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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3629

- 02/23/2026 Authored by Bahner and Engen  
The bill was read for the first time and referred to the Committee on State Government Finance and Policy
- 04/07/2026 Adoption of Report: Placed on the General Register  
Read for the Second Time
- 04/20/2026 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to state government; changing provisions for grants management; amending

1.3 Minnesota Statutes 2024, sections 16B.97, subdivisions 4, 5; 16B.98, subdivision

1.4 11; 16B.991, subdivision 1.

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

1.6 Section 1. Minnesota Statutes 2024, section 16B.97, subdivision 4, is amended to read:

1.7 Subd. 4. **Duties.** (a) The commissioner shall:

1.8 (1) create general grants management policies and procedures that are applicable to all

1.9 executive agencies. The commissioner may approve exceptions to these policies and

1.10 procedures ~~for particular grant programs~~. Exceptions shall expire or be renewed after five

1.11 years. The commissioner must report each approved exception to the chairs and ranking

1.12 minority members of the legislative committees with jurisdiction over the agency. Executive

1.13 agencies shall retain management of individual grants programs;

1.14 (2) provide a central point of contact concerning statewide grants management policies

1.15 and procedures;

1.16 (3) serve as a resource to executive agencies in such areas as training, evaluation,

1.17 collaboration, and best practices in grants management;

1.18 (4) ensure grants management needs are considered in the development, upgrade, and

1.19 use of statewide administrative systems and leverage existing technology wherever possible;

1.20 (5) oversee and approve future professional and technical service contracts and other

1.21 information technology spending related to executive agency grants management systems

1.22 and activities;

2.1 (6) provide a central point of contact for comments about executive agencies violating  
2.2 statewide grants governance policies and about fraud and ~~waste~~ misuse in grants processes;

2.3 (7) forward received comments to the appropriate agency for further action, and may  
2.4 follow up as necessary;

2.5 (8) provide a single listing of all available executive agency competitive grant  
2.6 opportunities and resulting grant recipients;

2.7 (9) selectively review development and implementation of executive agency grants,  
2.8 policies, and practices; and

2.9 (10) selectively review executive agency compliance with best practices.

2.10 (b) The commissioner may determine that it is cost-effective for agencies to develop  
2.11 and use shared grants management technology systems. This system would be governed  
2.12 under section 16E.01, subdivision 3, paragraph (b).

2.13 Sec. 2. Minnesota Statutes 2024, section 16B.97, subdivision 5, is amended to read:

2.14 Subd. 5. **Data classification.** Data maintained by the commissioner that identify a person  
2.15 providing comments to the commissioner under subdivision 4, paragraph (a), clauses (6)  
2.16 and (7), are private and nonpublic data ~~but may be shared with the executive agency that is~~  
2.17 ~~the subject of the comments.~~

2.18 Sec. 3. Minnesota Statutes 2024, section 16B.98, subdivision 11, is amended to read:

2.19 Subd. 11. **Encumbrance exception.** Notwithstanding subdivision 5, paragraph (a),  
2.20 clause ~~(2)~~ (3), or section 16C.05, subdivision 2, paragraph (a), clause (3), agencies may  
2.21 permit a specifically named, legislatively appropriated, noncompetitive grant recipient to  
2.22 incur eligible expenses based on an agreed upon work plan and budget for up to 60 days  
2.23 prior to an encumbrance being established in the accounting system.

2.24 Sec. 4. Minnesota Statutes 2024, section 16B.991, subdivision 1, is amended to read:

2.25 Subdivision 1. **Criminal conviction.** Each grant agreement subject to sections 16B.97  
2.26 and 16B.98 must provide that the agreement will immediately be terminated if the recipient  
2.27 is convicted of a criminal offense relating to a state grant agreement. "Recipient" includes  
2.28 individuals, entities, and key personnel of entities, including board members, officers,  
2.29 executives, employees, or agents with authority over or access to grant funds, and any  
2.30 individual in a position of fiduciary responsibility related to the grant.