall notify the commissioner, who may:

101.25 (1) prohibit the excluded program participant from enrolling in, becoming licensed,  
101.26 receiving grant money from, or registering in any other program administered by the  
101.27 commissioner; and

101.28 (2) disenroll or disqualify the excluded program participant from any other program  
101.29 administered by the commissioner.

101.30 (e) The duration of a prohibition, disenrollment, revocation, suspension, or  
101.31 disqualification under paragraph (c) must last for the longest applicable sanction or  
101.32 disqualifying period in effect for the program participant permitted by state or federal law.

102.1 The duration of a prohibition, disenrollment, revocation, suspension, or disqualification  
102.2 under paragraph (d) may last up until the longest applicable sanction or disqualifying period  
102.3 in effect for the program participant as permitted by state or federal law.

102.4 Sec. 18. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
102.5 to read:

102.6 Subd. 10. **Notice.** Within five days of taking an action against a program participant  
102.7 under subdivision 9, paragraph (c) or (d), the commissioner must send notice of the action  
102.8 to the program participant. The notice must state:

102.9 (1) the basis for the action;

102.10 (2) the effective date of the action;

102.11 (3) the right to appeal the action; and

102.12 (4) the requirements and procedures for reinstatement.

102.13 Sec. 19. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
102.14 to read:

102.15 Subd. 11. **Appeal.** (a) Upon receipt of a notice under subdivision 10, a program  
102.16 participant may request a contested case hearing, as defined in section 14.02, subdivision  
102.17 3, by filing with the commissioner a written request of appeal. The appeal request must be  
102.18 received by the commissioner no later than 30 days after the date the notification was mailed  
102.19 to the program participant.

102.20 (b) The appeal request must specify: (1) each disputed item and the reason for the dispute;  
102.21 (2) the authority in statute or rule upon which the program participant relies for each disputed  
102.22 item; (3) the name and address of the person or entity with whom contacts may be made  
102.23 regarding the appeal; and (4) other information required by the commissioner.

102.24 (c) Unless timely and proper appeal is received by the commissioner, the action of the  
102.25 commissioner shall be considered final and binding on the effective date of the action as  
102.26 stated in the notice under subdivision 10, clause (2).

102.27 Sec. 20. Minnesota Statutes 2024, section 127A.21, is amended by adding a subdivision  
102.28 to read:

102.29 Subd. 12. **Withholding of payments.** (a) This subdivision does not authorize withholding  
102.30 of payments that reduces, pauses, or otherwise interrupts state or federal aid to a school

103.1 district, charter school, cooperative unit as defined in section 123A.24, subdivision 2, or  
103.2 any library, library system, or library district defined in section 134.001.

103.3 (b) Except as otherwise provided by state or federal law, the inspector general shall  
103.4 notify and recommend to the commissioner to withhold payments to a program participant  
103.5 in any program administered by the commissioner, to the extent permitted under federal  
103.6 law, if the commissioner determines there is a credible allegation of fraud or theft for which  
103.7 an investigation is pending for a program administered by the department, a Minnesota state  
103.8 agency, or a federal agency.

103.9 (c) Allegations are considered credible when they have indicia of reliability and the  
103.10 inspector general has reviewed the evidence and acts on a case-by-case basis. A credible  
103.11 allegation of fraud is an allegation that has been verified by the commissioner from any  
103.12 source, including but not limited to:

103.13 (1) fraud hotline complaints;

103.14 (2) claims data mining; and

103.15 (3) patterns identified through provider audits, civil false claims cases, and investigations.

103.16 (d) The commissioner must send notice of the withholding of payments within five days  
103.17 of taking such action. The notice must: (1) state that payments are being withheld according  
103.18 to this paragraph; (2) set forth the general allegations as to the reasons for the withholding  
103.19 action, but need not disclose any specific information concerning an ongoing investigation;  
103.20 (3) state that the withholding is for a temporary period and cite the circumstances under  
103.21 which withholding will be terminated; and (4) inform the program participant of the right  
103.22 to submit written evidence for consideration by the commissioner.

103.23 (e) The withholding of payments shall not continue after the commissioner determines  
103.24 there is insufficient evidence of fraud by the program participant or after legal proceedings  
103.25 relating to the alleged fraud are completed, unless the commissioner has sent notice under  
103.26 subdivision 5 of the intention to take an additional action related to the program participant's  
103.27 participation in a program administered by the commissioner.

103.28 (f) The withholding of payments is a temporary action and shall not be subject to appeal  
103.29 under this subdivision or chapter 14.

103.30 Sec. 21. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

103.31 Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from  
103.32 any person under the administration of the Minnesota Unemployment Insurance Law are

104.1 private data on individuals or nonpublic data not on individuals as defined in section 13.02,  
104.2 subdivisions 9 and 12, and may not be disclosed except according to a district court order  
104.3 or section 13.05. A subpoena is not considered a district court order. These data may be  
104.4 disseminated to and used by the following agencies without the consent of the subject of  
104.5 the data:

104.6 (1) state and federal agencies specifically authorized access to the data by state or federal  
104.7 law;

104.8 (2) any agency of any other state or any federal agency charged with the administration  
104.9 of an unemployment insurance program;

104.10 (3) any agency responsible for the maintenance of a system of public employment offices  
104.11 for the purpose of assisting individuals in obtaining employment;

104.12 (4) the public authority responsible for child support in Minnesota or any other state in  
104.13 accordance with section 518A.83;

104.14 (5) human rights agencies within Minnesota that have enforcement powers;

104.15 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
104.16 laws;

104.17 (7) public and private agencies responsible for administering publicly financed assistance  
104.18 programs for the purpose of monitoring the eligibility of the program's recipients;

104.19 (8) the Department of Labor and Industry and the Commerce Fraud Bureau in the  
104.20 Department of Commerce for uses consistent with the administration of their duties under  
104.21 Minnesota law;

104.22 (9) the Department of Human Services and the Office of Inspector General and its agents  
104.23 within the Department of Human Services, including county fraud investigators, for  
104.24 investigations related to recipient or provider fraud and employees of providers when the  
104.25 provider is suspected of committing public assistance fraud;

104.26 (10) the Department of Human Services for the purpose of evaluating medical assistance  
104.27 services and supporting program improvement;

104.28 (11) local and state welfare agencies for monitoring the eligibility of the data subject  
104.29 for assistance programs, or for any employment or training program administered by those  
104.30 agencies, whether alone, in combination with another welfare agency, or in conjunction  
104.31 with the department or to monitor and evaluate the statewide Minnesota family investment  
104.32 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,



105.1 and the Supplemental Nutrition Assistance Program Employment and Training program by  
105.2 providing data on recipients and former recipients of Supplemental Nutrition Assistance  
105.3 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
105.4 care assistance under chapter 142E, or medical programs under chapter 256B or 256L or  
105.5 formerly codified under chapter 256D;

105.6 (12) local and state welfare agencies for the purpose of identifying employment, wages,  
105.7 and other information to assist in the collection of an overpayment debt in an assistance  
105.8 program;

105.9 (13) local, state, and federal law enforcement agencies for the purpose of ascertaining  
105.10 the last known address and employment location of an individual who is the subject of a  
105.11 criminal investigation;

105.12 (14) the United States Immigration and Customs Enforcement has access to data on  
105.13 specific individuals and specific employers provided the specific individual or specific  
105.14 employer is the subject of an investigation by that agency;

