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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **4421**

03/18/2026 Authored by Duran and Skraba  
The bill was read for the first time and referred to the Committee on Health Finance and Policy  
03/23/2026 By motion, recalled and re-referred to the Committee on Human Services Finance and Policy  
04/16/2026 Adoption of Report: Amended and re-referred to the Committee on Taxes  
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration

1.1 A bill for an act  
1.2 relating to human services; modifying county cost-share requirements for  
1.3 economically distressed counties; amending Minnesota Statutes 2024, section  
1.4 246.54, subdivision 2; Minnesota Statutes 2025 Supplement, section 254B.03,  
1.5 subdivision 4.

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

1.7 Section 1. Minnesota Statutes 2024, section 246.54, subdivision 2, is amended to read:

1.8 Subd. 2. **Exceptions.** (a) Regardless of the facility to which the client is committed,  
1.9 subdivisions 1, 1a, 1b, and 1c, do not apply to the following individuals:

1.10 (1) clients who are committed as sexual psychopathic personalities under section 253D.02,  
1.11 subdivision 15; and

1.12 (2) clients who are committed as sexually dangerous persons under section 253D.02,  
1.13 subdivision 16.

1.14 (b) A county that is classified as economically distressed is not responsible for the costs  
1.15 of care under this section. The executive board must classify a county as economically  
1.16 distressed if:

1.17 (1) more than 15 percent of the county's population is living in poverty, according to  
1.18 the most recent data published by the United States Census Bureau; and

1.19 (2) more than 70 percent of the total acreage in the county is exempt from property  
1.20 taxation under chapter 272.

2.1 Sec. 2. Minnesota Statutes 2025 Supplement, section 254B.03, subdivision 4, is amended  
2.2 to read:

2.3 Subd. 4. **Division of costs.** (a) Except for services provided by a county under section  
2.4 254B.09, subdivision 1, or services provided under section 256B.69, the county shall, out  
2.5 of local money, pay the state for 22.95 percent of the cost of substance use disorder services,  
2.6 except for those services provided to persons enrolled in medical assistance under chapter  
2.7 256B and room and board services under section 254B.0505, subdivision 1. Counties may  
2.8 use the indigent hospitalization levy for treatment and hospital payments made under this  
2.9 section.

2.10 (b) 22.95 percent of any state collections from private or third-party pay, less 15 percent  
2.11 for the cost of payment and collections, must be distributed to the county that paid for a  
2.12 portion of the treatment under this section.

2.13 (c) Notwithstanding paragraphs (a) and (b), a county that is classified as economically  
2.14 distressed is not responsible for the county share of the cost of substance use disorder  
2.15 services. The commissioner must classify a county as economically distressed if:

2.16 (1) more than 15 percent of the county's population is living in poverty, according to  
2.17 the most recent data published by the United States Census Bureau; and

2.18 (2) more than 70 percent of the total acreage in the county is exempt from property  
2.19 taxation under chapter 272.