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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5242

- 04/02/2024 Authored by Hornstein, Tabke and Koegel
The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
- 04/24/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/26/2024 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 04/30/2024 Calendar for the Day
Bill was laid on the Table

1.1 A bill for an act

1.2 relating to transportation; appropriating money for a supplemental budget for the

1.3 Department of Transportation, Department of Public Safety, and the Metropolitan

1.4 Council; modifying prior appropriations; modifying various provisions related to

1.5 transportation and public safety, including but not limited to an intensive driver

1.6 testing program, greenhouse gas emissions, electric-assisted bicycles, high voltage

1.7 transmission, railroad safety, and transit; establishing civil penalties; establishing

1.8 an advisory committee; labor and industry; making supplemental appropriation

1.9 changes to labor provisions; modifying combative sports regulations, construction

1.10 codes and licensing, Bureau of Mediation provisions, public employee labor

1.11 relations provisions, University of Minnesota collective bargaining units,

1.12 miscellaneous labor provisions, broadband and pipeline safety, employee

1.13 misclassification, and minors appearing in internet content; housing; modifying

1.14 prior appropriations; establishing new programs and modifying existing programs;

1.15 expanding eligible uses of housing infrastructure bonds; authorizing the issuance

1.16 of housing infrastructure bonds; establishing a working group and a task force;

1.17 authorizing rulemaking; requiring reports; appropriating money; amending

1.18 Minnesota Statutes 2022, sections 13.6905, by adding a subdivision; 15.082;

1.19 116J.395, subdivision 6; 161.14, by adding subdivisions; 161.45, by adding

1.20 subdivisions; 161.46, subdivision 1; 168.09, subdivision 7; 168.092; 168.301,

1.21 subdivision 3; 168A.10, subdivision 2; 168A.11, subdivision 1; 169.011, by adding

1.22 subdivisions; 169.21, subdivision 6; 169.222, subdivisions 6a, 6b; 169A.55,

1.23 subdivision 4; 171.306, subdivisions 1, 8; 174.02, by adding a subdivision; 174.75,

1.24 subdivisions 1, 2, by adding a subdivision; 177.27, subdivision 3; 179A.11,

1.25 subdivisions 1, 2, by adding a subdivision; 179A.12, subdivision 5; 181.171,

1.26 subdivision 1; 181.722; 181.723; 181.960, subdivision 3; 181A.03, by adding

1.27 subdivisions; 216B.17, by adding a subdivision; 216E.02, subdivision 1; 221.0255,

1.28 subdivisions 4, 9, by adding a subdivision; 270B.14, subdivision 17, by adding a

1.29 subdivision; 299J.01; 299J.02, by adding a subdivision; 299J.04, subdivision 2;

1.30 299J.11; 326B.081, subdivisions 3, 6, 8; 326B.082, subdivisions 1, 2, 4, 6, 7, 10,

1.31 11, 13, by adding a subdivision; 326B.701; 326B.802, subdivision 13; 326B.89,

1.32 subdivisions 1, 5; 341.28, by adding a subdivision; 341.29; 462A.02, subdivision

1.33 10; 462A.03, by adding subdivisions; 462A.05, subdivisions 3b, 14a, 14b, 15, 15b,

1.34 21, 23; 462A.07, by adding subdivisions; 462A.202, subdivision 3a; 462A.21,

1.35 subdivisions 7, 8b; 462A.222, by adding a subdivision; 462A.35, subdivision 2;

1.36 462A.37, by adding a subdivision; 462A.40, subdivisions 2, 3; 462C.02, subdivision

1.37 6; 469.012, subdivision 2j; 473.13, by adding a subdivision; 473.388, by adding

1.38 a subdivision; 473.3927; 626.892, subdivision 10; Minnesota Statutes 2023

2.1 Supplement, sections 116J.871, subdivision 1, as amended; 161.178; 161.46,
 2.2 subdivision 2; 168.1259; 169.011, subdivision 27; 169A.44, subdivision 1;
 2.3 171.0705, subdivision 2; 171.13, subdivision 1; 174.38, subdivisions 3, 6; 174.634,
 2.4 subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7; 177.42,
 2.5 subdivision 2; 179A.03, subdivision 14; 179A.041, subdivision 10; 179A.06,
 2.6 subdivision 6; 179A.07, subdivisions 8, 9; 179A.10, subdivision 2; 179A.12,
 2.7 subdivisions 2a, 6, 11; 219.015, subdivision 2; 326B.106, subdivision 1; 326B.802,
 2.8 subdivision 15; 341.25; 341.28, subdivision 5; 341.30, subdivision 4; 341.321;
 2.9 341.33, by adding a subdivision; 341.355; 462A.05, subdivisions 14, 45; 462A.22,
 2.10 subdivision 1; 462A.37, subdivisions 2, 5; 462A.39, subdivision 2; 473.4051, by
 2.11 adding a subdivision; 477A.35, subdivisions 1, 2, 4, 5, 6, by adding a subdivision;
 2.12 Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2;
 2.13 Laws 2023, chapter 37, article 1, section 2, subdivisions 1, 2, 17, 29, 32; article
 2.14 2, section 12, subdivision 2; Laws 2023, chapter 52, article 19, section 120; Laws
 2.15 2023, chapter 53, article 19, sections 2, subdivisions 1, 3, 5; 4; proposing coding
 2.16 for new law in Minnesota Statutes, chapters 116J; 161; 168; 169; 171; 174; 181;
 2.17 181A; 219; 325F; 462A; 469; 504B; repealing Minnesota Statutes 2022, sections
 2.18 116J.398; 168.1297; 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision
 2.19 1; 179.85; Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200;
 2.20 5520.0250; 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600;
 2.21 5520.0620; 5520.0700; 5520.0710; 5520.0800; 7410.6180.

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

2.23 **ARTICLE 1**

2.24 **TRANSPORTATION APPROPRIATIONS**

2.25 Section 1. **TRANSPORTATION APPROPRIATIONS.**

2.26 The sums shown in the columns marked "Appropriations" are added to the appropriations
 2.27 in Laws 2023, chapter 68, article 1, to the agencies and for the purposes specified in this
 2.28 article. The appropriations are from the trunk highway fund, or another named fund, and
 2.29 are available for the fiscal years indicated for each purpose. Amounts for "Total
 2.30 Appropriation" and sums shown in the corresponding columns marked "Appropriations by
 2.31 Fund" are summary only and do not have legal effect. Unless specified otherwise, the
 2.32 amounts in fiscal year 2025 under "Appropriations by Fund" are added to the base within
 2.33 the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures
 2.34 "2024" and "2025" used in this article mean that the appropriations listed under them are
 2.35 available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "Each
 2.36 year" is each of fiscal years 2024 and 2025.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2024</u>	<u>2025</u>

2.41 **Sec. 2. DEPARTMENT OF**
 2.42 **TRANSPORTATION**

2.43 <u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>91,500,000</u>
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3.1	<u>Appropriations by Fund</u>	
3.2	<u>2024</u>	<u>2025</u>
3.3	<u>General</u>	<u>9,000,000</u>
3.4	<u>Trunk Highway</u>	<u>78,750,000</u>
3.5	<u>Special Revenue</u>	<u>3,750,000</u>

3.6 The appropriations in this section are to the
 3.7 commissioner of transportation.

3.8 The amounts that may be spent for each
 3.9 purpose are specified in the following
 3.10 subdivisions.

3.11 **Subd. 2. State Roads**

3.12	<u>(a) Operations and Maintenance</u>	<u>-0-</u>	<u>1,300,000</u>
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3.13 \$300,000 in fiscal year 2025 is for rumble
 3.14 strips under Minnesota Statutes, section
 3.15 161.1258.

3.16 \$1,000,000 in fiscal year 2025 is for
 3.17 landscaping improvements under the
 3.18 Department of Transportation's community
 3.19 roadside landscape partnership program, with
 3.20 prioritization of tree planting as feasible.

3.21	<u>(b) Program Planning and Research</u>	<u>-0-</u>	<u>3,800,000</u>
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3.22 \$3,000,000 in fiscal year 2025 is for
 3.23 implementation and development of statewide
 3.24 and regional travel demand modeling related
 3.25 to the requirements under Minnesota Statutes,
 3.26 section 161.178. This is a onetime
 3.27 appropriation and is available until June 30,
 3.28 2026.

3.29 \$800,000 in fiscal year 2025 is for one or more
 3.30 grants to metropolitan planning organizations
 3.31 outside the metropolitan area, as defined in
 3.32 Minnesota Statutes, section 473.121,
 3.33 subdivision 2, for modeling activities related
 3.34 to the requirements under Minnesota Statutes,

4.1 section 161.178. This is a onetime
 4.2 appropriation.

4.3 **Subd. 3. Small Cities** -0- 9,000,000

4.4 \$9,000,000 in fiscal year 2025 is from the
 4.5 general fund for the small cities assistance
 4.6 program under Minnesota Statutes, section
 4.7 162.145. This appropriation must be allocated
 4.8 and distributed in the July 2024 payment. This
 4.9 is a onetime appropriation.

4.10 **Subd. 4. Trunk Highway 65** -0- 1,000,000

4.11 \$1,000,000 in fiscal year 2025 is from the
 4.12 trunk highway fund for one or more grants to
 4.13 the city of Blaine, Anoka County, or both, for
 4.14 predesign and design of intersection safety
 4.15 improvements along marked Trunk Highway
 4.16 65 from the interchange with marked U.S.
 4.17 Highway 10 to 99th Avenue Northeast in the
 4.18 city of Blaine. This is a onetime appropriation.

4.19 **Subd. 5. Mississippi Skyway Trail Bridge** -0- 3,750,000

4.20 Notwithstanding the requirements under
 4.21 Minnesota Statutes, section 174.38,
 4.22 subdivision 3, paragraph (a), this appropriation
 4.23 is from the active transportation account in
 4.24 the special revenue fund for a grant to the city
 4.25 of Ramsey for design, environmental analysis,
 4.26 site preparation, and construction of the
 4.27 Mississippi Skyway Trail Bridge over marked
 4.28 U.S. Highways 10 and 169 in Ramsey to
 4.29 provide for a grade-separated crossing by
 4.30 pedestrians and nonmotorized vehicles. This
 4.31 is a onetime appropriation.

4.32 **Subd. 6. High-Priority Bridge** -0- 40,000,000

4.33 This appropriation is for the acquisition,
 4.34 environmental analysis, predesign, design,

5.1 engineering, construction, reconstruction, and
 5.2 improvement of trunk highway bridges,
 5.3 including design-build contracts, program
 5.4 delivery, consultant usage to support these
 5.5 activities, and the cost of payments to
 5.6 landowners for lands acquired for highway
 5.7 rights-of-way. Projects under this
 5.8 appropriation must follow eligible investment
 5.9 priorities identified in the Minnesota state
 5.10 highway investment plan under Minnesota
 5.11 Statutes, section 174.03, subdivision 1c. The
 5.12 commissioner may use up to 17 percent of this
 5.13 appropriation for program delivery. This is a
 5.14 onetime appropriation.

5.15 **Subd. 7. Drainage Asset Management Program** -0- 4,800,000

5.16 This appropriation is for predesign, design,
 5.17 construction, and equipping of one or more
 5.18 drainage asset management projects. Drainage
 5.19 asset management projects may include but
 5.20 are not limited to repairing and replacing
 5.21 highway culverts, storm sewer system
 5.22 rehabilitations, and flood resiliency
 5.23 improvements. The commissioner may use up
 5.24 to 17 percent of this appropriation for program
 5.25 delivery. This is a onetime appropriation.

5.26 **Subd. 8. Truck Parking Safety Improvements** -0- 7,750,000

5.27 This appropriation is for land acquisition,
 5.28 predesign, design, and construction of
 5.29 expanded truck parking at Big Spunk in Avon
 5.30 and Enfield Rest Areas and for the
 5.31 rehabilitation or replacement of truck parking
 5.32 information management system equipment
 5.33 at Department of Transportation-owned
 5.34 parking rest area locations. This is a onetime
 5.35 appropriation.

6.1	<u>Subd. 9. Facilities Capital Program</u>		<u>-0-</u>	<u>20,100,000</u>
6.2	<u>This appropriation is for the transportation</u>			
6.3	<u>facilities capital program under Minnesota</u>			
6.4	<u>Statutes, section 174.595. This is a onetime</u>			
6.5	<u>appropriation.</u>			
6.6	Sec. 3. <u>METROPOLITAN COUNCIL</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 1,000,000</u>
6.7	<u>The appropriation in this section is from the</u>			
6.8	<u>general fund to the Metropolitan Council.</u>			
6.9	<u>\$1,000,000 in fiscal year 2025 is for a grant</u>			
6.10	<u>to the Ramsey County Regional Railroad</u>			
6.11	<u>Authority for a portion of the costs of</u>			
6.12	<u>insurance coverage related to rail-related</u>			
6.13	<u>incidents occurring at Union Depot in the city</u>			
6.14	<u>of St. Paul. This is a onetime appropriation.</u>			
6.15	Sec. 4. <u>DEPARTMENT OF PUBLIC SAFETY</u>			
6.16	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 5,380,000</u>
6.17	<u>The appropriations in this section are from the</u>			
6.18	<u>driver and vehicle services operating account</u>			
6.19	<u>in the special revenue fund to the</u>			
6.20	<u>commissioner of public safety.</u>			
6.21	<u>The amounts that may be spent for each</u>			
6.22	<u>purpose are specified in the following</u>			
6.23	<u>subdivisions.</u>			
6.24	<u>Subd. 2. Driver Services</u>		<u>-0-</u>	<u>4,180,000</u>
6.25	<u>\$1,211,000 in fiscal year 2025 is for staff and</u>			
6.26	<u>related operating costs for the intensive testing</u>			
6.27	<u>program under Minnesota Statutes, section</u>			
6.28	<u>171.307.</u>			
6.29	<u>\$2,969,000 in fiscal year 2025 is for staff and</u>			
6.30	<u>related operating costs to support testing at</u>			
6.31	<u>driver's license examination stations.</u>			

7.1 The base from the driver and vehicle services
 7.2 operating account in the special revenue fund
 7.3 is increased by \$3,903,000 in fiscal year 2026
 7.4 and \$3,763,000 in fiscal year 2027.