105.15 (15) the Department of Health for the purposes of epidemiologic investigations;

105.16 (16) the Department of Corrections for the purposes of case planning and internal research  
105.17 for preprobation, probation, and postprobation employment tracking of offenders sentenced  
105.18 to probation and preconfinement and postconfinement employment tracking of committed  
105.19 offenders;

105.20 (17) the state auditor to the extent necessary to conduct audits of job opportunity building  
105.21 zones as required under section 469.3201;

105.22 (18) the Office of Higher Education for purposes of supporting program improvement,  
105.23 system evaluation, and research initiatives including the Statewide Longitudinal Education  
105.24 Data System; ~~and~~

105.25 (19) the Family and Medical Benefits Division of the Department of Employment and  
105.26 Economic Development to be used as necessary to administer chapter 268B; and

105.27 (20) the Department of Education Office of the Inspector General for investigations  
105.28 related to fraud, theft, waste, and abuse or other misuse of public funds by a program  
105.29 participant in a department program pursuant to chapter 127A.21.

105.30 (b) Data on individuals and employers that are collected, maintained, or used by the  
105.31 department in an investigation under section 268.182 are confidential as to data on individuals  
105.32 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3

and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

## ARTICLE 6

### DEPARTMENT OF PUBLIC SAFETY

Section 1. Minnesota Statutes 2024, section 13.82, subdivision 1, is amended to read:

Subdivision 1. **Application.** This section shall apply to agencies which carry on a law enforcement function, including but not limited to municipal police departments, county sheriff departments, fire departments, the Bureau of Criminal Apprehension, the Minnesota State Patrol, the Board of Peace Officer Standards and Training, ~~the Department of Commerce~~, and county human service agency client and provider fraud investigation, prevention, and control units operated or supervised by the Department of Human Services.

Sec. 2. Minnesota Statutes 2024, section 43A.17, subdivision 13, is amended to read:

Subd. 13. **Compensation for law enforcement officers.** (a) For purposes of this subdivision, the term "law enforcement officers" means all licensed peace officers employed by the state who are included in the state units under section 179A.10, subdivision 2, including without limitation: Minnesota State Patrol troopers, Bureau of Criminal Apprehension agents, including Financial Crimes and Fraud Section agents, and Alcohol and Gambling Enforcement agents, in the Department of Public Safety; Department of Natural Resources conservation officers; and Department of Corrections Fugitive Apprehension Unit members; ~~and Commerce Fraud Bureau agents in the Department of Commerce.~~

(b) When the commissioner of management and budget negotiates a collective bargaining agreement establishing compensation for law enforcement officers, the commissioner must use compensation and benefit data from the most recent salary and benefits survey conducted pursuant to section 299D.03, subdivision 2a, to compare salaries to ensure appropriate increases are made to law enforcement officer salaries and benefits.

Sec. 3. Minnesota Statutes 2024, section 45.0135, subdivision 2b, is amended to read:

Subd. 2b. **Duties.** The commissioner of commerce ~~Fraud Bureau shall~~ may:

107.1 (1) review notices and reports ~~within the Commerce Fraud Bureau's primary jurisdiction~~  
107.2 submitted by authorized insurers, their employees, and agents or producers regarding  
107.3 insurance fraud, as defined in section 60A.951, subdivision 4;

107.4 ~~(2) respond to notifications or complaints within the Commerce Fraud Bureau's primary~~  
107.5 ~~jurisdiction generated by other law enforcement agencies, state or federal governmental~~  
107.6 ~~units, or any other person;~~

107.7 ~~(3)~~ (2) initiate inquiries and conduct investigations under section 45.027 when the bureau  
107.8 commissioner has reason to believe that ~~an offense within the Commerce Fraud Bureau's~~  
107.9 ~~primary jurisdiction~~ insurance fraud, as defined in section 60A.951, subdivision 4, has been  
107.10 or is being committed; and

107.11 ~~(4) report crimes disclosed by the Commerce Fraud Bureau's investigations to appropriate~~  
107.12 ~~law enforcement agencies, including, but not limited to, the attorney general, county~~  
107.13 ~~attorneys, or any other appropriate law enforcement or regulatory agency, and shall assemble~~  
107.14 ~~evidence, prepare charges, and otherwise assist any law enforcement authority having~~  
107.15 ~~jurisdiction.~~

107.16 (3) share active investigative data pursuant to section 13.39 concerning insurance fraud  
107.17 with the commissioner of public safety and the Bureau of Criminal Apprehension.

107.18 Sec. 4. Minnesota Statutes 2024, section 45.0135, is amended by adding a subdivision to  
107.19 read:

107.20 Subd. 2g. **Criminal insurance fraud investigations.** (a) The Bureau of Criminal  
107.21 Apprehension shall conduct investigations of criminal insurance fraud, as defined in section  
107.22 609.611, in accordance with section 299C.061.

107.23 (b) The commissioner shall report criminal insurance fraud-related crimes disclosed by  
107.24 the Department of Commerce's investigations of civil insurance fraud to the Bureau of  
107.25 Criminal Apprehension.

107.26 Sec. 5. Minnesota Statutes 2024, section 45.0135, subdivision 6, is amended to read:

107.27 Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account  
107.28 is created in the state treasury. Money received from assessments under ~~subdivision 7~~ section  
107.29 299C.061, subdivision 10, and transferred from the automobile theft prevention account in  
107.30 sections 65B.84, subdivision 1, and 297I.11, subdivision 2, is deposited in the account.  
107.31 Money in this fund is appropriated to the commissioner of ~~commerce~~ public safety for the  
107.32 purposes specified in this section and sections 60A.951 to 60A.956.

Sec. 6. Minnesota Statutes 2024, section 45.0135, subdivision 7, is amended to read:

Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota, including surplus lines carriers, and having Minnesota earned premium the previous calendar year shall remit an assessment to the commissioner of public safety for deposit in the insurance fraud prevention account on or before June 1 of each year. The amount of the assessment shall be based on the insurer's total assets and on the insurer's total written Minnesota premium, for the preceding fiscal year, as reported pursuant to section 60A.13. The commissioner of public safety shall consult with the commissioner of commerce for purposes of calculating the assessment amount. Beginning with the payment due on or before June 1, 2024, the assessment amount is:

Total Assets	Assessment
Less than \$100,000,000	\$ 400
\$100,000,000 to \$1,000,000,000	\$ 1,500
Over \$1,000,000,000	\$ 4,000
Minnesota Written Premium	Assessment
Less than \$10,000,000	\$ 400
\$10,000,000 to \$100,000,000	\$ 1,500
Over \$100,000,000	\$ 4,000

For purposes of this subdivision, the following entities are not considered to be insurers authorized to sell insurance in the state of Minnesota: risk retention groups; or township mutuals organized under chapter 67A.

Sec. 7. Minnesota Statutes 2024, section 45.0135, subdivision 8, is amended to read:

Subd. 8. **Investigations; health-related boards.** (a) ~~The Commerce Fraud Bureau~~ Bureau of Criminal Apprehension may consult with the appropriate health-related board when a licensee, licensed under chapter 144E, 147, 148, 148B, or 150A, is suspected of insurance fraud.

