

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 4551

(SENATE AUTHORS: UTKE, Koran, Gustafson and Lieske)

DATE	D-PG	OFFICIAL STATUS
03/18/2026	6809	Introduction and first reading Referred to Health and Human Services
03/23/2026	6920	Author added Gustafson
03/25/2026	6994	Author added Lieske
03/26/2026	7012a	Comm report: To pass as amended and re-refer to Human Services

1.1 A bill for an act

1.2 relating to fraud prevention; requiring providers, vendors, and individuals seeking

1.3 to receive public money for providing services to submit proof of operation and

1.4 finances; proposing coding for new law in Minnesota Statutes, chapters 142A;

1.5 245.

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

1.7 Section 1. **[142A.125] ELIGIBILITY TO RECEIVE PUBLIC MONEY; PRE-AWARD**

1.8 **RISK ASSESSMENT.**

1.9 Subdivision 1. Pre-award risk assessment; grant recipients. (a) Prior to receiving a

1.10 grant award for a program administered by the commissioner, a potential grantee must

1.11 provide the commissioner with the applicable information specified under section 16B.981,

1.12 subdivision 2, for the most recent three-year period. This information must also include:

1.13 (1) the potential grantee's history of performing services during the most recent three-year

1.14 period that are substantially similar to the services the potential grantee is seeking to receive

1.15 public funds to provide; and

1.16 (2) for a potential grantee that is a for-profit business or nonprofit organization, evidence

1.17 of registration and good standing with the secretary of state for the most recent three-year

1.18 period, if applicable.

1.19 (b) For any information not submitted to the commissioner as required under this section

1.20 because the potential grantee determined it to be inapplicable, the potential grantee must

1.21 submit documentation noting each item that was not submitted and the reason why the

1.22 potential grantee determined it was inapplicable.

2.1 Subd. 2. **Pre-award risk assessment; licensure and reenrollment.** (a) Prior to renewing
2.2 a license or reenrolling in a program administered by the commissioner, a provider, vendor,
2.3 or individual must provide the commissioner with the applicable information specified
2.4 under section 16B.981, subdivision 2, for the most recent licensure or enrollment period.

2.5 (b) Notwithstanding paragraph (a), for a provider, vendor, or individual who has been
2.6 licensed or enrolled in a program administered by the commissioner for at least three years,
2.7 the provider, vendor, or individual must provide the commissioner with the applicable
2.8 information specified under section 16B.981, subdivision 2, for the most recent three-year
2.9 period.

2.10 (c) For any information not submitted to the commissioner as required under this section
2.11 because the provider, vendor, or individual determined it to be inapplicable, the provider,
2.12 vendor, or individual must submit documentation noting each item that was not submitted
2.13 and the reason why the provider, vendor, or individual determined it was inapplicable.

2.14 Subd. 3. **Commissioner duties.** (a) The commissioner must review all information
2.15 provided under subdivisions 1 and 2 prior to awarding a grant, renewing a license, or
2.16 reenrolling a provider. For any documentation submitted to the commissioner under
2.17 subdivision 1, paragraph (b), or subdivision 2, paragraph (c), the commissioner must review
2.18 and confirm that the determination of inapplicability made by the potential grantee or the
2.19 provider, vendor, or individual is correct. For any incorrect determination, the potential
2.20 grantee or the provider, vendor, or individual must submit the required information before
2.21 receiving grant funds, renewing a license, or reenrolling in a program.

2.22 (b) Notwithstanding section 16B.981, if, after reviewing the information provided under
2.23 subdivision 1, the commissioner has concerns that there is a substantial risk that a potential
2.24 grantee cannot or would not perform the required duties under the grant agreement, the
2.25 commissioner must not award the grant.

2.26 (c) If, after reviewing the information provided under subdivision 2, the commissioner
2.27 has concerns that there is a substantial risk that the provider, vendor, or individual seeking
2.28 to renew a license or reenroll in a program administered by the commissioner cannot or
2.29 would not perform the necessary duties required under the license or enrollment agreement,
2.30 the commissioner must deny the license renewal or reenrollment request.