7.5 **Subd. 3. Traffic Safety** -0- 1,200,000

7.6 \$1,200,000 in fiscal year 2025 is for the Lights
 7.7 On grant program under Minnesota Statutes,
 7.8 section 169.515. The commissioner, through
 7.9 the Office of Traffic Safety, must contract with
 7.10 the Lights On! microgrant program to
 7.11 administer and operate the grant program. This
 7.12 is a onetime appropriation and is available
 7.13 until June 30, 2026.

7.14 Sec. 5. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is
 7.15 amended to read:

7.16 **Subd. 2. Multimodal Systems**

7.17 **(a) Aeronautics**

7.18 **(1) Airport Development and Assistance** 24,198,000 18,598,000

7.19	Appropriations by Fund		
7.20		2022	2023
7.21	General	5,600,000	-0-
7.22	Airports	18,598,000	18,598,000

7.23 This appropriation is from the state airports
 7.24 fund and must be spent according to
 7.25 Minnesota Statutes, section 360.305,
 7.26 subdivision 4.

7.27 \$5,600,000 in fiscal year 2022 is from the
 7.28 general fund for a grant to the city of Karlstad
 7.29 for the acquisition of land, predesign, design,
 7.30 engineering, and construction of a primary
 7.31 airport runway. This appropriation is for Phase
 7.32 1 of the project.

8.1 Notwithstanding Minnesota Statutes, section
 8.2 16A.28, subdivision 6, this appropriation is
 8.3 available for five years after the year of the
 8.4 appropriation. If the appropriation for either
 8.5 year is insufficient, the appropriation for the
 8.6 other year is available for it.

8.7 If the commissioner of transportation
 8.8 determines that a balance remains in the state
 8.9 airports fund following the appropriations
 8.10 made in this article and that the appropriations
 8.11 made are insufficient for advancing airport
 8.12 development and assistance projects, an
 8.13 amount necessary to advance the projects, not
 8.14 to exceed the balance in the state airports fund,
 8.15 is appropriated in each year to the
 8.16 commissioner and must be spent according to
 8.17 Minnesota Statutes, section 360.305,
 8.18 subdivision 4. Within two weeks of a
 8.19 determination under this contingent
 8.20 appropriation, the commissioner of
 8.21 transportation must notify the commissioner
 8.22 of management and budget and the chairs,
 8.23 ranking minority members, and staff of the
 8.24 legislative committees with jurisdiction over
 8.25 transportation finance concerning the funds
 8.26 appropriated. Funds appropriated under this
 8.27 contingent appropriation do not adjust the base
 8.28 for fiscal years 2024 and 2025.

8.29 **(2) Aviation Support Services** 8,332,000 8,340,000

8.30	Appropriations by Fund	
8.31	2022	2023
8.32 General	1,650,000	1,650,000
8.33 Airports	6,682,000	6,690,000

8.34 \$28,000 in fiscal year 2022 and \$36,000 in
 8.35 fiscal year 2023 are from the state airports

9.1 fund for costs related to regulating unmanned
 9.2 aircraft systems.

9.3 **(3) Civil Air Patrol** 80,000 80,000

9.4 This appropriation is from the state airports
 9.5 fund for the Civil Air Patrol.

9.6 **(b) Transit and Active Transportation** 23,501,000 18,201,000

9.7 This appropriation is from the general fund.
 9.8 \$5,000,000 in fiscal year 2022 is for the active
 9.9 transportation program under Minnesota
 9.10 Statutes, section 174.38. This is a onetime
 9.11 appropriation and is available until June 30,
 9.12 2025.

9.13 \$300,000 in fiscal year 2022 is for a grant to
 9.14 the 494 Corridor Commission. The
 9.15 commissioner must not retain any portion of
 9.16 the funds appropriated under this section. The
 9.17 commissioner must make grant payments in
 9.18 full by December 31, 2021. Funds under this
 9.19 grant are for programming and service
 9.20 expansion to assist companies and commuters
 9.21 in telecommuting efforts and promotion of
 9.22 best practices. A grant recipient must provide
 9.23 telework resources, assistance, information,
 9.24 and related activities on a statewide basis. This
 9.25 is a onetime appropriation.

9.26 **(c) Safe Routes to School** 5,500,000 500,000

9.27 This appropriation is from the general fund
 9.28 for the safe routes to school program under
 9.29 Minnesota Statutes, section 174.40.

9.30 If the appropriation for either year is
 9.31 insufficient, the appropriation for the other
 9.32 year is available for it.

9.33 **(d) Passenger Rail** 10,500,000 500,000

10.1 This appropriation is from the general fund
 10.2 for passenger rail activities under Minnesota
 10.3 Statutes, sections 174.632 to 174.636.
 10.4 \$10,000,000 in fiscal year 2022 is for final
 10.5 design and construction to provide for a
 10.6 second daily Amtrak train service between
 10.7 Minneapolis and St. Paul and Chicago. The
 10.8 commissioner may expend funds for program
 10.9 delivery and administration from this amount.
 10.10 This is a onetime appropriation and is
 10.11 available until June 30, 2025.

10.12 **(e) Freight** 8,342,000 7,323,000

10.13	Appropriations by Fund		
10.14		2022	2023
10.15	General	2,464,000	1,445,000
10.16	Trunk Highway	5,878,000	5,878,000

10.17 \$1,000,000 in fiscal year 2022 is from the
 10.18 general fund for procurement costs of a
 10.19 statewide freight network optimization tool.
 10.20 This is a onetime appropriation and is
 10.21 available until June 30, 2023.
 10.22 \$350,000 in fiscal year 2022 and \$287,000 in
 10.23 fiscal year 2023 are from the general fund for
 10.24 two additional rail safety inspectors in the state
 10.25 rail safety inspection program under
 10.26 Minnesota Statutes, section 219.015. In each
 10.27 year, the commissioner must not increase the
 10.28 total assessment amount under Minnesota
 10.29 Statutes, section 219.015, subdivision 2, from
 10.30 the most recent assessment amount.

10.31 **Sec. 6. APPROPRIATION CANCELLATION.**

10.32 \$8,000,000 of the appropriation in fiscal year 2024 from the general fund for
 10.33 Infrastructure Investment and Jobs Act (IIJA) discretionary matches under Laws 2023,

11.1 chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the general fund
11.2 on June 29, 2024.

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

11.4 **ARTICLE 2**

11.5 **TRANSPORTATION FINANCE**

11.6 Section 1. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision
11.7 to read:

11.8 Subd. 38. **Intensive testing program data.** Data on participants in the intensive testing
11.9 program are governed by section 171.307, subdivision 7.

11.10 **EFFECTIVE DATE.** This section is effective August 1, 2024.

11.11 Sec. 2. **[161.1258] RUMBLE STRIPS.**

11.12 (a) The commissioner must maintain transverse rumble strips in association with each
11.13 stop sign that is located (1) on a trunk highway segment with a speed limit of at least 55
11.14 miles per hour, and (2) outside the limits of a statutory or home rule charter city.

11.15 (b) The commissioner must meet the requirements under paragraph (a) at each applicable
11.16 location by the earlier of August 1, 2034, or the date of substantial completion of any
11.17 construction, resurfacing, or reconditioning at the location.

11.18 Sec. 3. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to
11.19 read:

11.20 Subd. 105. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S.
11.21 Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor
11.22 Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must
11.23 adopt a suitable design to mark the bridge and erect appropriate signs.

11.24 Sec. 4. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to
11.25 read:

11.26 Subd. 106. **Gopher Gunners Memorial Bridge.** (a) The bridge on marked Trunk
11.27 Highway 55 and marked Trunk Highway 62 over the Minnesota River, commonly known
11.28 as the Mendota Bridge, is designated as "Gopher Gunners Memorial Bridge."
11.29 Notwithstanding section 161.139, the commissioner must adopt a suitable design to mark
11.30 this bridge and erect appropriate signs.

12.1 (b) The adjutant general of the Department of Military Affairs must reimburse the
12.2 commissioner of transportation for costs incurred under this subdivision.

12.3 Sec. 5. Minnesota Statutes 2023 Supplement, section 161.178, is amended to read:

12.4 **161.178 TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT**
12.5 **ASSESSMENT.**

12.6 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
12.7 the meanings given.

12.8 (b) "Applicable entity" means the commissioner with respect to a ~~capacity expansion~~
12.9 project or portfolio for inclusion in the state transportation improvement program or a
12.10 metropolitan planning organization with respect to a ~~capacity expansion~~ project or portfolio
12.11 for inclusion in the appropriate metropolitan transportation improvement program.

12.12 (c) "Assessment" means the ~~capacity expansion~~ impact assessment under this section.

12.13 (d) "Capacity expansion project" means a project for trunk highway construction or
12.14 reconstruction that:

12.15 (1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph
12.16 (b); and

12.17 (2) adds highway traffic capacity or provides for grade separation of motor vehicle traffic
12.18 at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

12.19 (e) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
12.20 subdivision 2.

12.21 Subd. 2. **Project or portfolio assessment.** (a) Prior to inclusion of a ~~capacity expansion~~
12.22 project or portfolio in the state transportation improvement program or in a metropolitan
12.23 transportation improvement program, the applicable entity must perform a ~~capacity expansion~~
12.24 an impact assessment of the project or portfolio. Following the assessment, the applicable
12.25 entity must determine if the project ~~conforms~~ or portfolio is proportionally in conformance
12.26 with:

12.27 (1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3;
12.28 and

12.29 (2) the vehicle miles traveled reduction targets established in the statewide multimodal
12.30 transportation plan under section 174.03, subdivision 1a.

13.1 (b) If the applicable entity determines that the ~~capacity expansion~~ project or portfolio is
13.2 not in conformance with paragraph (a), the applicable entity must:

13.3 (1) alter the scope or design of the project or any number of projects, remove one or
13.4 more projects from the portfolio, or undertake a combination, and subsequently perform a
13.5 revised assessment that meets the requirements under this section;

13.6 (2) interlink sufficient impact mitigation as provided in subdivision 4; or

13.7 (3) halt project development and disallow inclusion of the project or portfolio in the
13.8 appropriate transportation improvement program.

13.9 Subd. 2a. **Applicable projects.** (a) For purposes of this section:

13.10 (1) prior to the date established under paragraph (b), a project or portfolio is a capacity
13.11 expansion project; and

13.12 (2) on and after the date established under paragraph (b), a project or portfolio is a
13.13 capacity expansion project or a collection of trunk highway and multimodal projects for a
13.14 fiscal year and specific region.

13.15 (b) The commissioner must establish a date to implement impact assessments on the
13.16 basis of assessing a portfolio or program of projects instead of on a project-by-project basis.
13.17 The date must be:

13.18 (1) August 1, 2027, which applies to projects that first enter the appropriate transportation
13.19 improvement program for fiscal year 2031 or a subsequent year; or

13.20 (2) as established by the commissioner, if the commissioner:

13.21 (i) consults with metropolitan planning organizations;

13.22 (ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier
13.23 date;

13.24 (iii) determines that the date established under this clause is the earliest practicable in
13.25 which the necessary models and tools are sufficient for analysis under this section; and

13.26 (iv) submits a notice to the chairs and ranking minority members of the legislative
13.27 committees and divisions with jurisdiction over transportation finance and policy, which
13.28 must identify the date established and summarize the efforts under item (ii) and the
13.29 determination under item (iii).

13.30 Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to
13.31 perform capacity expansion impact assessments. An assessment must provide for the

- 14.1 ~~determination under subdivision 2.~~ implement the requirements under this section, which
 14.2 includes:
- 14.3 (1) any necessary policies, procedures, manuals, and technical specifications;
 14.4 (2) procedures to perform an impact assessment that provide for the determination under
 14.5 subdivision 2;
 14.6 (3) in consultation with the technical advisory committee under section 161.1782, criteria
 14.7 for identification of a capacity expansion project; and
 14.8 (4) related data reporting from local units of government on local multimodal
 14.9 transportation systems and local project impacts on greenhouse gas emissions and vehicle
 14.10 miles traveled.
- 14.11 (b) Analysis under an assessment must include but is not limited to estimates resulting
 14.12 from ~~the~~ a project or portfolio for the following:
- 14.13 (1) greenhouse gas emissions over a period of 20 years; ~~and~~
 14.14 (2) a net change in vehicle miles traveled for the affected network; and
 14.15 (3) impacts to trunk highways and related impacts to local road systems, on a local,
 14.16 regional, or statewide basis, as appropriate.
- 14.17 Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the
 14.18 applicable entity must interlink the ~~capacity expansion project or portfolio~~ as provided in
 14.19 this subdivision.
- 14.20 (b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the ~~capacity~~
 14.21 ~~expansion project or portfolio~~ is interlinked to mitigation offset actions such that the total
 14.22 greenhouse gas emissions reduction from the mitigation offset actions, after accounting for
 14.23 the greenhouse gas emissions otherwise resulting from the capacity expansion project or
 14.24 portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph
 14.25 (a). Each comparison under this paragraph must be performed over equal comparison periods.
- 14.26 (c) ~~A mitigation~~ An offset action consists of a project, program, ~~or~~ operations
 14.27 modification, or mitigation plan in one or more of the following areas:
- 14.28 (1) transit expansion, including but not limited to regular route bus, arterial bus rapid
 14.29 transit, highway bus rapid transit, rail transit, and intercity passenger rail;
- 14.30 (2) transit service improvements, including but not limited to increased service level,
 14.31 transit fare reduction, and transit priority treatments;

- 15.1 (3) active transportation infrastructure;
- 15.2 (4) micromobility infrastructure and service, including but not limited to shared vehicle
15.3 services;
- 15.4 (5) transportation demand management, including but not limited to vanpool and shared
15.5 vehicle programs, remote work, and broadband access expansion;
- 15.6 (6) parking management, including but not limited to parking requirements reduction
15.7 or elimination and parking cost adjustments;
- 15.8 (7) land use, including but not limited to residential and other density increases, mixed-use
15.9 development, and transit-oriented development;
- 15.10 (8) infrastructure improvements related to traffic operations, including but not limited
15.11 to roundabouts and reduced conflict intersections; ~~and~~
- 15.12 (9) natural systems, including but not limited to prairie restoration, reforestation, and
15.13 urban green space; and
- 15.14 (10) as specified by the commissioner in the manner provided under paragraph (e).

15.15 (d) ~~A mitigation~~ An offset action may be identified as interlinked to the ~~capacity~~
15.16 ~~expansion~~ project or portfolio if:

- 15.17 (1) there is a specified project, program, ~~or~~ modification, or mitigation plan;
- 15.18 (2) the necessary funding sources are identified and sufficient amounts are committed;
- 15.19 (3) the mitigation is localized as provided in subdivision 5; and
- 15.20 (4) procedures are established to ensure that the mitigation action remains in substantially
15.21 the same form or a revised form that continues to meet the calculation under paragraph (b).