(b) The bureau shall, for any conviction involving or related to insurance, send copies of all public data in its possession to the appropriate health-related licensing board.

Sec. 8. Minnesota Statutes 2024, section 45.0135, subdivision 9, is amended to read:

Subd. 9. **Administrative penalty for insurance fraud.** (a) The commissioner may:

109.1 (1) impose an administrative penalty against any person in an amount as set forth in  
109.2 paragraph (b) for each intentional act of insurance fraud or substantiated acts of attempted  
109.3 insurance fraud, as defined in section 60A.951, subdivision 4, committed by that person;

109.4 (2) order restitution to any person suffering loss as a result of the insurance fraud; and

109.5 (3) order restitution to a company for the reasonable documented cost of any investigation  
109.6 in connection with the insurance fraud.

109.7 (b) The administrative penalty for each violation described in paragraph (a) may be no  
109.8 more than:

109.9 (1) \$20,000 if the funds or the value of the property or services wrongfully obtained  
109.10 exceeds \$5,000;

109.11 (2) \$10,000 if the funds or value of the property or services wrongfully obtained exceeds  
109.12 \$1,000, but not more than \$5,000;

109.13 (3) \$3,000 if the funds or value of the property or services wrongfully obtained is more  
109.14 than \$500, but not more than \$1,000; and

109.15 (4) \$1,000 if the funds or value of the property or services wrongfully obtained is \$500  
109.16 or less.

109.17 (c) If an administrative penalty is not paid after all rights of appeal have been waived  
109.18 or exhausted, the commissioner may bring a civil action in a court of competent jurisdiction  
109.19 to collect the administrative penalty, including expenses and litigation costs, reasonable  
109.20 attorney fees, and interest.

109.21 (d) This section does not affect a person's right to seek recovery, including expenses  
109.22 and litigation costs, reasonable attorney fees, and interest, against any person that commits  
109.23 insurance fraud.

109.24 (e) For purposes of this subdivision, "insurance fraud" has the meaning given in section  
109.25 60A.951, subdivision 4.

109.26 (f) Hearings under this subdivision must be conducted in accordance with chapter 14  
109.27 and any other applicable law.

109.28 (g) All revenues from penalties, expenses, costs, fees, and interest collected under  
109.29 paragraphs (a) to (c) shall be deposited ~~in~~ into the insurance fraud prevention account under  
109.30 ~~subdivision 6~~ section 299C.061, subdivision 9.

110.1 Sec. 9. Minnesota Statutes 2024, section 60A.951, subdivision 2, is amended to read:

110.2 Subd. 2. **Authorized person.** "Authorized person" means the county attorney, sheriff,  
110.3 or chief of police responsible for investigations in the county where the suspected insurance  
110.4 fraud occurred; the superintendent of the Bureau of Criminal Apprehension; the commissioner  
110.5 of commerce; ~~the Commerce Fraud Bureau~~; the commissioner of labor and industry; the  
110.6 attorney general; or any duly constituted criminal investigative department or agency of the  
110.7 United States.

110.8 Sec. 10. Minnesota Statutes 2024, section 60A.952, subdivision 2, is amended to read:

110.9 Subd. 2. **Notice to and cooperation with the ~~Commerce Fraud Bureau~~ Bureau of**  
110.10 **Criminal Apprehension.** Any insurer or insurance professional that has reasonable belief  
110.11 that an act of insurance fraud will be, is being, or has been committed, shall furnish and  
110.12 disclose all relevant information to the ~~Commerce Fraud Bureau~~ Bureau of Criminal  
110.13 Apprehension or to any authorized person and cooperate fully with any investigation  
110.14 conducted by the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension. Any person  
110.15 that has a reasonable belief that an act of insurance fraud will be, is being, or has been  
110.16 committed, or any person who collects, reviews, or analyzes information concerning  
110.17 insurance fraud may furnish and disclose any information in its possession concerning the  
110.18 act to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, any authorized  
110.19 person, or to an authorized representative of an insurer that requests the information for the  
110.20 purpose of detecting, prosecuting, or preventing insurance fraud. The insurer may also  
110.21 release relevant information to any person authorized to receive the information under  
110.22 section 72A.502, subdivision 2. If disclosure is made to an authorized person other than the  
110.23 ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension, a copy of the disclosure must  
110.24 be sent to the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension.

110.25 Sec. 11. Minnesota Statutes 2024, section 60A.952, subdivision 4, is amended to read:

110.26 Subd. 4. **Tolling of time periods.** If an insurer has a reasonable or probable cause to  
110.27 believe that an insurance fraud has been committed in connection with an insurance claim,  
110.28 and has properly notified the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension  
110.29 of its suspicions according to subdivision 2, the notification tolls any applicable time period  
110.30 in any unfair claims practices statute or related regulations, or any action on the claim against  
110.31 the insurer to whom the claim had been presented for bad faith, until 30 days after  
110.32 determination by the ~~Commerce Fraud Bureau~~ Bureau of Criminal Apprehension and notice

111.1 to the insurer that the ~~division~~ Bureau of Criminal Apprehension will not recommend action  
111.2 on the claim.

111.3 Sec. 12. Minnesota Statutes 2024, section 60A.952, subdivision 5, is amended to read:

111.4 Subd. 5. **Reward for information.** The ~~Commerce Fraud Bureau~~ Bureau of Criminal  
111.5 Apprehension, in cooperation with authorized insurers and insurance professionals, may  
111.6 establish a voluntary fund to reward persons not connected with the insurance industry who  
111.7 provide information or furnish evidence leading to the arrest and conviction of persons  
111.8 responsible for insurance fraud.

111.9 Sec. 13. Minnesota Statutes 2024, section 60A.954, subdivision 2, is amended to read:

111.10 Subd. 2. **Review.** The commissioner may review each insurer's antifraud plan to determine  
111.11 whether it complies with the requirements of this section. If the commissioner finds that an  
111.12 insurer's antifraud plan does not comply with the requirements of this section, the  
111.13 commissioner shall disapprove the plan and send a notice of disapproval, along with the  
111.14 reasons for disapproval, to the insurer. An insurer whose antifraud plan has been disapproved  
111.15 by the commissioner shall submit a new plan to the commissioner within 60 days after the  
111.16 plan was disapproved. The commissioner may examine an insurer's procedures to determine  
111.17 whether the insurer is complying with its antifraud plan. The commissioner shall withhold  
111.18 from public inspection any part of an insurer's antifraud plan for so long as the commissioner  
111.19 deems the withholding to be in the public interest. The commissioner may share an insurer's  
111.20 complete antifraud plan with the Bureau of Criminal Apprehension.

111.21 Sec. 14. Minnesota Statutes 2024, section 60A.956, is amended to read:

111.22 **60A.956 OTHER LAW ENFORCEMENT AUTHORITY.**

111.23 Nothing in sections 60A.951 to 60A.956 preempts the authority of or relieves the duty  
111.24 of any other law enforcement agencies to investigate and prosecute alleged violations of  
111.25 law, prevents or prohibits a person from voluntarily disclosing any information concerning  
111.26 insurance fraud to any law enforcement agency other than the ~~Commerce Fraud Bureau~~  
111.27 Bureau of Criminal Apprehension, or limits any of the powers granted elsewhere by the  
111.28 laws of this state to the commissioner of commerce to investigate alleged violations of law  
111.29 and to take appropriate action.