3.1 Sec. 2. **[256.0113] ELIGIBILITY TO RECEIVE PUBLIC MONEY; PRE-AWARD**
3.2 **RISK ASSESSMENT.**

3.3 Subdivision 1. Pre-award risk assessment; grant recipients. (a) Prior to receiving a
3.4 grant award for a program administered by the commissioner, a potential grantee must
3.5 provide the commissioner with the applicable information specified under section 16B.981,
3.6 subdivision 2, for the most recent three-year period. This information must also include:

3.7 (1) the potential grantee's history of performing services during the most recent three-year
3.8 period that are substantially similar to the services the potential grantee is seeking to receive
3.9 public funds to provide; and

3.10 (2) for a potential grantee that is a for-profit business or nonprofit organization, evidence
3.11 of registration and good standing with the secretary of state for the most recent three-year
3.12 period, if applicable.

3.13 (b) For any information not submitted to the commissioner as required under this section
3.14 because the potential grantee determined it to be inapplicable, the potential grantee must
3.15 submit documentation noting each item that was not submitted and the reason why the
3.16 potential grantee determined it was inapplicable.

3.17 Subd. 2. Pre-award risk assessment; licensure. (a) Prior to renewing a license for a
3.18 program administered by the commissioner, a provider, vendor, or individual must provide
3.19 the commissioner with the applicable information specified under section 16B.981,
3.20 subdivision 2, for the most recent licensure period.

3.21 (b) Notwithstanding paragraph (a), for a provider, vendor, or individual who has been
3.22 licensed in a program administered by the commissioner for at least three years, the provider,
3.23 vendor, or individual must provide the commissioner with the applicable information
3.24 specified under section 16B.981, subdivision 2, for the most recent three-year period.

3.25 (c) For any information not submitted to the commissioner as required under this section
3.26 because the provider, vendor, or individual determined it to be inapplicable, the provider,
3.27 vendor, or individual must submit documentation noting each item that was not submitted
3.28 and the reason why the provider, vendor, or individual determined it was inapplicable.

3.29 Subd. 3. Pre-award risk assessment; reenrollment and revalidation. (a) Prior to
3.30 reenrollment or revalidation in a program administered by the commissioner, a provider,
3.31 vendor, or individual must provide the commissioner with the applicable information
3.32 specified under section 16B.981, subdivision 2, for the most recent enrollment period.

4.1 (b) Notwithstanding paragraph (a), for a provider, vendor, or individual who has been
4.2 enrolled in a program administered by the commissioner for at least three years, the provider,
4.3 vendor, or individual must provide the commissioner with the applicable information
4.4 specified under section 16B.981, subdivision 2, for the most recent three-year period.

4.5 (c) For any information not submitted to the commissioner as required under this section
4.6 because the provider, vendor, or individual determined it to be inapplicable, the provider,
4.7 vendor, or individual must submit documentation noting each item that was not submitted
4.8 and the reason why the provider, vendor, or individual determined it was inapplicable.

4.9 Subd. 4. **Commissioner duties.** (a) The commissioner must review all information
4.10 provided under subdivisions 1 to 3 prior to awarding a grant, renewing a license, or
4.11 reenrolling or revalidating a provider, vendor, or individual. For any documentation submitted
4.12 to the commissioner under subdivision 1, paragraph (b); subdivision 2, paragraph (c); or
4.13 subdivision 3, paragraph (c), the commissioner must review and confirm that the
4.14 determination of inapplicability made by the potential grantee or the provider, vendor, or
4.15 individual is correct. For any incorrect determination, the potential grantee or the provider,
4.16 vendor, or individual must submit the required information prior to receiving grant funds,
4.17 renewing a license, reenrollment in a program, or revalidation.

4.18 (b) Notwithstanding section 16B.981, if, after reviewing the information provided under
4.19 subdivision 1, the commissioner has concerns that there is a substantial risk that a potential
4.20 grantee cannot or would not perform the required duties under the grant agreement, the
4.21 commissioner must not award the grant.

4.22 (c) If, after reviewing the information provided under subdivision 2 or 3, the
4.23 commissioner has concerns that there is a substantial risk that the provider, vendor, or
4.24 individual seeking to renew a license, or applying for reenrollment or revalidation, cannot
4.25 or would not perform the necessary duties required under the license or enrollment agreement,
4.26 the commissioner must deny the license renewal or terminate the participation of the provider,
4.27 vendor, or individual in the program.