15.22 (e) The commissioner may authorize additional offset actions under paragraph (c) if:

- 15.23 (1) the offset action is reviewed and recommended by the technical advisory committee
15.24 under section 161.1782; and
- 15.25 (2) the commissioner determines that the offset action is directly related to reduction in
15.26 the transportation sector of greenhouse gas emissions or vehicle miles traveled.

15.27 **Subd. 5. Impact mitigation; localization.** (a) ~~A mitigation~~ An offset action under
15.28 subdivision 4 must be localized in the following priority order:

- 15.29 (1) if the offset action is for one project, within or associated with at least one of the
15.30 communities impacted by the ~~capacity expansion~~ project;

16.1 (2) if clause (1) does not apply or there is not a reasonably feasible location under clause
16.2 (1), in areas of persistent poverty or historically disadvantaged communities, as measured
16.3 and defined in federal law, guidance, and notices of funding opportunity;

16.4 (3) if there is not a reasonably feasible location under clauses (1) and (2), in the region
16.5 of the ~~capacity expansion~~ project or portfolio; or

16.6 (4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide
16.7 basis.

16.8 (b) The applicable entity must include an explanation regarding the feasibility and
16.9 rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

16.10 Subd. 6. **Public information.** The commissioner must publish information regarding
16.11 ~~capacity expansion~~ impact assessments on the department's website. The information must
16.12 include:

16.13 (1) for each project evaluated separately under this section, identification of ~~capacity~~
16.14 ~~expansion projects~~ the project; and

16.15 (2) for each project evaluated separately, a summary that includes an overview of the
16.16 ~~expansion impact~~ assessment, the impact determination by the commissioner, and project
16.17 disposition, including a review of any ~~mitigation~~ offset actions;

16.18 (3) for each portfolio of projects, an overview of the projects, the impact determination
16.19 by the commissioner, and a summary of any offset actions;

16.20 (4) a review of any interpretation of or additions to offset actions under subdivision 4;

16.21 (5) identification of the date established by the commissioner under subdivision 2a,
16.22 paragraph (b); and

16.23 (6) a summary of the activities of the technical advisory committee under section
16.24 161.1782, including but not limited to any findings or recommendations made by the advisory
16.25 committee.

16.26 Subd. 7. **Safety and well-being.** The requirements of this section are in addition to and
16.27 must not supplant the safety and well-being goals established under section 174.01,
16.28 subdivision 2, clauses (1) and (2).

16.29 **EFFECTIVE DATE.** This section is effective February 1, 2025. This section does not
16.30 apply to a capacity expansion project that was either included in the state transportation
16.31 improvement program or has been submitted for approval of the geometric layout before
16.32 February 1, 2025.

17.1 Sec. 6. [161.1782] TRANSPORTATION IMPACT ASSESSMENT; TECHNICAL
17.2 ADVISORY COMMITTEE.

17.3 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
17.4 the meanings given.

17.5 (b) "Advisory committee" means the technical advisory committee established in this
17.6 section.

17.7 (c) "Project or portfolio" is as provided in section 161.178.

17.8 Subd. 2. Establishment. The commissioner must establish a technical advisory committee
17.9 to assist in implementation review related to the requirements under section 161.178.

17.10 Subd. 3. Membership; appointments. The advisory committee is composed of the
17.11 following members:

17.12 (1) one member from the Department of Transportation, appointed by the commissioner
17.13 of transportation;

17.14 (2) one member from the Pollution Control Agency, appointed by the commissioner of
17.15 the Pollution Control Agency;

17.16 (3) one member from the Metropolitan Council, appointed by the chair of the
17.17 Metropolitan Council;

17.18 (4) one member from the Center for Transportation Studies, appointed by the president
17.19 of the University of Minnesota;

17.20 (5) one member representing metropolitan planning organizations outside the metropolitan
17.21 area, as defined in section 473.121, subdivision 2, appointed by the Association of
17.22 Metropolitan Planning Organizations; and

17.23 (6) up to four members who are not employees of the state, with no more than two who
17.24 are employees of a political subdivision, appointed by the commissioner of transportation.

17.25 Subd. 4. Membership; requirements. (a) To be eligible for appointment to the advisory
17.26 committee, an individual must have experience or expertise sufficient to provide assistance
17.27 in implementation or technical review related to the requirements under section 161.178.
17.28 Each appointing authority must consider appointment of individuals with expertise in travel
17.29 demand modeling, emissions modeling, traffic forecasting, land use planning, or
17.30 transportation-related greenhouse gas emissions assessment and analysis. In appointing the
17.31 members under subdivision 3, clause (6), the commissioner must also consider technical

18.1 expertise in other relevant areas, which may include but is not limited to public health or
18.2 natural systems management.

18.3 (b) Members of the advisory committee serve at the pleasure of the appointing authority.
18.4 Vacancies must be filled by the appointing authority.

18.5 Subd. 5. **Duties.** The advisory committee must assist the commissioner in implementation
18.6 of the requirements under section 161.178 by:

18.7 (1) performing technical review and validation of processes and methodologies used for
18.8 impact assessment and impact mitigation;

18.9 (2) reviewing and making recommendations on:

18.10 (i) impact assessment requirements;

18.11 (ii) models and tools for impact assessment;

18.12 (iii) methods to determine sufficiency of impact mitigation;

18.13 (iv) procedures for interlinking a project or portfolio to impact mitigation; and

18.14 (v) reporting and data collection;

18.15 (3) advising on the approach used to determine the area of influence for a project or
18.16 portfolio for a geographic or transportation network area;

18.17 (4) developing recommendations on any clarifications, modifications, or additions to
18.18 the offset actions authorized under section 161.178, subdivision 4; and

18.19 (5) performing other analyses or activities as requested by the commissioner.

18.20 Subd. 6. **Administration.** (a) The commissioner must provide administrative support
18.21 to the advisory committee. Upon request, the commissioner must provide information and
18.22 technical support to the advisory committee.

18.23 (b) Members of the advisory committee are not eligible for compensation under this
18.24 section.

18.25 (c) The advisory committee is subject to the Minnesota Data Practices Act under chapter
18.26 13 and to the Minnesota Open Meeting Law under chapter 13D.

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

19.1 Sec. 7. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
19.2 read:

19.3 Subd. 4. **High voltage transmission; placement in right-of-way.** (a) For purposes of
19.4 this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning
19.5 given in section 216E.01, subdivision 4.

19.6 (b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under
19.7 the laws of this state or the ordinance of any city or county may be constructed, placed, or
19.8 maintained across or along any trunk highway, including an interstate highway and a trunk
19.9 highway that is an expressway or a freeway, except as deemed necessary by the commissioner
19.10 of transportation to protect public safety or ensure the proper function of the trunk highway
19.11 system.

19.12 (c) If the commissioner denies a high voltage electric line colocation request, the reasons
19.13 for the denial must be submitted for review within 90 days of the commissioner's denial to
19.14 the chairs and ranking minority members of the legislative committees with jurisdiction
19.15 over energy and transportation, the Public Utilities Commission executive secretary, and
19.16 the commissioner of commerce.

19.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
19.18 applies to colocation requests for a high voltage transmission line on or after that date.

19.19 Sec. 8. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
19.20 read:

19.21 Subd. 5. **High voltage transmission; coordination required.** Upon written request,
19.22 the commissioner must engage in coordination activities with a utility or transmission line
19.23 developer to review requested highway corridors for potential permitted locations for
19.24 transmission lines. The commissioner must assign a project coordinator within 30 days of
19.25 receiving the written request. The commissioner must share all known plans with affected
19.26 utilities or transmission line developers on potential future projects in the highway corridor
19.27 if the potential highway project impacts the placement or siting of high voltage transmission
19.28 lines.

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

20.1 Sec. 9. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
20.2 read:

20.3 Subd. 6. **High voltage transmission; constructability report; advance notice.** (a) If
20.4 the commissioner and a utility or transmission line developer identify a permissible route
20.5 along a trunk highway corridor for possible colocation of transmission lines, a constructability
20.6 report must be prepared by the utility or transmission line developer in consultation with
20.7 the commissioner. A constructability report developed under this subdivision must be utilized
20.8 by both parties to plan and approve colocation projects.

20.9 (b) A constructability report developed under this section between the commissioner
20.10 and the parties seeking colocation must include terms and conditions for building the
20.11 colocation project. Notwithstanding the requirements in subdivision 1, the report must be
20.12 approved by the commissioner and the party or parties seeking colocation prior to the
20.13 commissioner approving and issuing a permit for use of the trunk highway right-of-way.

20.14 (c) A constructability report must include an agreed upon time frame for which there
20.15 will not be a request from the commissioner for relocation of the transmission line. If the
20.16 commissioner determines that relocation of a transmission line in the trunk highway
20.17 right-of-way is necessary, the commissioner, as much as practicable, must give a seven-year
20.18 advance notice.

20.19 (d) Notwithstanding the requirements of subdivision 7 and section 161.46, subdivision
20.20 2, if the commissioner requires the relocation of a transmission line in the interstate highway
20.21 right-of-way earlier than what was agreed upon in paragraph (c) in the constructability
20.22 report or provides less than a seven-year notice of relocation in the agreed upon
20.23 constructability report, the commissioner is responsible for 75 percent of the relocation
20.24 costs.

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

20.26 Sec. 10. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
20.27 read:

20.28 Subd. 7. **High voltage transmission; relocation reimbursement prohibited.** (a) A
20.29 high voltage transmission line that receives a route permit under chapter 216E on or after
20.30 July 1, 2024, is not eligible for relocation reimbursement under section 161.46, subdivision
20.31 2.

20.32 (b) If the commissioner orders relocation of a high voltage transmission line that is
20.33 subject to paragraph (a):

21.1 (1) a public utility, as defined in section 216B.02, subdivision 4, may recover its portion
 21.2 of costs of relocating the line that the Public Utilities Commission deems prudently incurred
 21.3 as a transmission cost adjustment pursuant to section 216B.16, subdivision 7b; and

21.4 (2) a consumer-owned utility, as defined in section 216B.2402, subdivision 2, may
 21.5 recover its portion of costs of relocating the line in any manner approved by its governing
 21.6 board.

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

21.8 Sec. 11. Minnesota Statutes 2022, section 161.46, subdivision 1, is amended to read:

21.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms shall
 21.10 have the meanings ascribed to them: given.

21.11 ~~(b)~~ (b) "Utility" means all publicly, privately, and cooperatively owned systems for
 21.12 supplying power, light, gas, telegraph, telephone, water, pipeline, or sewer service if such
 21.13 systems be authorized by law to use public highways for the location of its facilities.

21.14 ~~(c)~~ (c) "Cost of relocation" means the entire amount paid by such utility properly
 21.15 attributable to such relocation after deducting therefrom any increase in the value of the
 21.16 new facility and any salvage value derived from the old facility.

21.17 (d) "High voltage transmission line" has the meaning given in section 216E.01,
 21.18 subdivision 4.

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

21.20 Sec. 12. Minnesota Statutes 2023 Supplement, section 161.46, subdivision 2, is amended
 21.21 to read:

21.22 Subd. 2. **Relocation of facilities; reimbursement.** ~~(a) Whenever the commissioner shall~~
 21.23 ~~determine~~ determines that the relocation of any utility facility is necessitated by the
 21.24 construction of a project on the routes of federally aided state trunk highways, including
 21.25 urban extensions thereof, which routes that are included within the National System of
 21.26 Interstate Highways, the owner or operator of such the utility facility shall must relocate
 21.27 the same utility facility in accordance with the order of the commissioner. After the
 21.28 completion of such relocation the cost thereof shall be ascertained and paid by the state out
 21.29 of trunk highway funds; provided, however, the amount to be paid by the state for such
 21.30 reimbursement shall not exceed the amount on which the federal government bases its
 21.31 reimbursement for said interstate system. Except as provided in section 161.45, subdivision
 21.32 6, paragraph (d), or 7, upon the completion of relocation of a utility facility, the cost of

22.1 relocation must be ascertained and paid out of the trunk highway fund by the commissioner,
 22.2 provided the amount paid by the commissioner for reimbursement to a utility does not
 22.3 exceed the amount on which the federal government bases its reimbursement for the interstate
 22.4 highway system.

22.5 ~~(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives~~
 22.6 ~~a route permit under chapter 216E for a high-voltage transmission line necessary to~~
 22.7 ~~interconnect an electric power generating facility is not eligible for relocation reimbursement~~
 22.8 ~~unless the entity directly, or through its members or agents, provides retail electric service~~
 22.9 ~~in this state.~~

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

22.11 Sec. 13. Minnesota Statutes 2022, section 168.09, subdivision 7, is amended to read:

22.12 **Subd. 7. Display of temporary permit.** ~~(a) A vehicle that displays a Minnesota plate~~
 22.13 ~~issued under this chapter may display a temporary permit~~ The commissioner may issue a
 22.14 temporary permit under this subdivision in conjunction with the conclusion of a registration
 22.15 period or a recently expired registration, if:

22.16 (1) the current registration tax and all other fees and taxes have been paid in full; and

22.17 (2) ~~the plate has~~ special plates have been applied for.

22.18 ~~(b) A vehicle may display a temporary permit in conjunction with expired registration,~~
 22.19 ~~with or without a registration plate, if:~~

22.20 ~~(1) the plates have been applied for;~~

22.21 ~~(2) the registration tax and other fees and taxes have been paid in full; and~~

22.22 ~~(3) either the vehicle is used solely as a collector vehicle while displaying the temporary~~
 22.23 ~~permit and not used for general transportation purposes or the vehicle was issued a 21-day~~
 22.24 ~~permit under section 168.092, subdivision 1.~~

22.25 ~~(e)~~ (b) The permit is valid for a period of 60 days. The permit must be in a format
 22.26 prescribed by the commissioner, affixed to the rear of the vehicle where a license plate
 22.27 would normally be affixed, and plainly visible. The permit is valid only for the vehicle for
 22.28 which it was issued to allow a reasonable time for the new plates to be manufactured and
 22.29 delivered to the applicant. The permit may be issued only by the commissioner or by a
 22.30 deputy registrar under section 168.33.

22.31 **EFFECTIVE DATE.** This section is effective October 1, 2024.