112.1 Sec. 15. Minnesota Statutes 2024, section 65B.84, is amended to read:

112.2 **65B.84 AUTOMOBILE THEFT PREVENTION PROGRAM.**

112.3 Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The  
112.4 commissioner of ~~commerce~~ public safety shall:

112.5 (1) develop and sponsor the implementation of statewide plans, programs, and strategies  
112.6 to combat automobile theft, improve the administration of the automobile theft laws, and  
112.7 provide a forum for identification of critical problems for those persons dealing with  
112.8 automobile theft;

112.9 (2) coordinate the development, adoption, and implementation of plans, programs, and  
112.10 strategies relating to interagency and intergovernmental cooperation with respect to  
112.11 automobile theft enforcement;

112.12 (3) annually audit the plans and programs that have been funded in whole or in part to  
112.13 evaluate the effectiveness of the plans and programs and withdraw funding should the  
112.14 commissioner determine that a plan or program is ineffective or is no longer in need of  
112.15 further financial support from the fund;

112.16 (4) develop a plan of operation including:

112.17 (i) an assessment of the scope of the problem of automobile theft, including areas of the  
112.18 state where the problem is greatest;

112.19 (ii) an analysis of various methods of combating the problem of automobile theft;

112.20 (iii) a plan for providing financial support to combat automobile theft;

112.21 (iv) a plan for eliminating car hijacking; and

112.22 (v) an estimate of the funds required to implement the plan; and

112.23 (5) distribute money, in consultation with the commissioner of ~~public safety~~ commerce,  
112.24 pursuant to subdivision 3 from the automobile theft prevention special revenue account for  
112.25 automobile theft prevention activities, including:

112.26 (i) paying the administrative costs of the program;

112.27 (ii) providing financial support to the State Patrol and local law enforcement agencies  
112.28 for automobile theft enforcement teams;

112.29 (iii) providing financial support to state or local law enforcement agencies for programs  
112.30 designed to reduce the incidence of automobile theft and for improved equipment and  
112.31 techniques for responding to automobile thefts;



113.1 (iv) providing financial support to local prosecutors for programs designed to reduce  
113.2 the incidence of automobile theft;

113.3 (v) providing financial support to judicial agencies for programs designed to reduce the  
113.4 incidence of automobile theft;

113.5 (vi) providing financial support for neighborhood or community organizations or business  
113.6 organizations for programs designed to reduce the incidence of automobile theft and to  
113.7 educate people about the common methods of automobile theft, the models of automobiles  
113.8 most likely to be stolen, and the times and places automobile theft is most likely to occur;  
113.9 and

113.10 (vii) providing financial support for automobile theft educational and training programs  
113.11 for state and local law enforcement officials, driver and vehicle services exam and inspections  
113.12 staff, and members of the judiciary.

113.13 (b) The commissioner may not spend in any fiscal year more than ten percent of the  
113.14 money in the fund for the program's administrative and operating costs. The commissioner  
113.15 is annually appropriated and must distribute the amount of the proceeds credited to the  
113.16 automobile theft prevention special revenue account each year, less the transfer of \$1,300,000  
113.17 each year to the insurance fraud prevention account described in section 297I.11, subdivision  
113.18 2.

113.19 (c) At the end of each fiscal year, the commissioner may transfer any unobligated balances  
113.20 in the auto theft prevention account to the insurance fraud prevention account under section  
113.21 ~~45.0135, subdivision 6~~ 299C.061, subdivision 9.

113.22 (d) The commissioner must establish a library of equipment to combat automobile-related  
113.23 theft offenses. The equipment must be available to all law enforcement agencies upon  
113.24 request to support law enforcement agency efforts to combat automobile theft.

113.25 Subd. 2. **Annual report.** By September 30 each year, the commissioner of public safety  
113.26 shall report to the governor and the chairs and ranking minority members of the house of  
113.27 representatives and senate committees having jurisdiction over the ~~Departments~~ Department  
113.28 of ~~Commerce and Public Safety~~ on the activities and expenditures in the preceding year.

113.29 Subd. 3. **Grant criteria; application.** (a) A county attorney's office, law enforcement  
113.30 agency, neighborhood organization, community organization, or business organization may  
113.31 apply for a grant under this section. Multiple offices or agencies within a county may apply  
113.32 for a grant under this section.

(b) The commissioner of public safety, in consultation with the commissioner of ~~public safety~~ commerce, must develop criteria for the fair distribution of grants from the automobile theft prevention account that address the following factors:

(1) the number of reported automobile thefts per capita in a city, county, or region, not merely the total number of automobile thefts;

(2) the population of the jurisdiction of the applicant office or agency;

(3) the total funds distributed within a county or region; and

(4) the statewide interest in automobile theft reduction.

(c) The commissioner may give priority to:

(1) offices and agencies engaged in a collaborative effort to reduce automobile theft; and

(2) counties or regions with the greatest rates of automobile theft.

(d) The minimum amount of a grant award is \$5,000. After considering the automobile theft rate and total population of an applicant's jurisdiction, if a grant award, as determined under the criteria and priorities in this subdivision, would be less than \$5,000, it must not be awarded.

**Subd. 4. Advisory board; creation; membership.** An Automobile Theft Prevention Advisory Board is established to advise the commissioner on the distribution of grants under this section. The board must consist of seven members appointed by the commissioner of public safety and must include representatives of law enforcement, prosecuting agencies, automobile insurers, and the public. The commissioner must annually select a chair from among its members.

**Subd. 5. Definition.** For purposes of this section, "automobile theft" includes automobile-related theft.

Sec. 16. Minnesota Statutes 2024, section 268.19, subdivision 1, is amended to read:

**Subdivision 1. Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- 115.1 (1) state and federal agencies specifically authorized access to the data by state or federal  
115.2 law;
- 115.3 (2) any agency of any other state or any federal agency charged with the administration  
115.4 of an unemployment insurance program;
- 115.5 (3) any agency responsible for the maintenance of a system of public employment offices  
115.6 for the purpose of assisting individuals in obtaining employment;
- 115.7 (4) the public authority responsible for child support in Minnesota or any other state in  
115.8 accordance with section 518A.83;
- 115.9 (5) human rights agencies within Minnesota that have enforcement powers;
- 115.10 (6) the Department of Revenue to the extent necessary for its duties under Minnesota  
115.11 laws;
- 115.12 (7) public and private agencies responsible for administering publicly financed assistance  
115.13 programs for the purpose of monitoring the eligibility of the program's recipients;
- 115.14 (8) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the  
115.15 Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent  
115.16 with the administration of their duties under Minnesota law;
- 115.17 (9) the Department of Human Services and the Office of Inspector General and its agents  
115.18 within the Department of Human Services, including county fraud investigators, for  
115.19 investigations related to recipient or provider fraud and employees of providers when the  
115.20 provider is suspected of committing public assistance fraud;
- 115.21 (10) the Department of Human Services for the purpose of evaluating medical assistance  
115.22 services and supporting program improvement;
- 115.23 (11) local and state welfare agencies for monitoring the eligibility of the data subject  
115.24 for assistance programs, or for any employment or training program administered by those  
115.25 agencies, whether alone, in combination with another welfare agency, or in conjunction  
115.26 with the department or to monitor and evaluate the statewide Minnesota family investment  
115.27 program and other cash assistance programs, the Supplemental Nutrition Assistance Program,  
115.28 and the Supplemental Nutrition Assistance Program Employment and Training program by  
115.29 providing data on recipients and former recipients of Supplemental Nutrition Assistance  
115.30 Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child  
115.31 care assistance under chapter 142E, or medical programs under chapter 256B or 256L or  
115.32 formerly codified under chapter 256D;