23.1 Sec. 14. Minnesota Statutes 2022, section 168.092, is amended to read:

23.2 **168.092 ~~21-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.**

23.3 Subdivision 1. **Resident buyer.** The ~~motor vehicle registrar~~ commissioner may issue a
 23.4 permit to a person purchasing a new or used motor vehicle in this state for the purpose of
 23.5 allowing the purchaser a reasonable time to register the vehicle and pay fees and taxes due
 23.6 on the transfer. The permit is valid for a period of ~~21~~ 60 days. The permit must be in a ~~form~~
 23.7 ~~as the registrar may determine~~ format prescribed by the commissioner, affixed to the rear
 23.8 of the vehicle where a license plate would normally be affixed, and plainly visible. Each
 23.9 permit is valid only for the vehicle for which issued.

23.10 Subd. 2. **Dealer.** The ~~registrar~~ commissioner may issue permits to licensed dealers.
 23.11 When issuing a permit, the dealer ~~shall~~ must complete the permit in the manner prescribed
 23.12 by the department.

23.13 **EFFECTIVE DATE.** This section is effective October 1, 2024.

23.14 Sec. 15. Minnesota Statutes 2023 Supplement, section 168.1259, is amended to read:

23.15 **168.1259 MINNESOTA PROFESSIONAL SPORTS TEAM ~~FOUNDATION~~**
 23.16 **PHILANTHROPY PLATES.**

23.17 Subdivision 1. **Definition.** For purposes of this section, "Minnesota professional sports
 23.18 team" means one of the following teams while its home stadium is located in Minnesota:
 23.19 Minnesota Vikings, Minnesota Timberwolves, Minnesota Lynx, Minnesota Wild, Minnesota
 23.20 Twins, or Minnesota United.

23.21 Subd. 2. **General requirements and procedures.** (a) The commissioner must issue
 23.22 Minnesota professional sports team ~~foundation~~ philanthropy plates to an applicant who:

23.23 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
 23.24 truck, motorcycle, or recreational vehicle;

23.25 (2) pays an additional fee in the amount specified for special plates under section 168.12,
 23.26 subdivision 5;

23.27 (3) pays the registration tax required under section 168.013;

23.28 (4) pays the fees required under this chapter;

23.29 (5) contributes a minimum of \$30 annually to the professional sports team ~~foundations~~
 23.30 philanthropy account; and

24.1 (6) complies with this chapter and rules governing registration of motor vehicles and
24.2 licensing of drivers.

24.3 (b) Minnesota professional sports team ~~foundation~~ philanthropy plates may be
24.4 personalized according to section 168.12, subdivision 2a.

24.5 Subd. 3. **Design.** At the request of a Minnesota professional sports team or the team's
24.6 foundation, the commissioner must, in consultation with the team or foundation, adopt a
24.7 suitable plate design ~~incorporating~~. Each design must incorporate the requesting foundation's
24.8 marks and colors or directly relate to a charitable purpose as provided in subdivision 5. The
24.9 commissioner may design a single plate that incorporates the marks and colors of all
24.10 ~~foundations~~ organizations that have requested a plate.

24.11 Subd. 4. **Plate transfers.** On application to the commissioner and payment of a transfer
24.12 fee of \$5, special plates issued under this section may be transferred to another motor vehicle
24.13 if the subsequent vehicle is:

24.14 (1) qualified under subdivision 2, paragraph (a), clause (1), to bear the special plates;
24.15 and

24.16 (2) registered to the same individual to whom the special plates were originally issued.

24.17 Subd. 5. **Contributions; account; appropriation.** (a) Contributions collected under
24.18 subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional
24.19 sports team ~~foundations~~ philanthropy account, which is established in the special revenue
24.20 fund. Money in the account is annually appropriated to the commissioner of public safety.
24.21 This appropriation is first for the annual cost of administering the account funds, and the
24.22 remaining funds are for distribution to the foundations or as provided in this subdivision in
24.23 the proportion that each plate design bears to the total number of Minnesota professional
24.24 sports team ~~foundation~~ philanthropy plates issued for that year. Proceeds from a plate that
24.25 includes the marks and colors of all ~~foundations~~ participating organizations must be divided
24.26 evenly between all foundations and charitable purposes.

24.27 (b) ~~The foundations must only use the proceeds~~ must only be used by:

24.28 (1) a Minnesota professional sports team foundation for philanthropic or charitable
24.29 purposes; or

24.30 (2) the Minnesota United professional sports team through a designation that the funds
24.31 are for the Minnesota Loon Restoration Project.

24.32 (c) The commissioner must annually transfer funds designated under paragraph (b),
24.33 clause (2), from the Minnesota professional sports team philanthropy account to the

25.1 Minnesota critical habitat private sector matching account under section 84.943 for purposes
25.2 of the Minnesota Loon Restoration Project.

25.3 **EFFECTIVE DATE.** This section is effective October 1, 2024, for Minnesota
25.4 professional sports team philanthropy plates issued on or after that date.

25.5 Sec. 16. **[168.1283] ROTARY INTERNATIONAL PLATES.**

25.6 Subdivision 1. **Issuance of plates.** The commissioner must issue Rotary International
25.7 special license plates or a single motorcycle plate to an applicant who:

25.8 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
25.9 truck, motorcycle, or self-propelled recreational motor vehicle;

25.10 (2) pays the registration tax as required under section 168.013;

25.11 (3) pays a fee in the amount specified under section 168.12, subdivision 5, for each set
25.12 of plates, along with any other fees required by this chapter;

25.13 (4) contributes \$25 upon initial application and a minimum of \$5 annually to the Rotary
25.14 District 5950 Foundation account; and

25.15 (5) complies with this chapter and rules governing registration of motor vehicles and
25.16 licensing of drivers.

25.17 Subd. 2. **Design.** The commissioner must adopt a suitable design for the plate that must
25.18 include the Rotary International symbol and the phrase "Service Above Self."

25.19 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer
25.20 fee of \$5, special plates may be transferred to another qualified motor vehicle that is
25.21 registered to the same individual to whom the special plates were originally issued.

25.22 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
25.23 168.1293, subdivision 2.

25.24 Subd. 5. **Contributions; account; appropriation.** Contributions collected under
25.25 subdivision 1, clause (4), must be deposited in the Rotary District 5950 Foundation account,
25.26 which is established in the special revenue fund. Money in the account is annually
25.27 appropriated to the commissioner of public safety. This appropriation is first for the annual
25.28 cost of administering the account funds, and the remaining funds must be distributed to
25.29 Rotary District 5950 Foundation to further the rotary's mission of service, fellowship,
25.30 diversity, integrity, and leadership. Funds distributed under this subdivision must be used
25.31 on projects within this state.

26.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, for Rotary International
26.2 special plates issued on or after that date.

26.3 Sec. 17. Minnesota Statutes 2022, section 168.301, subdivision 3, is amended to read:

26.4 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon
26.5 the transfer of title for a motor vehicle, the commissioner of public safety ~~shall~~ must impose
26.6 a \$2 additional fee for failure to deliver a title transfer within ~~ten business days~~ the period
26.7 specified under section 168A.10, subdivision 2.

26.8 **EFFECTIVE DATE.** This section is effective October 1, 2024.

26.9 Sec. 18. Minnesota Statutes 2022, section 168A.10, subdivision 2, is amended to read:

26.10 Subd. 2. **Application for new certificate.** Except as provided in section 168A.11, the
26.11 transferee ~~shall~~ must, within ~~ten~~ 20 calendar days after assignment to the transferee of the
26.12 vehicle title certificate, execute the application for a new certificate of title in the space
26.13 provided on the certificate, and cause the certificate of title to be mailed or delivered to the
26.14 department. Failure of the transferee to comply with this subdivision ~~shall result~~ results in
26.15 the suspension of the vehicle's registration under section 168.17.

26.16 **EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title
26.17 transfers on or after that date.

26.18 Sec. 19. Minnesota Statutes 2022, section 168A.11, subdivision 1, is amended to read:

26.19 Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who
26.20 buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring
26.21 the vehicle to another person, other than by the creation of a security interest, the dealer
26.22 ~~shall~~ must promptly execute the assignment and warranty of title by a dealer, showing the
26.23 names and addresses of the transferee and of any secured party holding a security interest
26.24 created or reserved at the time of the resale, and the date of the security agreement in the
26.25 spaces provided ~~therefor~~ on the certificate of title or secure reassignment.

26.26 (b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the
26.27 dealer need not register the vehicle but ~~shall~~ must pay one month's registration tax. If a
26.28 dealer elects to apply for a certificate of title on a vehicle held for resale, the ~~department~~
26.29 ~~shall~~ commissioner must not place any legend on the title that no motor vehicle sales tax
26.30 was paid by the dealer, but may indicate on the title whether the vehicle is a new or used
26.31 vehicle.

27.1 (c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer
 27.2 ~~shall~~ must also, in the space provided ~~therefor~~ on the certificate of title or secure
 27.3 reassignment, state the true cumulative mileage registered on the odometer or that the exact
 27.4 mileage is unknown if the odometer reading is known by the transferor to be different from
 27.5 the true mileage.

27.6 (d) The transferee ~~shall~~ must complete the application for title section on the certificate
 27.7 of title or separate title application form prescribed by the ~~department~~ commissioner. The
 27.8 dealer ~~shall~~ must mail or deliver the certificate to the ~~registrar~~ commissioner or deputy
 27.9 registrar with the transferee's application for a new certificate and appropriate taxes and
 27.10 fees, within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

27.11 (e) With respect to vehicles sold to buyers who will remove the vehicle from this state,
 27.12 the dealer ~~shall~~ must remove any license plates from the vehicle, issue a 31-day temporary
 27.13 permit pursuant to section 168.091, and notify the ~~registrar~~ commissioner within 48 hours
 27.14 of the sale that the vehicle has been removed from this state. The notification must be made
 27.15 in an electronic format prescribed by the ~~registrar~~ commissioner. The dealer may contract
 27.16 with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy
 27.17 registrar may charge a fee of \$7 per transaction to provide this service.

27.18 **EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title
 27.19 transfers on or after that date.

27.20 Sec. 20. Minnesota Statutes 2023 Supplement, section 169.011, subdivision 27, is amended
 27.21 to read:

27.22 Subd. 27. **Electric-assisted bicycle.** (a) "Electric-assisted bicycle" means a bicycle with
 27.23 two or three wheels that:

27.24 (1) has a saddle and fully operable pedals for human propulsion;

27.25 (2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part
 27.26 1512, or successor requirements;

27.27 (3) is equipped with an electric motor that has a power output of not more than 750
 27.28 watts;

27.29 (4) meets the requirements of a class 1, class 2, ~~or~~ class 3, or multiple mode
 27.30 electric-assisted bicycle; and

27.31 (5) has a battery or electric drive system that has been tested to an applicable safety
 27.32 standard by a third-party testing laboratory.

28.1 (b) A vehicle that is modified so that it no longer meets the requirements for any
 28.2 electric-assisted bicycle class is not an electric-assisted bicycle.

28.3 Sec. 21. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
 28.4 to read:

28.5 Subd. 45a. **Multiple mode electric-assisted bicycle.** "Multiple mode electric-assisted
 28.6 bicycle" means an electric-assisted bicycle equipped with switchable or programmable
 28.7 modes that provide for operation as two or more of a class 1, class 2, or class 3
 28.8 electric-assisted bicycle in conformance with the definition and requirements under this
 28.9 chapter for each respective class.

28.10 Sec. 22. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
 28.11 to read:

28.12 Subd. 92b. **Vulnerable road user.** "Vulnerable road user" means a person in the
 28.13 right-of-way of a highway, including but not limited to a bikeway and an adjacent sidewalk
 28.14 or trail, who is:

28.15 (1) a pedestrian;

28.16 (2) on a bicycle or other nonmotorized vehicle or device;

28.17 (3) on an electric personal assistive mobility device;

28.18 (4) on an implement of husbandry; or

28.19 (5) riding an animal.

28.20 Vulnerable road user includes the operator and any passengers for a vehicle, device, or
 28.21 personal conveyance identified in this subdivision.

28.22 Sec. 23. Minnesota Statutes 2022, section 169.21, subdivision 6, is amended to read:

28.23 Subd. 6. **Driver education curriculum; vulnerable road users.** The ~~class D curriculum,~~
 28.24 ~~in addition to driver education classroom curriculum prescribed in rules of statutes for class~~
 28.25 ~~D motor vehicles, must include instruction on~~ commissioner must adopt rules for persons
 28.26 enrolled in driver education programs offered at public schools, private schools, and
 28.27 commercial driver training schools, requiring inclusion in the course of instruction a section
 28.28 on vulnerable road users. The instruction must include information on:

28.29 (1) the rights and responsibilities of vulnerable road users, as defined in section 169.011,
 28.30 subdivision 92b;

29.1 (2) the specific duties of a driver when encountering a bicycle, other nonmotorized
 29.2 vehicles, or a pedestrian;

29.3 (3) safety risks for vulnerable road users and motorcyclists or other operators of two-
 29.4 or three-wheeled vehicles; and

29.5 (4) best practices to minimize dangers and avoid collisions with vulnerable road users
 29.6 and motorcyclists or other operators of two- or three-wheeled vehicles.

29.7 Sec. 24. Minnesota Statutes 2022, section 169.222, subdivision 6a, is amended to read:

29.8 Subd. 6a. **Electric-assisted bicycle; riding rules.** (a) A person may operate an
 29.9 electric-assisted bicycle in the same manner as provided for operation of other bicycles,
 29.10 including but not limited to operation on the shoulder of a roadway, a bicycle lane, and a
 29.11 bicycle route, and operation without the motor engaged on a bikeway or bicycle trail.

29.12 (b) A person may operate a class 1 or class 2 electric-assisted bicycle with the motor
 29.13 engaged on a bicycle path, bicycle trail, or shared use path unless prohibited under section
 29.14 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2,
 29.15 paragraph (b), as applicable.

29.16 (c) A person may operate a class 3 electric-assisted bicycle or multiple mode
 29.17 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared
 29.18 use path unless the local authority or state agency having jurisdiction over the bicycle path
 29.19 or trail prohibits the operation.

29.20 (d) The local authority or state agency having jurisdiction over a trail or over a bike park
 29.21 that is designated as nonmotorized and that has a natural surface tread made by clearing
 29.22 and grading the native soil with no added surfacing materials may regulate the operation of
 29.23 an electric-assisted bicycle.

29.24 (e) ~~No~~ A person under the age of 15 ~~shall~~ must not operate an electric-assisted bicycle.

29.25 Sec. 25. Minnesota Statutes 2022, section 169.222, subdivision 6b, is amended to read:

29.26 Subd. 6b. **Electric-assisted bicycle; equipment.** (a) The manufacturer or distributor of
 29.27 an electric-assisted bicycle must apply a label to the bicycle that is permanently affixed in
 29.28 a prominent location. The label must contain the ~~classification~~ class number, top assisted
 29.29 speed, and motor wattage of the electric-assisted bicycle, and must be printed in a legible
 29.30 font with at least 9-point type. A multiple mode electric-assisted bicycle must have labeling
 29.31 that identifies the highest electric-assisted bicycle class in which it is capable of operation.

30.1 (b) A person must not modify an electric-assisted bicycle to change the motor-powered
30.2 speed capability or motor engagement so that the bicycle no longer meets the requirements
30.3 for the applicable class, unless:

30.4 (1) the person replaces the label required in paragraph (a) with revised information; or

30.5 (2) for a vehicle that no longer meets the requirements for any electric-assisted bicycle
30.6 class, the person removes the labeling as an electric-assisted bicycle.

30.7 (c) An electric-assisted bicycle must operate in a manner so that the electric motor is
30.8 disengaged or ceases to function ~~when the rider stops pedaling or:~~ (1) when the brakes are
30.9 applied; or (2) except for a class 2 electric-assisted bicycle or a multiple mode
30.10 electric-assisted bicycle operating in class 2 mode, when the rider stops pedaling.

30.11 (d) A class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle must
30.12 be equipped with a speedometer that displays the speed at which the bicycle is traveling in
30.13 miles per hour.

30.14 (e) A multiple mode electric-assisted bicycle equipped with a throttle must not be capable
30.15 of exceeding 20 miles per hour on motorized propulsion alone in any mode when the throttle
30.16 is engaged.

30.17 Sec. 26. **[169.515] LIGHTS ON GRANT PROGRAM.**

30.18 Subdivision 1. **Grant program established; purpose.** The Lights On grant program is
30.19 established under this section to provide drivers on Minnesota roads with vouchers of up
30.20 to \$250 to use at participating auto repair shops to repair or replace broken or malfunctioning
30.21 lighting equipment required under sections 169.49 to 169.51. Grant funds awarded under
30.22 this program are intended to increase safety on Minnesota roads by ensuring vehicle lights
30.23 are properly illuminated, offering drivers restorative solutions rather than punishment for
30.24 malfunctioning equipment, lessening the financial burden of traffic tickets on low-income
30.25 drivers, and improving police-community relations.

30.26 Subd. 2. **Eligibility.** Counties, cities, towns, the State Patrol, and local law enforcement
30.27 agencies, including law enforcement agencies of a federally recognized Tribe, as defined
30.28 in United States Code, title 25, section 5304(e), are eligible to apply for grants under this
30.29 section.

30.30 Subd. 3. **Application.** (a) The commissioner of public safety must develop application
30.31 materials and procedures for the Lights On grant program.

31.1 (b) The application must describe the type or types of intended vouchers, the amount of
31.2 money requested, and any other information deemed necessary by the commissioner.

31.3 (c) Applicants must submit an application under this section in the form and manner
31.4 prescribed by the commissioner.

31.5 (d) Applicants must describe how grant money will be used to provide and distribute
31.6 vouchers to drivers.

31.7 (e) Applicants must keep records of vouchers distributed and records of all expenses
31.8 associated with awarded grant money.

31.9 Subd. 4. **Grant criteria.** Preference for grant awards must be given to applicants whose
31.10 proposals provide resources and vouchers to individuals residing in geographic areas that
31.11 have historically received underinvestment and have high poverty rates.

31.12 Subd. 5. **Reporting.** By February 1 each year, grant recipients must submit a report to
31.13 the commissioner itemizing all expenditures made using grant money, the purpose of each
31.14 expenditure, and the disposition of each contact made with drivers with malfunctioning or
31.15 broken lighting equipment. The report must be in the form and manner prescribed by the
31.16 commissioner.

31.17 Sec. 27. Minnesota Statutes 2023 Supplement, section 169A.44, subdivision 1, is amended
31.18 to read:

31.19 Subdivision 1. **Nonfelony violations.** (a) This subdivision applies to a person charged
31.20 with a nonfelony violation of section 169A.20 (driving while impaired) under circumstances
31.21 described in section 169A.40, subdivision 3 (certain DWI offenders; custodial arrest).

31.22 (b) Except as provided in subdivision 3, unless maximum bail is imposed under section
31.23 629.471, a person described in paragraph (a) may be released from detention only if the
31.24 person agrees to the following conditions pending resolution of the charge:

31.25 (1) abstain from alcohol and nonprescribed controlled or intoxicating substances; and

31.26 (2) submit to a program of electronic alcohol monitoring, involving at least daily
31.27 measurements of the person's alcohol concentration, pending resolution of the charge to
31.28 monitor that abstinence.

31.29 (c) A defendant charged with a violation of section 169A.20, subdivision 1, clause (1),
31.30 (5), or (6); subdivision 1, clause (4), where one of the elements involves a violation of clause
31.31 (1); subdivision 2, clause (1); or subdivision 2, clause (2), if the court issued the warrant

32.1 based on probable cause to believe that the person was under the influence of alcohol, must
32.2 be monitored through the use of:

32.3 (1) electronic alcohol monitoring, involving at least daily measurements of the person's
32.4 alcohol concentration if electronic alcohol-monitoring equipment is available to the court;

32.5 or

32.6 (2) random alcohol tests conducted at least weekly if electronic alcohol-monitoring
32.7 equipment is not available to the court.

32.8 (d) A defendant charged with a violation of section 169A.20, subdivision 1, clause (2),
32.9 (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued the warrant based on
32.10 probable cause to believe that the person was under the influence of a controlled substance
32.11 or an intoxicating substance, must be monitored through the use of random urine analyses
32.12 conducted at least weekly.

32.13 ~~Clause (2) applies only when electronic alcohol-monitoring equipment is available to~~
32.14 ~~the court.~~ (e) The court shall require partial or total reimbursement from the person for the
32.15 cost of the electronic alcohol monitoring, random alcohol tests, and random urine analyses,
32.16 to the extent the person is able to pay.

32.17 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to defendants
32.18 charged on or after that date.

32.19 Sec. 28. Minnesota Statutes 2022, section 169A.55, subdivision 4, is amended to read:

32.20 Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose
32.21 driver's license has been revoked as a result of an alcohol-related offense listed under clause
32.22 (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock
32.23 restriction until the commissioner certifies that either:

32.24 (1) the person did not own or lease a vehicle at the time of the offense or at any time
32.25 between the time of the offense and the driver's request for reinstatement, or commit a
32.26 violation of chapter 169, 169A, or 171 between the time of the offense and the driver's
32.27 request for reinstatement or at the time of the arrest for the offense listed under clause (2),
32.28 item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

32.29 (i) a request by the person for reinstatement, on a form to be provided by the Department
32.30 of Public Safety;

32.31 (ii) the person's attestation under penalty of perjury; and

33.1 (iii) the submission by the driver of certified copies of vehicle registration records and
33.2 driving records for the period from the arrest until the driver seeks reinstatement of driving
33.3 privileges; or

33.4 (2) the person used the ignition interlock device and complied with section 171.306 for
33.5 a period of not less than:

33.6 (i) one year, for a person whose driver's license was revoked for:

33.7 (A) an offense occurring within ten years of a qualified prior impaired driving incident;
33.8 or

33.9 (B) an offense occurring after two qualified prior impaired driving incidents; or

33.10 (ii) two years, for a person whose driver's license was revoked for:

33.11 (A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated
33.12 an alcohol concentration of twice the legal limit or more; or

33.13 (B) an offense occurring under item (i), subitem (A) or (B), and the current offense is
33.14 for a violation of section 169A.20, subdivision 2.

33.15 (b) A person whose driver's license has been canceled or denied as a result of three or
33.16 more qualified impaired driving incidents involving at least one alcohol-related offense
33.17 shall not be eligible for reinstatement of driving privileges without an ignition interlock
33.18 restriction until the person:

33.19 (1) has completed rehabilitation according to rules adopted by the commissioner or been
33.20 granted a variance from the rules by the commissioner; and

33.21 (2) has submitted verification of abstinence from alcohol and controlled substances
33.22 under paragraph (c), as evidenced by the person's use of an ignition interlock device or other
33.23 chemical monitoring device approved by the commissioner.

33.24 (c) The verification of abstinence must show that the person has abstained from the use
33.25 of alcohol and controlled substances for a period of not less than:

33.26 (1) three years, for a person whose driver's license was canceled or denied for an offense
33.27 occurring within ten years of the first of two qualified prior impaired driving incidents, or
33.28 occurring after three qualified prior impaired driving incidents;

33.29 (2) four years, for a person whose driver's license was canceled or denied for an offense
33.30 occurring within ten years of the first of three qualified prior impaired driving incidents; or

34.1 (3) six years, for a person whose driver's license was canceled or denied for an offense
34.2 occurring after four or more qualified prior impaired driving incidents.

34.3 (d) A person whose driver's license has been revoked as a result of a controlled or
34.4 intoxicating substance offense listed under clause (2) shall not be eligible for reinstatement
34.5 of driving privileges without participating in the intensive testing program established under
34.6 section 171.307 until the commissioner certifies that either:

34.7 (1) the person did not own or lease a vehicle at the time of the offense or at any time
34.8 between the time of the offense and the driver's request for reinstatement, or commit a
34.9 violation of chapter 169, 169A, or 171 between the time of the offense and the driver's
34.10 request for reinstatement or at the time of the arrest for the offense listed under clause (2),
34.11 item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

34.12 (i) a request by the person for reinstatement, on a form to be provided by the Department
34.13 of Public Safety;

34.14 (ii) the person's attestation under penalty of perjury; and

34.15 (iii) the submission by the driver of certified copies of vehicle registration records and
34.16 driving records for the period from the arrest until the driver seeks reinstatement of driving
34.17 privileges; or

34.18 (2) the person participated in the intensive testing program and complied with section
34.19 171.307 for a period of not less than:

34.20 (i) one year, for a person whose driver's license was revoked for:

34.21 (A) an offense occurring within ten years of a qualified prior impaired driving incident;

34.22 or

34.23 (B) an offense occurring after two qualified prior impaired driving incidents; or

34.24 (ii) two years, for a person whose driver's license was revoked for:

34.25 (A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated
34.26 an alcohol concentration of twice the legal limit or more; or

34.27 (B) an offense occurring under item (i), subitem (A) or (B), and the current offense is
34.28 for a violation of section 169A.20, subdivision 2.

34.29 (e) A person whose driver's license has been canceled or denied as a result of three or
34.30 more qualified impaired driving incidents involving at least one controlled or intoxicating
34.31 substance offense shall not be eligible for reinstatement of driving privileges without
34.32 participating in the intensive testing program until the person:

35.1 (1) has completed rehabilitation according to rules adopted by the commissioner or been
35.2 granted a variance from the rules by the commissioner; and

35.3 (2) has submitted verification of abstinence from alcohol and controlled substances
35.4 under paragraph (f), as evidenced by the person's participation in the intensive testing
35.5 program or other monitoring approved by the commissioner.

35.6 (f) The verification of abstinence must show that the person has abstained from the use
35.7 of alcohol and controlled substances for a period of not less than:

35.8 (1) three years, for a person whose driver's license was canceled or denied for an offense
35.9 occurring within ten years of the first of two qualified prior impaired driving incidents, or
35.10 occurring after three qualified prior impaired driving incidents;

35.11 (2) four years, for a person whose driver's license was canceled or denied for an offense
35.12 occurring within ten years of the first of three qualified prior impaired driving incidents; or

35.13 (3) six years, for a person whose driver's license was canceled or denied for an offense
35.14 occurring after four or more qualified prior impaired driving incidents.

35.15 (g) As used in this subdivision:

35.16 (1) "alcohol-related offense" means a violation of section 169A.20, subdivision 1, clause
35.17 (1), (5), or (6); subdivision 1, clause (4), where one of the elements involves a violation of
35.18 clause (1); subdivision 2, clause (1); or subdivision 2, clause (2), if the court issued the
35.19 warrant based on probable cause to believe that the person was under the influence of
35.20 alcohol; and

35.21 (2) "controlled or intoxicating substance offense" means a violation of section 169A.20,
35.22 subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued
35.23 the warrant based on probable cause to believe that the person was under the influence of
35.24 a controlled substance or an intoxicating substance.

35.25 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to revocations
35.26 and cancellations or denials that occur on or after that date.

35.27 Sec. 29. Minnesota Statutes 2023 Supplement, section 171.0705, subdivision 2, is amended
35.28 to read:

35.29 Subd. 2. **Driver's manual; ~~bicycle traffic~~ vulnerable road users.** The commissioner
35.30 ~~shall~~ must include in ~~each edition~~ of the driver's manual published by the department a
35.31 section relating to vulnerable road users and motorcyclists or operators of two- or
35.32 three-wheeled vehicles that, at a minimum, includes:

- 36.1 (1) bicycle traffic laws, including any changes in the law which affect bicycle traffic;
36.2 (2) traffic laws related to pedestrians and pedestrian safety; and
36.3 (3) traffic laws related to motorcycles, autocycles, motorized bicycles, motorized foot
36.4 scooters, and electric personal assistive mobility devices.

36.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
36.6 applies to each edition of the manual published on or after that date.

36.7 Sec. 30. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1, is amended
36.8 to read:

36.9 Subdivision 1. **Examination subjects and locations; provisions for color blindness,**
36.10 **disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must
36.11 examine each applicant for a driver's license by such agency as the commissioner directs.
36.12 This examination must include:

36.13 (1) a test of the applicant's eyesight, provided that this requirement is met by submission
36.14 of a vision examination certificate under section 171.06, subdivision 7;

36.15 (2) a test of the applicant's ability to read and understand highway signs regulating,
36.16 warning, and directing traffic;

36.17 (3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and
36.18 drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal
36.19 penalties and financial consequences resulting from violations of laws prohibiting the
36.20 operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad
36.21 grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil
36.22 transportation safety, including the significance of school bus lights, signals, stop arm, and
36.23 passing a school bus; (vi) traffic laws related to vulnerable road users and motorcyclists,
36.24 including but not limited to operators of bicycles and pedestrians; and (vii) the circumstances
36.25 and dangers of carbon monoxide poisoning;

36.26 (4) an actual demonstration of ability to exercise ordinary and reasonable control in the
36.27 operation of a motor vehicle; and

36.28 (5) other physical and mental examinations as the commissioner finds necessary to
36.29 determine the applicant's fitness to operate a motor vehicle safely upon the highways.