116.1 (12) local and state welfare agencies for the purpose of identifying employment, wages,  
116.2 and other information to assist in the collection of an overpayment debt in an assistance  
116.3 program;

116.4 (13) local, state, and federal law enforcement agencies for the purpose of ascertaining  
116.5 the last known address and employment location of an individual who is the subject of a  
116.6 criminal investigation;

116.7 (14) the United States Immigration and Customs Enforcement has access to data on  
116.8 specific individuals and specific employers provided the specific individual or specific  
116.9 employer is the subject of an investigation by that agency;

116.10 (15) the Department of Health for the purposes of epidemiologic investigations;

116.11 (16) the Department of Corrections for the purposes of case planning and internal research  
116.12 for preprobation, probation, and postprobation employment tracking of offenders sentenced  
116.13 to probation and preconfinement and postconfinement employment tracking of committed  
116.14 offenders;

116.15 (17) the state auditor to the extent necessary to conduct audits of job opportunity building  
116.16 zones as required under section 469.3201;

116.17 (18) the Office of Higher Education for purposes of supporting program improvement,  
116.18 system evaluation, and research initiatives including the Statewide Longitudinal Education  
116.19 Data System; and

116.20 (19) the Family and Medical Benefits Division of the Department of Employment and  
116.21 Economic Development to be used as necessary to administer chapter 268B.

116.22 (b) Data on individuals and employers that are collected, maintained, or used by the  
116.23 department in an investigation under section 268.182 are confidential as to data on individuals  
116.24 and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3  
116.25 and 13, and must not be disclosed except under statute or district court order or to a party  
116.26 named in a criminal proceeding, administrative or judicial, for preparation of a defense.

116.27 (c) Data gathered by the department in the administration of the Minnesota unemployment  
116.28 insurance program must not be made the subject or the basis for any suit in any civil  
116.29 proceedings, administrative or judicial, unless the action is initiated by the department.

117.1 Sec. 17. Minnesota Statutes 2024, section 268B.30, is amended to read:

117.2 **268B.30 DATA PRIVACY.**

117.3 (a) Except as provided by this section, data collected, created, or maintained under this  
117.4 chapter are private data on individuals or nonpublic data not on individuals as defined in  
117.5 section 13.02, subdivisions 9 and 12, and must not be disclosed except according to a district  
117.6 court order or section 13.05. A subpoena is not considered a district court order.

117.7 (b) Data classified under paragraph (a) may be disseminated to and used by the following  
117.8 without the consent of the subject of the data:

117.9 (1) state and federal agencies specifically authorized access to the data by state or federal  
117.10 law;

117.11 (2) the unemployment insurance division, to the extent necessary to administer the  
117.12 programs established under this chapter and chapter 268;

117.13 (3) employers, to the extent necessary to support adjudication of application requests  
117.14 and to support the employer's administration of a leave of absence;

117.15 (4) health care providers, to the extent necessary to support verification of health care  
117.16 conditions and qualifying events;

117.17 (5) the public authority responsible for child support in Minnesota or any other state in  
117.18 accordance with section 518A.83;

117.19 (6) human rights agencies within Minnesota that have enforcement powers;

117.20 (7) the Department of Revenue, to the extent necessary for its duties under Minnesota  
117.21 laws;

117.22 (8) public and private agencies responsible for administering publicly financed assistance  
117.23 programs for the purpose of monitoring the eligibility of the program's recipients;

117.24 (9) the Department of Labor and Industry ~~and the Commerce Fraud Bureau in~~, the  
117.25 Department of Commerce, and the Bureau of Criminal Apprehension for uses consistent  
117.26 with the administration of their duties under Minnesota law;

117.27 (10) the Department of Human Services and the Office of Inspector General and its  
117.28 agents within the Department of Human Services, including county fraud investigators, for  
117.29 investigations related to recipient or provider fraud and employees of providers when the  
117.30 provider is suspected of committing public assistance fraud;

117.31 (11) the Department of Public Safety for support in identity verification;

(12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the Department of Health for the purposes of epidemiologic investigations;

(14) the Department of Corrections for the purposes of tracking incarceration of applicants; and

(15) contracted third parties, to the extent necessary to aid in identity verification, adjudication, administration, and evaluation of the program.

(c) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268B.19, 268B.21, 268B.22, or 268B.23 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(d) Data gathered by the department in the administration of this chapter must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 18. Minnesota Statutes 2024, section 297I.11, subdivision 2, is amended to read:

Subd. 2. **Automobile theft prevention account.** A special revenue account in the state treasury shall be credited with the proceeds of the surcharge imposed under subdivision 1. Of the revenue in the account, \$1,300,000 each year must be transferred to the insurance fraud prevention account under section ~~45.0135, subdivision 6~~ 299C.061, subdivision 9. Revenues in excess of \$1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84.

Sec. 19. **[299C.061] FINANCIAL CRIMES AND FRAUD SECTION.**

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

(b) "Fraud involving state funded or administered programs or services" includes any violation of section 609.445, 609.465, 609.466, 609.52, 609.5523, 609.611, 609.651, 609.7475, or 609.821 involving a state agency or state funded or administered program or service.

119.1 (c) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph  
119.2 (c).

119.3 (d) "State agency" has the meaning given in section 13.02, subdivision 17.

119.4 (e) "Superintendent" means the superintendent of the Bureau of Criminal Apprehension.

119.5 (f) "Section" means the Financial Crimes and Fraud Section of the Bureau of Criminal  
119.6 Apprehension.

119.7 Subd. 2. **Financial Crimes and Fraud Section.** The superintendent shall operate the  
119.8 Financial Crimes and Fraud Section within the Bureau of Criminal Apprehension to conduct  
119.9 investigations into insurance fraud, financial crimes, wage theft, and fraud involving state  
119.10 funded or administered programs or services. The Section shall be partially or fully comprised  
119.11 of licensed peace officers. Members of this section have the full authorities specified in  
119.12 chapter 299C and are not limited to the duties enumerated in this section.

119.13 Subd. 3. **Duties.** The Financial Crimes and Fraud Section shall:

119.14 (1) review notices and reports of insurance fraud and related crimes submitted by  
119.15 authorized insurers, their employees, and agents or producers pursuant to sections 60A.951  
119.16 to 60A.956;

119.17 (2) initiate inquiries and conduct investigations when the Section has reason to believe  
119.18 that any of the following offenses have been or are being committed:

119.19 (i) fraud involving state funded or administered programs or services in subdivision 1,  
119.20 paragraph (b);

119.21 (ii) insurance fraud and related crimes, as defined in sections 60A.951, subdivision 4,  
119.22 and 609.611 and support of those activities;

119.23 (iii) wage theft and related crimes; and

119.24 (iv) any other financial crimes; and

119.25 (3) operate the automobile theft prevention program under section 65B.84.