36.30 (b) Notwithstanding paragraph (a), the commissioner must not deny an application for
36.31 a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in
36.32 color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans

37.1 operating motor vehicles especially equipped for disabled persons, if otherwise entitled to
37.2 a license, must be granted such license.

37.3 (c) The commissioner must ensure that an applicant may take an exam either in the
37.4 county where the applicant resides or in an adjacent county at a reasonably convenient
37.5 location. The schedule for each exam station must be posted on the department's website.

37.6 (d) The commissioner shall ensure that an applicant is able to obtain an appointment for
37.7 an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the
37.8 applicant's request if, under the applicable statutes and rules of the commissioner, the
37.9 applicant is eligible to take the examination.

37.10 (e) The commissioner must provide real-time information on the department's website
37.11 about the availability and location of exam appointments. The website must show the next
37.12 available exam dates and times for each exam station. The website must also provide an
37.13 option for a person to enter an address to see the date and time of the next available exam
37.14 at each exam station sorted by distance from the address provided.

37.15 Sec. 31. Minnesota Statutes 2022, section 171.306, subdivision 1, is amended to read:

37.16 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have
37.17 the meanings given them.

37.18 (b) "Ignition interlock device" or "device" means equipment that is designed to measure
37.19 breath alcohol concentration and to prevent a motor vehicle's ignition from being started
37.20 by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

37.21 (c) "Incident involving alcohol" means:

37.22 (1) a test failure as described in section 169A.52, subdivision 2, paragraph (a), clause
37.23 (1) or (2); or section 171.177, subdivision 3, clause (2), item (i) or (ii);

37.24 (2) a test refusal as described in section 169A.52, subdivision 3, or section 171.177,
37.25 subdivision 3, clause (1), when there was probable cause to believe the person had been
37.26 driving, operating, or in physical control of a motor vehicle in violation of section 169A.20,
37.27 subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where one of the elements
37.28 involves a violation of clause (1);

37.29 (3) a conviction for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6);
37.30 or subdivision 1, clause (4), where one of the elements involves a violation of clause (1);
37.31 or

38.1 (4) a determination by the commissioner pursuant to section 171.04, subdivision 1,
38.2 clause (10), that the person is inimical to public safety based on one or more violations of
38.3 section 169A.20, subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where
38.4 one of the elements involves a violation of clause (1).

38.5 ~~(e)~~ (d) "Location tracking capabilities" means the ability of an electronic or wireless
38.6 device to identify and transmit its geographic location through the operation of the device.

38.7 ~~(d)~~ (e) "Program participant" means a person who has qualified to take part in the ignition
38.8 interlock program under this section, and whose driver's license, as a result of an incident
38.9 involving alcohol, has been:

38.10 (1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision
38.11 1, clause (10); or 171.177; or

38.12 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended
38.13 under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item
38.14 (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision
38.15 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or
38.16 (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm.

38.17 ~~(e)~~ (f) "Qualified prior impaired driving incident" has the meaning given in section
38.18 169A.03, subdivision 22.

38.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to revocations
38.20 and cancellations or denials that occur on or after that date.

38.21 Sec. 32. Minnesota Statutes 2022, section 171.306, subdivision 8, is amended to read:

38.22 Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner may adopt rules to implement
38.23 this section, including but not limited to rules regarding the performance standards and
38.24 certification process of subdivision 2; and the program guidelines of subdivision 3, and any
38.25 ~~other rules necessary to implement this section, the commissioner is subject to chapter 14.~~

38.26 **EFFECTIVE DATE.** This section is effective August 1, 2024.

38.27 Sec. 33. **[171.307] INTENSIVE TESTING PROGRAM.**

38.28 Subdivision 1. Definitions. (a) As used in this section, the following terms have the
38.29 meanings given.

38.30 (b) "Incident involving a controlled substance or intoxicating substance" means:

39.1 (1) a test failure as described in section 169A.52, subdivision 2, paragraph (a), clause
39.2 (3); or 171.177, subdivision 3, clause (2), item (iii);

39.3 (2) a test refusal as described in section 169A.52, subdivision 3, or 171.177, subdivision
39.4 3, clause (1), when there was probable cause to believe the person had been driving,
39.5 operating, or in physical control of a motor vehicle in violation of section 169A.20,
39.6 subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued
39.7 the warrant based on probable cause to believe that the person was under the influence of
39.8 a controlled substance or an intoxicating substance;

39.9 (3) a conviction for a violation of section 169A.20, subdivision 1, clause (2), (3), (4),
39.10 (7), or (8); or

39.11 (4) a determination by the commissioner pursuant to section 171.04, subdivision 1,
39.12 clause (10), that the person is inimical to public safety based on one or more violations of
39.13 section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8).

39.14 (c) "Program participant" means a person who has qualified to take part in the intensive
39.15 testing program under this section, and whose driver's license, as the result of an incident
39.16 involving a controlled substance or intoxicating substance, has been:

39.17 (1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision
39.18 1, clause (10); or 171.177; or

39.19 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended
39.20 under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item
39.21 (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6); or
39.22 subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114, subdivision 2, clause
39.23 (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm, substantial bodily harm, or
39.24 great bodily harm.

39.25 (d) "Qualified prior impaired driving incident" has the meaning given in section 169A.03,
39.26 subdivision 22.

39.27 Subd. 2. **Program requirements.** (a) The commissioner must establish guidelines for
39.28 participation in the intensive testing program. A person who seeks to participate in the
39.29 program must sign a written acknowledgment that the person has received, reviewed, and
39.30 agreed to abide by the program guidelines.

39.31 (b) The program guidelines must include provisions clearly identifying and prohibiting
39.32 the use of masking agents.

40.1 (c) The program guidelines must include provisions requiring disclosure of any
40.2 prescription medications and protocols to assure that testing accounts for prescribed
40.3 medications that are taken within the therapeutic range.

40.4 (d) The commissioner must enter a notation on a person's driving record to indicate that
40.5 the person is a program participant.

40.6 (e) A person under the age of 18 years is not eligible to be a program participant.

40.7 (f) A program participant must pay costs associated with any required urine analyses.

40.8 (g) A program participant must participate in any treatment recommended in a chemical
40.9 use assessment report.

40.10 (h) A program participant must submit to regular and random urine analyses and other
40.11 testing that take place at least weekly. The results of a random urine analysis or other test
40.12 that is ordered by a court or required by probation satisfy the requirement in this paragraph
40.13 for the week in which the urine analysis or other test was administered if the results clearly
40.14 indicate that the program participant submitted to the urine analysis or test, identify the date
40.15 of the test, and are submitted to the commissioner in a form and manner approved by the
40.16 commissioner. If a program participant chooses to submit the results of urine analyses or
40.17 other tests ordered by a court or required by probation, the commissioner may require that
40.18 the program participant sign a written authorization for the release of the results and any
40.19 related information including but not limited to information that is a health record as defined
40.20 in section 144.291, subdivision 2, paragraph (c).

40.21 Subd. 3. **Issuance of restricted license.** (a) Beginning January 1, 2026, the commissioner
40.22 must issue a class D driver's license, subject to the applicable limitations and restrictions
40.23 of this section, to a program participant who meets the requirements of this section and the
40.24 program guidelines. The commissioner must not issue a license unless the program participant
40.25 has provided satisfactory proof that:

40.26 (1) the participant has submitted to a minimum number of preliminary urine analyses
40.27 as required by the commissioner that tested negative for the presence of a controlled substance
40.28 or its metabolite and for the presence of specified intoxicating substances; and

40.29 (2) the participant has insurance coverage on any vehicle the participant owns or operates
40.30 regularly. If the participant has previously been convicted of violating section 169.791,
40.31 169.793, or 169.797 or the participant's license has previously been suspended or canceled
40.32 under section 169.792 or 169.797, the commissioner must require the participant to present

41.1 an insurance identification card that is certified by the insurance company to be noncancelable
41.2 for a period not to exceed 12 months.

41.3 (b) A program participant whose driver's license has been: (1) revoked under section
41.4 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph
41.5 (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177,
41.6 subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5, paragraph (a), clause
41.7 (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause
41.8 (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision
41.9 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or
41.10 (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114,
41.11 subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm,
41.12 substantial bodily harm, or great bodily harm, where the participant has fewer than two
41.13 qualified prior impaired driving incidents within the past ten years or fewer than three
41.14 qualified prior impaired driving incidents ever; may apply for conditional reinstatement of
41.15 the driver's license, subject to the intensive testing program.

41.16 (c) A program participant whose driver's license has been: (1) revoked, canceled, or
41.17 denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or
41.18 subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6),
41.19 or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5,
41.20 paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1,
41.21 paragraph (a), clause (1), or suspended under section 171.187, for a violation of section
41.22 609.2113, subdivision 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause
41.23 (2), item (ii), (iii), or (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5),
41.24 or (6); or 609.2114, subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in
41.25 bodily harm, substantial bodily harm, or great bodily harm, where the participant has two
41.26 or more qualified prior impaired driving incidents within the past ten years or three or more
41.27 qualified prior impaired driving incidents ever; may apply for conditional reinstatement of
41.28 the driver's license, subject to the intensive testing program, if the program participant is
41.29 enrolled in a licensed substance use disorder treatment or rehabilitation program as
41.30 recommended in a chemical use assessment. As a prerequisite to eligibility for eventual
41.31 reinstatement of full driving privileges, a participant whose chemical use assessment
41.32 recommended treatment or rehabilitation must complete a licensed substance use disorder
41.33 treatment or rehabilitation program. If the program participant submits a urine analysis that
41.34 tests positive for the presence of a controlled substance or its metabolite or for the presence
41.35 of any specified intoxicating substances, the commissioner must extend the time period that

42.1 the participant must participate in the program until the participant has reached the required
42.2 abstinence period described in section 169A.55, subdivision 4.

42.3 (d) Notwithstanding any statute or rule to the contrary, the commissioner has authority
42.4 to determine when a program participant is eligible for restoration of full driving privileges,
42.5 except that the commissioner must not reinstate full driving privileges until the program
42.6 participant has met all applicable prerequisites for reinstatement under section 169A.55 and
42.7 until the program participant has not tested positive for the presence of a controlled substance
42.8 or its metabolite or for the presence of any specified intoxicating substances during the
42.9 preceding 90 days.

42.10 Subd. 4. **Penalties; program violations.** (a) If a program participant violates a condition
42.11 of a license conditionally reinstated under subdivision 3 and section 171.30, or violates the
42.12 program guidelines under subdivision 2, the commissioner must extend the person's
42.13 revocation period under section 169A.52, 169A.54, or 171.177 by:

42.14 (1) 180 days for a first violation;

42.15 (2) one year for a second violation; or

42.16 (3) 545 days for a third and each subsequent violation.

42.17 (b) Notwithstanding paragraph (a), the commissioner may terminate participation in the
42.18 program by any person when, in the commissioner's judgment, termination is necessary to
42.19 protect the interests of public safety and welfare. In the event of termination, the
42.20 commissioner must not reduce the applicable revocation period under section 169A.52,
42.21 169A.54, or 171.177 by the amount of time during which the person possessed a limited or
42.22 restricted driver's license issued under subdivision 3.

42.23 Subd. 5. **Tampering; penalties.** A program participant who tampers with a test required
42.24 under this section, including but not limited to submitting a false or adulterated sample, or
42.25 a person who advises or otherwise assists a program participant in tampering with a test
42.26 required under this section is guilty of a misdemeanor.

42.27 Subd. 6. **Venue.** In addition to the provisions of Rule 24 of the Rules of Criminal
42.28 Procedure and section 627.01, a violation of subdivision 5 may be prosecuted in:

42.29 (1) the county in which the tampering is alleged to have taken place;

42.30 (2) the county in which the accused resides; or

42.31 (3) the county in which the impaired driving incident occurred, which resulted in the
42.32 accused being issued a driver's license with an intensive testing program restriction.

43.1 Subd. 7. **Data.** Data on program participants collected under this section are private data
43.2 on individuals as defined in section 13.02, subdivision 12. Data must be maintained in the
43.3 same manner as all other driver's license records. Access to the data is subject to the
43.4 provisions of section 171.12, subdivision 1a.

43.5 Subd. 8. **Rulemaking.** The commissioner may adopt rules to implement this section,
43.6 including but not limited to rules establishing or amending the program guidelines under
43.7 subdivision 2.

43.8 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to revocations
43.9 and cancellations or denials that occur on or after that date.

43.10 Sec. 34. Minnesota Statutes 2022, section 174.02, is amended by adding a subdivision to
43.11 read:

43.12 Subd. 11. **Tribal worksite training program.** The commissioner must establish a Tribal
43.13 worksite training program for state-funded construction projects. The commissioner may
43.14 enter into an agreement with any private, public, or Tribal entity for the planning, designing,
43.15 developing, and hosting of the program.

43.16 Sec. 35. **[174.249] ZERO-EMISSION TRANSIT BUSES.**

43.17 Subdivision 1. **Definition.** For purposes of this section, "zero-emission transit bus" has
43.18 the meaning given in section 473.3927, subdivision 1a.

43.19 Subd. 2. **Bus procurement exemptions.** (a) The commissioner must establish a process
43.20 to issue a procurement exemption from the requirements under sections 473.388, subdivision
43.21 9, and 473.3927, subdivision 4. An exemption may (1) extend the commencement date for
43.22 the respective zero-emission transit bus procurement requirements, or (2) provide for a
43.23 modified zero-emission transit bus procurement percentage or phase-in schedule.

43.24 (b) An entity that seeks an exemption must submit an application, in the form and manner
43.25 specified by the commissioner, that includes:

43.26 (1) a justification for the exemption;

43.27 (2) a review of activities related to zero-emission transit bus transition planning;

43.28 (3) demonstration of efforts to procure zero-emission transit buses and associated
43.29 infrastructure;

43.30 (4) a proposed timeline for full compliance, which must include annual procurement
43.31 targets and associated milestones; and

44.1 (5) information required by the commissioner.

44.2 (c) The commissioner may only issue a procurement exemption following a determination
44.3 that:

44.4 (1) the applicant has made good faith effort to follow the guidance and recommendations
44.5 of the transition plan under section 473.3927; and

44.6 (2) full compliance with procurement requirements is not feasible within the specified
44.7 time period due to:

44.8 (i) technology, infrastructure, utility interconnection, funding, or bus availability
44.9 constraints;

44.10 (ii) a resulting material impact on service reliability or on other means of reducing
44.11 greenhouse gas emissions under the transit provider's purview, including transit service
44.12 expansion; or

44.13 (iii) other specified and documented constraints.

44.14 (d) The commissioner must deny an application for a procurement exemption following
44.15 a determination that the applicant made inadequate efforts to meet the relevant procurement
44.16 requirements.

44.17 Sec. 36. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3, is amended
44.18 to read:

44.19 Subd. 3. **Active transportation accounts.** (a) An active transportation account is
44.20 established in the special revenue fund. The account consists of funds provided by law and
44.21 any other money donated, allotted, transferred, or otherwise provided to the account. Money
44.22 in the account is annually appropriated to the commissioner and must be expended only ~~on~~
44.23 ~~projects that receive financial assistance~~ as provided under this section.

44.24 (b) An active transportation account is established in the bond proceeds fund. The account
44.25 consists of state bond proceeds appropriated to the commissioner. Money in the account
44.26 may only be expended on bond-eligible costs of a project receiving financial assistance as
44.27 provided under this section. Money in the account may only be expended on a project that
44.28 is publicly owned.

44.29 ~~(c) An active transportation account is established in the general fund. The account~~
44.30 ~~consists of money as provided by law and any other money donated, allotted, transferred,~~
44.31 ~~or otherwise provided to the account. Money in the account may only be expended on a~~
44.32 ~~project receiving financial assistance as provided under this section.~~

45.1 Sec. 37. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 6, is amended
45.2 to read:

45.3 Subd. 6. **Use of funds.** (a) The commissioner must determine permissible uses of ~~financial~~
45.4 ~~assistance~~ funds available under this section, which are limited to:

45.5 (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including
45.6 but not limited to safe routes to school infrastructure and bicycle facilities and centers; ~~and~~

45.7 (2) noninfrastructure programming, including activities as specified in section 174.40,
45.8 subdivision 7a, paragraph (b); and

45.9 (3) as provided in this subdivision.

45.10 (b) Of the amount made available in each fiscal year, the first \$500,000 is for grants to
45.11 develop, maintain, and implement active transportation safety curriculum for youth ages
45.12 five to 14 years old, and if remaining funds are available, for (1) youth ages 15 to 17 years
45.13 old, (2) adult active transportation safety programs, and (3) adult learn-to-ride programs.
45.14 The curriculum must include resources for teachers and must meet the model training
45.15 materials requirements under section 123B.935, subdivision 4.

45.16 (c) Of the amount made available, \$245,000 in each of fiscal years 2025 to 2028 is for
45.17 costs related to complete streets implementation training under section 174.75, subdivision
45.18 2a.

45.19 Sec. 38. [174.595] TRANSPORTATION FACILITIES CAPITAL PROGRAM.

45.20 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
45.21 the meanings given.

45.22 (b) "Capital building asset" includes but is not limited to district headquarters buildings,
45.23 truck stations, salt storage or other unheated storage buildings, deicing and anti-icing
45.24 facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection
45.25 stations.

45.26 (c) "Commissioner" means the commissioner of transportation.

45.27 (d) "Department" means the Department of Transportation.

45.28 (e) "Program" means the transportation facilities capital program established in this
45.29 section.

46.1 Subd. 2. **Program established.** The commissioner must establish a transportation
46.2 facilities capital program in conformance with this section to provide for capital building
46.3 asset projects related to buildings and other capital facilities of the department.

46.4 Subd. 3. **Transportation facilities capital accounts.** (a) A transportation facilities
46.5 capital account is established in the trunk highway fund. The account consists of money
46.6 appropriated from the trunk highway fund for the purposes of the program and any other
46.7 money donated, allotted, transferred, or otherwise provided to the account by law.

46.8 (b) A transportation facilities capital subaccount is established in the bond proceeds
46.9 account in the trunk highway fund. The subaccount consists of trunk highway bond proceeds
46.10 appropriated to the commissioner for the purposes of the program. Money in the subaccount
46.11 may only be expended on trunk highway purposes, including the purposes specified in this
46.12 section.

46.13 Subd. 4. **Implementation standards.** The commissioner must establish a process to
46.14 implement the program that includes allocation of funding based on review of eligible
46.15 projects as provided under subdivision 5 and prioritization as provided under subdivision
46.16 6. The process must be in conformance with trunk highway fund uses for the purposes of
46.17 constructing, improving, and maintaining the trunk highway system in the state pursuant
46.18 to the Minnesota Constitution, article XIV.

46.19 Subd. 5. **Eligible expenditures.** A project is eligible under this section only if the project:

46.20 (1) involves the construction, improvement, or maintenance of a capital building asset
46.21 that is part of the trunk highway system; and

46.22 (2) accomplishes at least one of the following:

46.23 (i) supports the programmatic mission of the department;

46.24 (ii) extends the useful life of existing buildings; or

46.25 (iii) renovates or constructs facilities to meet the department's current and future
46.26 operational needs.

46.27 Subd. 6. **Prioritization.** In prioritizing funding allocation among projects under the
46.28 program, the commissioner must consider:

46.29 (1) whether a project ensures the effective and efficient condition and operation of the
46.30 facility;

46.31 (2) the urgency in ensuring the safe use of existing buildings;

46.32 (3) the project's total life-cycle cost;

47.1 (4) additional criteria for priorities otherwise specified in law that apply to a category
47.2 listed in the act making an appropriation for the program; and

47.3 (5) any other criteria the commissioner deems necessary.

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

47.5 Sec. 39. Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, is amended
47.6 to read:

47.7 **Subd. 2. Passenger rail account; transfers; appropriation.** (a) A passenger rail account
47.8 is established in the special revenue fund. The account consists of funds as provided in this
47.9 subdivision and any other money donated, allotted, transferred, collected, or otherwise
47.10 provided to the account.

47.11 (b) By July 15 annually beginning in calendar year 2027, the commissioner of revenue
47.12 must transfer an amount from the general fund to the passenger rail account that equals 50
47.13 percent of the portion of the state general tax under section 275.025 levied on railroad
47.14 operating property, as defined under section 273.13, subdivision 24, in the prior calendar
47.15 year.

47.16 (c) Money in the account is annually appropriated to the commissioner of transportation
47.17 for the ~~net~~ operating and capital maintenance costs of intercity passenger rail, which may
47.18 include but are not limited to planning, designing, developing, constructing, equipping,
47.19 administering, operating, promoting, maintaining, and improving passenger rail service
47.20 within the state, after accounting for operating revenue, federal funds, and other sources.

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

47.22 Sec. 40. Minnesota Statutes 2023 Supplement, section 174.634, is amended by adding a
47.23 subdivision to read:

47.24 **Subd. 3. Fee and revenue collection authorized.** In order to maintain a balanced
47.25 transportation system in the state required by the public convenience and necessity, the
47.26 commissioner may, directly or through a contractor, vendor, operator, or partnership with
47.27 a federal or state government entity, including Amtrak, collect a fee or other revenue related
47.28 to passenger rail services within the state. Fees and revenue to be collected include but are
47.29 not limited to fees and revenue generated through ticket sales and sales of on-board and
47.30 promotional goods. Revenue may be collected as determined by the commissioner. Fees
47.31 and revenue collected under this subdivision must be deposited in the passenger rail account

48.1 in the special revenue fund. Fees and revenue under this section are not subject to section
48.2 16A.1283.

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

48.4 Sec. 41. Minnesota Statutes 2022, section 174.75, subdivision 1, is amended to read:

48.5 Subdivision 1. ~~Definition~~ **Definitions.** (a) For purposes of this section, the following
48.6 terms have the meanings given.

48.7 (b) "Complete streets" is the planning, scoping, design, implementation, operation, and
48.8 maintenance of roads in order to reasonably address the safety and accessibility needs of
48.9 users of all ages and abilities. Complete streets considers the needs of motorists, pedestrians,
48.10 transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along
48.11 and across roads, intersections, and crossings in a manner that is sensitive to the local context
48.12 and recognizes that the needs vary in urban, suburban, and rural settings.

48.13 (c) "Vulnerable road user" has the meaning given in section 169.011, subdivision 92b.

48.14 Sec. 42. Minnesota Statutes 2022, section 174.75, subdivision 2, is amended to read:

48.15 Subd. 2. **Implementation.** (a) The commissioner ~~shall~~ must implement a complete
48.16 streets policy after consultation with stakeholders, state and regional agencies, local
48.17 governments, and road authorities. The commissioner, after such consultation, ~~shall~~ must
48.18 address relevant protocols, guidance, standards, requirements, and training, ~~and shall~~
48.19 integrate.

48.20 (b) The complete streets policy must include but is not limited to:

48.21 (1) integration of related principles of context-sensitive solutions;

48.22 (2) integration throughout the project development process;

48.23 (3) methods to evaluate inclusion of active transportation facilities in a project, which
48.24 may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility,
48.25 and bikeways; and

48.26 (4) consideration of consultation with other road authorities regarding existing and
48.27 planned active transportation network connections.

49.1 Sec. 43. Minnesota Statutes 2022, section 174.75, is amended by adding a subdivision to
49.2 read:

49.3 Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that
49.4 accompanies the complete streets policy under this section. The guidance must include
49.5 sections on:

49.6 (1) an analysis framework that provides for:

49.7 (i) identification of characteristics of a project;

49.8 (ii) highway system categorization based on context, including population density, land
49.9 use, density and scale of surrounding development, volume of highway use, and the nature
49.10 and extent of active transportation; and

49.11 (iii) relative emphasis for different road system users in each of the categories under
49.12 item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists
49.13 or other operators of two- or three-wheeled vehicles, and public transit users; and

49.14 (2) an analysis of speed limit reductions and associated roadway design modifications
49.15 to support safety and mobility in active transportation.

49.16 Sec. 44. Minnesota Statutes 2022, section 216E.02, subdivision 1, is amended to read:

49.17 Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to
49.18 locate large electric power facilities and high voltage transmission lines in an orderly manner
49.19 compatible with environmental preservation and the efficient use of resources. In accordance
49.20 with this policy the commission shall choose locations that minimize adverse human and
49.21 environmental impact while insuring continuing electric power system reliability and integrity
49.22 and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

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

49.24 Sec. 45. Minnesota Statutes 2023 Supplement, section 219.015, subdivision 2, is amended
49.25 to read:

49.26 Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in
49.27 this subdivision, the commissioner must annually assess railroad companies that are (1)
49.28 defined as common carriers under section 218.011; (2) classified by federal law or regulation
49.29 as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and
49.30 (3) operating in this state.

50.1 (b) The assessment must be calculated to allocate state rail safety inspection program
50.2 costs proportionally among carriers based on route miles operated in Minnesota at the time
50.3 of assessment. The commissioner must include in the assessment calculation all state rail
50.4 safety inspection program costs to support up to six rail safety inspector positions, including
50.5 but not limited to salary, administration, supervision, travel, equipment, training, and ongoing
50.6 state rail inspector duties.

50.7 (c) The assessments collected under this subdivision must be deposited in a state rail
50.8 safety inspection account, which is established in the special revenue fund. The account
50.9 consists of funds provided by this subdivision and section 221.0255 and any other money
50.10 donated, allotted, transferred, or otherwise provided to the account. Money in the account
50.11 is annually appropriated to the commissioner to administer the state rail safety inspection
50.12 program and for costs under section 221.0255.

50.13 **Sec. 46. [219.382] WAYSIDE DETECTOR SYSTEMS.**

50.14 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
50.15 the meanings given.

50.16 (b) "Hazardous substance" has the meaning given in section 219.055, subdivision 1,
50.17 paragraph (e).

50.18 (c) "Wayside detector system" means one or more electronic devices that: (1) perform
50.19 automated scanning of passing trains, rolling stock, and on-track equipment to detect defects
50.20 or precursors to defects in equipment or component parts; and (2) provide notification to
50.21 individuals of a defect or precursor to a defect.

50.22 Subd. 2. Application. The requirements in this section apply to:

50.23 (1) a Class I railroad; and

50.24 (2) a Class II railroad or Class III railroad when transporting a hazardous substance at
50.25 a speed that exceeds ten miles per hour.

50.26 Subd. 3. Wayside detector system requirements. (a) A railroad must maintain
50.27 operational wayside detector systems located at intervals of:

50.28 (1) at least every ten miles of mainline track in the state; or

50.29 (2) at least every 15 miles of mainline track in the state if necessary due to the natural
50.30 terrain.

50.31 (b) A wayside detector system under this section must include a hot bearings detector
50.32 and a dragging equipment detector.

51.1 Subd. 4. **Defect notifications.** Promptly after a wayside detector system provides a
51.2 notification regarding a defect, the railroad must:

51.3 (1) stop the train in accordance with the railroad's applicable safety procedures;

51.4 (2) inspect the location of the defect from a position on the ground;

51.5 (3) if the inspection indicates that the train is not safe for movement, make necessary
51.6 repairs prior to movement;

51.7 (4) if the inspection indicates that the train is safe for movement or if repairs are
51.8 performed under clause (3):

51.9 (i) proceed at a speed that does not exceed (A) 30 miles per hour if the train is not
51.10 transporting a hazardous substance, or (B) ten miles per hour if the train is transporting a
51.11 hazardous substance; and

51.12 (ii) remove and set out any defective car at the earliest opportunity; and

51.13 (5) provide for the train crew to prepare a written inspection report and submit it to the
51.14 appropriate personnel within the railroad.

51.15 Subd. 5. **Report to commissioner.** By January 15 annually, a railroad that is subject to
51.16 this section must submit a report to the commissioner on wayside detector systems installed
51.17 in this state. At a minimum, the report must include:

51.18 (1) an overview of each wayside detector system, which must include:

51.19 (i) its type and primary characteristics;

51.20 (ii) the nearest milepost number, latitude and longitude coordinates, or other information
51.21 that specifically identifies its location; and

51.22 (iii) a review of the operational status of the hot bearings detector and the dragging
51.23 equipment detector throughout the prior 12 months; and

51.24 (2) other information on wayside detector systems as required by the commissioner.

51.25 **EFFECTIVE DATE.** This section is effective January 1, 2025.

51.26 Sec. 47. **[219.5505] TRAIN LENGTH.**

51.27 Subdivision 1. **Definition.** For purposes of this section, "railroad" means a common
51.28 carrier that is classified by federal law or regulation as a Class I railroad, Class II railroad,
51.29 or Class III railroad.