119.26 Subd. 4. **Mandatory referral; duty to investigate.** (a) Except as provided in paragraphs  
119.27 (b) and (d), a state agency shall refer all suspected fraudulent activity under the provisions  
119.28 in subdivision 1, paragraph (b), equaling \$100,000 or more, to the Section for evaluation  
119.29 and investigation or appropriate referral. Upon receipt of the referral, the Section shall  
119.30 review and, where appropriate, conduct criminal investigations into the allegations. The  
119.31 Section has sole discretion as to which allegations are investigated further, referred back to

120.1 the reporting agency for appropriate regulatory investigation, or referred to another law  
120.2 enforcement agency with appropriate jurisdiction.

120.3 (b) When acting in a civil or criminal law enforcement capacity and permitted by  
120.4 applicable law or order, the attorney general may, in the attorney general's discretion, refer  
120.5 suspected fraudulent activity under the provisions in subdivision 1, paragraph (b), to the  
120.6 Section for evaluation and investigation or appropriate referral in accordance with paragraph  
120.7 (a).

120.8 (c) Notwithstanding paragraph (b), this section has no effect on the authority of the  
120.9 attorney general to investigate and enforce violations or suspected violations of Minnesota  
120.10 civil or criminal law.

120.11 (d) Referral to the Section under this subdivision is not required when a state agency is  
120.12 required to refer the fraudulent activity to the state Medicaid Fraud Control Unit in  
120.13 accordance with Code of Federal Regulations, title 42, section 455.21(A)(1)(a), and section  
120.14 256B.04, subdivision 10.

120.15 Subd. 5. **Discretionary referral.** (a) A state agency may refer suspected fraud involving  
120.16 state funded or administered programs or services equaling less than \$100,000 to the Section  
120.17 for investigation. Upon referral, the Section shall:

120.18 (1) accept the referral and, where appropriate, conduct criminal investigations into the  
120.19 allegations and make appropriate referrals for criminal prosecution; or

120.20 (2) redirect the referral to another appropriate law enforcement agency or civil  
120.21 investigative authority, offering assistance where appropriate.

120.22 Subd. 6. **Data-sharing authorized.** Notwithstanding chapter 13 or any other statute  
120.23 related to the classification of government data to the contrary, state agencies making a  
120.24 referral under subdivision 3 or 4 shall provide data related to the suspected fraudulent activity  
120.25 to the Section, including data classified as not public. The Section may share active criminal  
120.26 investigative data concerning insurance fraud with the Department of Commerce.

120.27 Subd. 7. **State agency reporting.** By January 15 of each year, each state agency must  
120.28 report all suspected fraud incurred by the agency that involves state funded or administered  
120.29 programs or services equaling \$10,000 or more to the Section to be summarized in the report  
120.30 under subdivision 8. This subdivision does not apply to information obtained by the attorney  
120.31 general when acting in a civil or criminal law enforcement capacity.

120.32 Subd. 8. **Annual report.** (a) By February 1 of each year, the superintendent shall report  
120.33 to the commissioner, the governor, and the chairs and ranking minority members of the



121.1 legislative committees with jurisdiction over public safety policy and finance, and commerce  
 121.2 consumer protection policy and finance, the following information pertaining to the Section  
 121.3 since the previous report:

121.4 (1) the number of investigations initiated;

121.5 (2) the number of allegations investigated;

121.6 (3) the outcomes or current status of each investigation;

121.7 (4) the charging decisions made by the prosecuting authority of incidents investigated  
 121.8 by the Section;

121.9 (5) the number of plea agreements reached in incidents investigated by the Section;

121.10 (6) the number of reports received under subdivision 7;

121.11 (7) the number of state agency referrals to the state Medicaid Fraud Control Unit reported  
 121.12 to the superintendent under paragraph (b); and

121.13 (8) any other information relevant to the Section's responsibilities.

121.14 (b) No later than January 15 of each odd-numbered year, each state agency that is required  
 121.15 to make referrals to the state Medicaid Fraud Control Unit in accordance with Code of  
 121.16 Federal Regulations, title 42, section 455.21(A)(1)(a), and section 256B.04, subdivision 10,  
 121.17 shall report the following information to the superintendent for the two previous calendar  
 121.18 years:

121.19 (1) the number of cases referred to the state Medicaid Fraud Control Unit;

121.20 (2) the number of referrals accepted by the state Medicaid Fraud Control Unit; and

121.21 (3) the number of referrals declined by the state Medicaid Fraud Control Unit.

121.22 Subd. 9. **Funding allocation.** One hundred percent of the funding allocated to the Bureau  
 121.23 of Criminal Apprehension for the assessment in subdivision 10 may only be used for the  
 121.24 investigation of insurance fraud and related crimes, as defined in sections 60A.951,  
 121.25 subdivision 4, and 609.611, and support of those activities.

121.26 **EFFECTIVE DATE.** (a) Subdivisions 1, 2, 3, 6, and 9 are effective July 1, 2025.

121.27 (b) Subdivisions 4, 5, 7, and 8 are effective January 1, 2026.

121.28 Sec. 20. Minnesota Statutes 2024, section 299C.40, subdivision 1, is amended to read:

121.29 Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension. A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Enforcement Division of the Department of Natural Resources, ~~the Commerce Fraud Bureau~~, the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

Sec. 21. Minnesota Statutes 2024, section 609.531, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the Bureau of Criminal Apprehension, ~~the Department of Commerce Fraud Bureau~~, the Minnesota Division of Driver and Vehicle Services, the Minnesota State Patrol, a county sheriff's department, the Three Rivers Park District Department of Public Safety, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, the Department of Corrections Fugitive Apprehension Unit, a city, metropolitan transit, or airport police department; or a multijurisdictional entity established under section 299A.642 or 299A.681.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter, chapter 152 or 624;

(2) for driver's license or identification card transactions: any violation of section 171.22;

and

(3) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.2112; 609.2113; 609.2114; 609.221; 609.222; 609.223; 609.2231; 609.2335; 609.24; 609.245; 609.247; 609.25; 609.255; 609.282; 609.283; 609.322; 609.342, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.343, subdivision 1, or subdivision 1a, clauses (a) to (f) and (i); 609.344, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), or (i); 609.345, subdivision 1, or subdivision 1a, clauses (a) to (e), (h), and (i); 609.352; 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.527; 609.528; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.611; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 609.895; 617.246; 617.247; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324; or a felony violation of, or a felony-level attempt or conspiracy to violate, Minnesota Statutes 2012, section 609.21.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(h) "Prosecuting authority" means the attorney who is responsible for prosecuting an offense that is the basis for a forfeiture under sections 609.531 to 609.5318.

(i) "Asserting person" means a person, other than the driver alleged to have used a vehicle in the transportation or exchange of a controlled substance intended for distribution or sale, claiming an ownership interest in a vehicle that has been seized or restrained under this section.

Sec. 22. **[609.5523] THEFT OF PUBLIC FUNDS.**

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

(b) "Public funds" means all general, special, permanent, trust, and other funds, regardless of source or purpose, held or administered by a government entity.

(c) "Government entity" has the meaning provided in section 13.02, subdivision 7a.

**Subd. 2. Acts constituting theft of public funds.** A person who engages in any of the following commits theft of public funds and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals, or retains possession of public funds from a government entity or a third party administering a program funded by public vendors without consent and with intent to permanently deprive the government entity of the possession of public funds;

124.1 (2) obtains, for the actor or another, possession or custody of public funds from a  
124.2 government entity or third party administering a publicly funded program by intentionally  
124.3 deceiving the government entity or third party with a false representation that the actor or  
124.4 another knows to be false, is made with intent to defraud, and does defraud the government  
124.5 entity or third party to whom the false representation is made. False representation includes  
124.6 but is not limited to:

124.7 (i) a promise made with intent not to perform. Failure to perform is not evidence of  
124.8 intent not to perform unless corroborated by other substantial evidence; or

124.9 (ii) the preparation or filing of a claim for reimbursement, a rate application, or a cost  
124.10 report that intentionally and falsely misrepresents the costs of or actual services provided  
124.11 by a vendor; or

124.12 (3) swindling, whether by artifice, trick, device, or any other means, in order to obtain  
124.13 public funds or publicly funded services from a government entity or a third party  
124.14 administering a program funded by public funds.

124.15 Subd. 3. **Sentence.** (a) A person who commits theft of public funds may be sentenced:

124.16 (1) to imprisonment for not more than 24 years or to payment of a fine of not more than  
124.17 \$100,000, or both, if the value of property stolen is more than \$35,000;

124.18 (2) to imprisonment for not more than 12 years or to payment of a fine of not more than  
124.19 \$20,000, or both, if the value of the property stolen exceeds \$5,000; or

124.20 (3) to imprisonment for not more than six years or to payment of a fine of not more than  
124.21 \$10,000, or both, if the value of the property is more than \$1,000 but not more than \$5,000.

124.22 (b) In any prosecution for theft of public funds, the value of the money or property  
124.23 received by the defendant in violation of any of these provisions within any six-month  
124.24 period may be aggregated and the defendant charged accordingly under the provisions of  
124.25 this subdivision.

124.26 Sec. 23. Minnesota Statutes 2024, section 626.05, subdivision 2, is amended to read:

124.27 Subd. 2. **Peace officer.** The term "peace officer," as used in sections 626.04 to 626.17,  
124.28 means a person who is licensed as a peace officer in accordance with section 626.84,  
124.29 subdivision 1, and who serves as a sheriff, deputy sheriff, police officer, conservation officer,  
124.30 agent of the Bureau of Criminal Apprehension, agent of the Division of Alcohol and  
124.31 Gambling Enforcement, ~~peace officer of the Commerce Fraud Bureau,~~ University of  
124.32 Minnesota peace officer, Metropolitan Transit police officer, Minnesota Department of

125.1 Corrections Fugitive Apprehension Unit member, State Patrol trooper as authorized by  
125.2 section 299D.03, or railroad peace officer as authorized by section 219.995 and United  
125.3 States Code, title 49, section 28101.

125.4 Sec. 24. Minnesota Statutes 2024, section 626.84, subdivision 1, is amended to read:

125.5 Subdivision 1. **Definitions.** For purposes of sections 626.84 to 626.863, the following  
125.6 terms have the meanings given them:

125.7 (a) "Board" means the Board of Peace Officer Standards and Training.

125.8 (b) "Director" means the executive director of the board.

125.9 (c) "Peace officer" means:

125.10 (1) an employee or an elected or appointed official of a political subdivision or law  
125.11 enforcement agency who is licensed by the board, charged with the prevention and detection  
125.12 of crime and the enforcement of the general criminal laws of the state and who has the full  
125.13 power of arrest, and shall also include the Minnesota State Patrol, agents of the Division of  
125.14 Alcohol and Gambling Enforcement, state conservation officers, Metropolitan Transit police  
125.15 officers, Department of Corrections Fugitive Apprehension Unit officers, ~~Department of~~  
125.16 ~~Commerce-Fraud Bureau Unit officers~~, the statewide coordinator of the Violent Crime  
125.17 Coordinating Council, and railroad peace officers as authorized by section 219.995 and  
125.18 United States Code, title 49, section 28101; and

125.19 (2) a peace officer who is employed by a law enforcement agency of a federally  
125.20 recognized tribe, as defined in United States Code, title 25, section 450b(e), and who is  
125.21 licensed by the board.

125.22 (d) "Part-time peace officer" means an individual licensed by the board whose services  
125.23 are utilized by law enforcement agencies no more than an average of 20 hours per week,  
125.24 not including time spent on call when no call to active duty is received, calculated on an  
125.25 annual basis, who has either full powers of arrest or authorization to carry a firearm while  
125.26 on active duty. The term shall apply even though the individual receives no compensation  
125.27 for time spent on active duty, and shall apply irrespective of the title conferred upon the  
125.28 individual by any law enforcement agency.

125.29 (e) "Reserve officer" means an individual whose services are utilized by a law  
125.30 enforcement agency to provide supplementary assistance at special events, traffic or crowd  
125.31 control, and administrative or clerical assistance, and shall include reserve deputies, special  
125.32 deputies, mounted or unmounted patrols, and all other employees or volunteers performing  
125.33 reserve officer functions. A reserve officer's duties do not include enforcement of the general

126.1 criminal laws of the state, and the officer does not have full powers of arrest or authorization  
126.2 to carry a firearm on duty.

126.3 (f) "Law enforcement agency" means:

126.4 (1) a unit of state or local government that is authorized by law to grant full powers of  
126.5 arrest and to charge a person with the duties of preventing and detecting crime and enforcing  
126.6 the general criminal laws of the state;

126.7 (2) subject to the limitations in section 626.93, a law enforcement agency of a federally  
126.8 recognized tribe, as defined in United States Code, title 25, section 450b(e); and

126.9 (3) subject to the limitation of section 219.995, a railroad company.

126.10 (g) "Professional peace officer education" means a postsecondary degree program, or a  
126.11 nondegree program for persons who already have a college degree, that is offered by a  
126.12 college or university in Minnesota, designed for persons seeking licensure as a peace officer,  
126.13 and approved by the board.

126.14 (h) "Railroad peace officer" means an individual as authorized under United States Code,  
126.15 title 49, section 28101:

126.16 (1) employed by a railroad for the purpose of aiding and supplementing law enforcement  
126.17 agencies in the protection of property owned by or in the care, custody, or control of a  
126.18 railroad and to protect the persons and property of railroad passengers and employees; and

126.19 (2) licensed by the board.

126.20 Sec. 25. **REVISOR INSTRUCTION.**

126.21 The revisor of statutes shall renumber the subdivisions in column A with the number  
126.22 listed in column B. The revisor shall also make necessary cross-reference changes in  
126.23 Minnesota Statutes and Minnesota Rules consistent with the renumbering.

	<u>Column A</u>	<u>Column B</u>
126.24		
126.25	<u>section 45.0135, subdivision 6</u>	<u>section 299C.061, subdivision 9</u>
126.26	<u>section 45.0135, subdivision 7</u>	<u>section 299C.061, subdivision 10</u>
126.27	<u>section 45.0135, subdivision 8</u>	<u>section 299C.061, subdivision 11</u>
126.28	<u>section 45.0135, subdivision 9</u>	<u>section 299C.061, subdivision 12</u>
126.29	<u>section 299C.061, subdivision 9</u>	<u>section 299C.061, subdivision 13</u>

- 127.1     Sec. 26. **REPEALER.**
- 127.2         Minnesota Statutes 2024, sections 45.0135, subdivisions 2a, 2c, 2d, 2e, 2f, 3, 4, and 5;
- 127.3     and 325E.21, subdivision 2b, are repealed.

APPENDIX  
Article locations for 25-04814

ARTICLE 1	APPROPRIATIONS.....	Page.Ln 1.29
ARTICLE 2	DEPARTMENT OF HUMAN SERVICES.....	Page.Ln 5.5
ARTICLE 3	DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES.....	Page.Ln 84.26
ARTICLE 4	DEPARTMENT OF REVENUE.....	Page.Ln 86.1
ARTICLE 5	DEPARTMENT OF EDUCATION.....	Page.Ln 88.14
ARTICLE 6	DEPARTMENT OF PUBLIC SAFETY.....	Page.Ln 106.6



#### **45.0135 COMMERCE FRAUD BUREAU.**

Subd. 2a. **Authorization.** (a) The commissioner may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (f), known as the Commerce Fraud Bureau, to conduct investigations, and to make arrests under sections 629.30 and 629.34. The primary jurisdiction of the law enforcement agency is limited to offenses with a nexus to insurance-related crimes or financial crimes.

(b) Upon request and at the commissioner's discretion, the Commerce Fraud Bureau may respond to a law enforcement agency's request to exercise law enforcement duties in cooperation with the law enforcement agency that has jurisdiction over the particular matter.

(c) The Commerce Fraud Bureau must allocate at least 70 percent of its work to insurance fraud, as defined in sections 60A.951, subdivision 4, and 609.611.

Subd. 2c. **Arrests and investigations.** The initial processing of a person arrested by the Commerce Fraud Bureau for an offense within its jurisdiction is the responsibility of the bureau unless otherwise directed by the law enforcement agency with primary jurisdiction. Subsequent investigation shall be the responsibility of the bureau unless otherwise directed by the law enforcement agency with primary jurisdiction. At the request of the primary jurisdiction, the bureau may assist in a subsequent investigation being carried out by the primary jurisdiction.

Subd. 2d. **Policy for notice of investigations.** The Commerce Fraud Bureau must develop a policy for notifying the law enforcement agency with primary jurisdiction when it has initiated investigation of any person within the jurisdiction of that agency.

Subd. 2e. **Chief law enforcement officer.** The commissioner shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the management of the Commerce Fraud Bureau. The chief law enforcement officer shall possess the necessary police and management experience to manage a law enforcement agency. The chief law enforcement officer may appoint, discipline, and discharge all employees of the bureau. All police managerial and supervisory personnel must be full-time employees of the bureau. Supervisory personnel must be on duty and available any time peace officers of the bureau are on duty.

Subd. 2f. **Compliance.** Except as otherwise provided in this section, the Commerce Fraud Bureau shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency.

Subd. 3. **Evidence, documentation, and related materials.** If the bureau seeks evidence, documentation, and related materials pertinent to an investigation, and the matter is located outside of this state, the bureau may designate representatives, including officials of the state where the matter is located, to secure the matter or inspect the matter on its behalf.

Subd. 4. **Confidentiality and immunity.** The provisions of chapter 13, including, but not limited to, section 13.82, apply to the classification, disclosure, and collection of data relating to the Commerce Fraud Bureau.

Subd. 5. **Annual report on activities and cost-effectiveness.** The Commerce Fraud Bureau shall maintain records and information in order to produce an annual report of its activities as may be prescribed by the commissioner of commerce. The commissioner shall report annually to the house of representatives and senate standing committees with jurisdiction over insurance issues as to the activities of the bureau and the cost-effectiveness of the programs established by the bureau.

#### **245G.01 DEFINITIONS.**

Subd. 20d. **Skilled treatment services.** "Skilled treatment services" has the meaning provided in section 254B.01, subdivision 10.

#### **245G.07 TREATMENT SERVICE.**

Subd. 2. **Additional treatment service.** A license holder may provide or arrange the following additional treatment service as a part of the client's individual treatment plan:

(1) relationship counseling provided by a qualified professional to help the client identify the impact of the client's substance use disorder on others and to help the client and persons in the client's support structure identify and change behaviors that contribute to the client's substance use disorder;

(2) therapeutic recreation to allow the client to participate in recreational activities without the use of mood-altering chemicals and to plan and select leisure activities that do not involve the inappropriate use of chemicals;

(3) stress management and physical well-being to help the client reach and maintain an appropriate level of health, physical fitness, and well-being;

(4) living skills development to help the client learn basic skills necessary for independent living;

(5) employment or educational services to help the client become financially independent;

(6) socialization skills development to help the client live and interact with others in a positive and productive manner;

(7) room, board, and supervision at the treatment site to provide the client with a safe and appropriate environment to gain and practice new skills; and

(8) peer recovery support services must be provided by a recovery peer qualified according to section 245I.04, subdivision 18. Peer recovery support services must be provided according to sections 254B.05, subdivision 5, and 254B.052.

#### **254B.01 DEFINITIONS.**

Subd. 5. **Local agency.** "Local agency" means the agency designated by a board of county commissioners, a local social services agency, or a human services board authorized under section 254B.03, subdivision 1, to determine financial eligibility for the behavioral health fund.

#### **254B.04 ELIGIBILITY FOR BEHAVIORAL HEALTH FUND SERVICES.**

Subd. 2a. **Eligibility for room and board services for persons in outpatient substance use disorder treatment.** A person eligible for room and board services under section 254B.05, subdivision 5, paragraph (b), must score at level 4 on assessment dimensions related to readiness to change, relapse, continued use, or recovery environment in order to be assigned to services with a room and board component reimbursed under this section. Whether a treatment facility has been designated an institution for mental diseases under United States Code, title 42, section 1396d, shall not be a factor in making placements.

#### **325E.21 DEALERS IN SCRAP METAL; RECORDS, REPORTS, AND REGISTRATION.**

Subd. 2b. **Catalytic converter theft prevention pilot project.** (a) The catalytic converter theft prevention pilot project is created to deter the theft of catalytic converters by marking them with vehicle identification numbers or other unique identifiers.

(b) The commissioner shall establish a procedure to mark the catalytic converters of vehicles most likely to be targeted for theft with unique identification numbers using labels, engraving, theft deterrence paint, or other methods that permanently mark the catalytic converter without damaging its function.

(c) The commissioner shall work with law enforcement agencies, insurance companies, and scrap metal dealers to identify vehicles that are most frequently targeted for catalytic converter theft and to establish the most effective methods for marking catalytic converters.

(d) Materials purchased under this program may be distributed to dealers, as defined in section 168.002, subdivision 6, automobile repair shops and service centers, law enforcement agencies, and community organizations to arrange for the marking of the catalytic converters of vehicles most likely to be targeted for theft at no cost to the vehicle owners.

(e) The commissioner may prioritize distribution of materials to areas experiencing the highest rates of catalytic converter theft.

(f) The commissioner must make educational information resulting from the pilot program available to law enforcement agencies and scrap metal dealers and is encouraged to publicize the program to the general public.

(g) The commissioner shall include a report on the pilot project in the report required under section 65B.84, subdivision 2. The report must describe the progress, results, and any findings of the pilot project including the total number of catalytic converters marked under the program, and, to the extent known, whether any catalytic converters marked under the pilot project were stolen and the outcome of any criminal investigation into the thefts.