52.1 Subd. 2. **Maximum length.** A railroad must not operate a train in this state that has a
52.2 total length in excess of 8,500 feet.

52.3 Subd. 3. **Penalty.** (a) A railroad that violates this section is subject to a penalty of:

52.4 (1) not less than \$1,000 or more than \$5,000 for a first offense;

52.5 (2) not less than \$5,000 or more than \$10,000 for a second offense committed within
52.6 three years of the first offense; and

52.7 (3) not less than \$25,000 for a third or subsequent offense committed within three years
52.8 of the first offense.

52.9 (b) The commissioner of transportation may enforce this section in a civil action before
52.10 a judge of a county in which the violation occurs.

52.11 (c) Fines collected under this section must be deposited in the state rail safety inspection
52.12 account in the special revenue fund.

52.13 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations
52.14 committed on or after that date.

52.15 **Sec. 48. [219.756] YARDMASTER HOURS OF SERVICE.**

52.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
52.17 the meanings given.

52.18 (b) "Railroad" means a common carrier that is classified by federal law or regulation as
52.19 Class I railroad, Class II railroad, or Class III railroad.

52.20 (c) "Yardmaster" means an employee of a common carrier who is responsible for
52.21 supervising and coordinating the control of trains and engines operating within a railyard,
52.22 not including a dispatching service employee, signal employee, or train employee as those
52.23 terms are defined in United States Code, title 49, section 21101.

52.24 Subd. 2. **Hours of service.** (a) A railroad operating in this state must not require or allow
52.25 a yardmaster to remain or go on duty:

52.26 (1) in any month when the employee has spent a total of 276 hours on duty or in any
52.27 other mandatory service for the carrier;

52.28 (2) for a period exceeding 12 consecutive hours; and

52.29 (3) unless the employee has had at least ten consecutive hours off duty during the prior
52.30 24 hours.

53.1 (b) A railroad operating in this state must not require or allow a yardmaster to remain
53.2 or go on duty after the employee has initiated an on-duty period each day for six consecutive
53.3 days unless the employee has had 48 consecutive hours off at the employee's home terminal,
53.4 during which time the employee is unavailable for any service.

53.5 **EFFECTIVE DATE.** This section is effective August 1, 2024.

53.6 Sec. 49. Minnesota Statutes 2022, section 221.0255, subdivision 4, is amended to read:

53.7 Subd. 4. **Motor carrier of railroad employees; requirements.** (a) The motor carrier
53.8 of railroad employees must implement a policy that provides for annual training and
53.9 certification of the operator in:

53.10 (1) safe operation of the vehicle transporting railroad employees;

53.11 (2) knowing and understanding relevant laws, rules of the road, and safety policies;

53.12 (3) handling emergency situations;

53.13 (4) proper use of seat belts;

53.14 (5) performance of pretrip and posttrip vehicle inspections, and inspection record keeping;

53.15 and

53.16 (6) proper maintenance of required records.

53.17 (b) The motor carrier of railroad employees must:

53.18 (1) confirm that the person is not disqualified under subdivision 6, by performing a
53.19 criminal background check of the operator, which must include:

53.20 (i) a criminal history check of the state criminal records repository; and

53.21 (ii) if the operator has resided in Minnesota less than five years, a criminal history check
53.22 from each state of residence for the previous five years;

53.23 (2) annually verify the operator's driver's license;

53.24 (3) document meeting the requirements in this subdivision, which must include
53.25 maintaining at the carrier's business location:

53.26 (i) a driver qualification file on each operator who transports passengers under this
53.27 section; and

53.28 (ii) records of pretrip and posttrip vehicle inspections as required under subdivision 3,
53.29 paragraph (a), clause (3);

54.1 (4) maintain liability insurance in a minimum amount of \$5,000,000 regardless of the
54.2 seating capacity of the vehicle;

54.3 (5) maintain uninsured and underinsured coverage in a minimum amount of ~~\$1,000,000~~
54.4 \$5,000,000; and

54.5 (6) ensure inspection of each vehicle operated under this section as provided under
54.6 section 169.781.

54.7 (c) A driver qualification file under paragraph (b), clause (3), must include:

54.8 (1) a copy of the operator's most recent medical examiner's certificate;

54.9 (2) a copy of the operator's current driver's license;

54.10 (3) documentation of annual license verification;

54.11 (4) documentation of annual training;

54.12 (5) documentation of any known violations of motor vehicle or traffic laws; and

54.13 (6) responses from previous employers, if required by the current employer.

54.14 (d) The driver qualification file must be retained for one year following the date of
54.15 separation of employment of the driver from the carrier. A record of inspection under
54.16 paragraph (b), clause (3), item (ii), must be retained for one year following the date of
54.17 inspection.

54.18 (e) If a party contracts with the motor carrier on behalf of the railroad to transport the
54.19 railroad employees, then the insurance requirements may be satisfied by either that party
54.20 or the motor carrier, so long as the motor carrier is a named insured or additional insured
54.21 under any policy.

54.22 **EFFECTIVE DATE.** This section is effective August 1, 2024.

54.23 Sec. 50. Minnesota Statutes 2022, section 221.0255, subdivision 9, is amended to read:

54.24 Subd. 9. **Inspection and investigation authority.** (a) Upon receipt of a complaint form
54.25 or other information alleging a violation of this section, the commissioner must investigate
54.26 the relevant matter. Representatives of the Department of Transportation and the State Patrol
54.27 have the authority to enter, at a reasonable time and place, any vehicle or facility of the
54.28 carrier for purposes of complaint investigations, random inspections, safety reviews, audits,
54.29 or accident investigations.

55.1 (b) Failure of a railroad or motor carrier of railroad employees to permit a complaint
55.2 investigation under this subdivision is grounds for issuance of a civil penalty under
55.3 subdivision 10.

55.4 **EFFECTIVE DATE.** This section is effective August 1, 2024.

55.5 Sec. 51. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision
55.6 to read:

55.7 Subd. 10. **Civil penalty.** (a) After completion of an investigation or as provided in
55.8 subdivision 9, paragraph (b), the commissioner may issue a civil penalty to a railroad or
55.9 motor carrier of railroad employees that violates this section. A civil penalty issued under
55.10 this paragraph is in the amount of:

55.11 (1) not less than \$200 but not more than \$500 for a first offense;

55.12 (2) not less than \$500 but not more than \$1,000 for a second offense; and

55.13 (3) not less than \$1,000 but not more than \$5,000 for a third or subsequent offense
55.14 committed within three years of the first offense.

55.15 (b) The civil penalty amounts identified under paragraph (a) are for all violations
55.16 identified in a single investigation and are not per violation.

55.17 (c) The recipient of a civil penalty under this subdivision has 30 days to notify the
55.18 commissioner in writing of intent to contest the civil penalty. If within 30 days after receiving
55.19 the civil penalty the recipient fails to notify the commissioner of intent to contest the penalty,
55.20 the civil penalty is not subject to further review.

55.21 (d) Civil penalties assessed under this subdivision are subject to chapter 14 and may be
55.22 recovered in a civil action.

55.23 (e) Civil penalties collected under this section must be deposited in the state rail safety
55.24 inspection account in the special revenue fund.

55.25 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations
55.26 committed on or after that date.

55.27 Sec. 52. **[325F.661] SALE OF ELECTRIC-ASSISTED BICYCLES AND POWERED**
55.28 **CYCLES.**

55.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have
55.30 the meanings given.

56.1 (b) "Class 1 electric-assisted bicycle," "class 2 electric-assisted bicycle," and "class 3
56.2 electric-assisted bicycle" have the meanings given in section 169.011, subdivisions 15a,
56.3 15b, and 15c.

56.4 (c) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision
56.5 27.

56.6 (d) "Multiple mode electric-assisted bicycle" has the meaning given in section 169.011,
56.7 subdivision 45a.

56.8 (e) "Powered cycle" means a vehicle that has an electric motor, has fewer than four
56.9 wheels, and:

56.10 (1) does not meet all of the requirements of an electric-assisted bicycle as sold or due
56.11 to modification by any person; or

56.12 (2) is designed, manufactured, or intended by the manufacturer or seller to be easily
56.13 configured so as not to meet all of the requirements of an electric-assisted bicycle, whether
56.14 by a mechanical switch or button, by changing a setting in software controlling the drive
56.15 system, by use of an app, or through any other means intended by the manufacturer or seller.

56.16 A vehicle that meets the requirements of a powered cycle is not an electric-assisted bicycle.

56.17 Subd. 2. **Electric-assisted bicycle.** Before a purchase is completed, a seller of an
56.18 electric-assisted bicycle must disclose to a consumer in written form:

56.19 (1) the maximum motor power of the electric-assisted bicycle;

56.20 (2) the maximum speed of the electric-assisted bicycle, as evaluated using a test method
56.21 matching the criteria specified in Code of Federal Regulations, title 16, section 1512.2(a)(2),
56.22 or successor requirements; and

56.23 (3) whether the electric-assisted bicycle is a class 1, class 2, class 3, or multiple mode
56.24 electric-assisted bicycle.

56.25 Subd. 3. **Powered cycle.** (a) A seller of a new powered cycle may not sell the vehicle
56.26 or offer the vehicle for sale if it is labeled as a class 1, class 2, class 3, or multiple mode
56.27 electric-assisted bicycle.

56.28 (b) Before a purchase is completed and in any advertising materials, a seller of a new
56.29 powered cycle who describes the vehicle as an "electric bicycle," "electric bike," "e-bike,"
56.30 or other similar term must disclose to a consumer:

56.31 (1) the name or classification of the vehicle under state law or the most likely
56.32 classification following an intended or anticipated vehicle modification; and

57.1 (2) the following statement:

57.2 "This vehicle is not an "electric-assisted bicycle" as defined in Minnesota law. It is
57.3 instead a type of motor vehicle and subject to applicable motor vehicle laws if used on
57.4 public roads or public lands. Your insurance policies might not provide coverage for crashes
57.5 involving the use of this vehicle. To determine coverage, you should contact your insurance
57.6 company or agent."

57.7 (c) Advertising materials under paragraph (b) include but are not limited to a website
57.8 or social media post that identifies or promotes the vehicle.

57.9 (d) The disclosure under paragraph (b) must be (1) written, and (2) provided clearly and
57.10 conspicuously and in a manner designed to attract the attention of a consumer.

57.11 Subd. 4. **Unlawful practices.** It is an unlawful practice under section 325F.69 to advertise,
57.12 offer for sale, or sell a powered cycle:

57.13 (1) as an electric-assisted bicycle; or

57.14 (2) using the words "electric bicycle," "electric bike," "e-bike," or other similar term
57.15 without providing the disclosure required under subdivision 3.

57.16 Sec. 53. Minnesota Statutes 2022, section 473.13, is amended by adding a subdivision to
57.17 read:

57.18 Subd. 6. **Transportation financial review.** (a) By April 1 annually, the council must
57.19 prepare and submit a financial review in consultation with the commissioner of management
57.20 and budget that details revenue and expenditures for the transportation components under
57.21 the council's budget. The council must submit the financial review to the chairs and ranking
57.22 minority members of the legislative committees and divisions with jurisdiction over
57.23 transportation policy and finance.

57.24 (b) At a minimum, the financial review must identify:

57.25 (1) the actual revenues, expenditures, transfers, reserves, and balances in each of the
57.26 previous four budget years;

57.27 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in
57.28 the current year and each budget year within the state forecast period;

57.29 (3) for the most recent completed budget year, a comparison between the budgeted and
57.30 actual amounts under clause (1); and

58.1 (4) for the most recent completed budget year, fund balances for each replacement service
58.2 provider under section 473.388.

58.3 (c) The information under paragraph (b), clauses (1) to (3), must include:

58.4 (1) a breakout for each transportation funding source identified by the council;

58.5 (2) a breakout for each transportation operating budget category established by the
58.6 council, including but not limited to bus, light rail transit, commuter rail, planning, special
58.7 transportation service under section 473.386, and assistance to replacement service providers
58.8 under section 473.388; and

58.9 (3) data for operations, capital maintenance, and transit capital.

58.10 (d) The financial review must summarize reserve policies, identify the methodology for
58.11 cost allocation, and describe revenue assumptions and variables affecting the assumptions.

58.12 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
58.13 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
58.14 Scott, and Washington.

58.15 Sec. 54. Minnesota Statutes 2022, section 473.388, is amended by adding a subdivision
58.16 to read:

58.17 **Subd. 9. Bus procurement.** (a) For purposes of this subdivision:

58.18 (1) "qualified transit bus" has the meaning given in section 473.3927, subdivision 1a;

58.19 (2) "special transportation service" has the meaning given in section 174.29, subdivision
58.20 1; and

58.21 (3) "zero-emission transit bus" has the meaning given in section 473.3927, subdivision
58.22 1a.

58.23 (b) Beginning on January 1, 2030, at least 50 percent of the qualified transit buses
58.24 annually purchased for regular route transit service or special transportation service by a
58.25 recipient of financial assistance under this section must be a zero-emission transit bus.

58.26 (c) Beginning on January 1, 2035, any qualified transit bus purchased for regular route
58.27 transit service or special transportation service by a recipient of financial assistance under
58.28 this section must be a zero-emission transit bus.

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

59.1 Sec. 55. Minnesota Statutes 2022, section 473.3927, is amended to read:

59.2 **473.3927 ZERO-EMISSION AND ELECTRIC TRANSIT VEHICLES.**

59.3 Subdivision 1. **Transition plan required.** (a) The council must develop and maintain
59.4 a zero-emission and electric transit vehicle transition plan.

59.5 (b) The council must ~~complete the initial~~ revise the plan by February 15, ~~2022~~ 2025,
59.6 and revise the plan at least once every ~~five~~ three years following each prior revision.

59.7 Subd. 1a. **Definitions.** (a) For purposes of this section, the following terms have the
59.8 meanings given.

59.9 (b) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
59.10 subdivision 2.

59.11 (c) "Qualified transit bus" means a motor vehicle that meets the requirements under
59.12 paragraph (d), clauses (1) and (2).

59.13 (d) "Zero-emission transit bus" means a motor vehicle that:

59.14 (1) is designed for public transit service;

59.15 (2) has a capacity of more than 15 passengers, including the driver; and

59.16 (3) produces no exhaust-based greenhouse gas emissions from the onboard source of
59.17 motive power of the vehicle under all operating conditions.

59.18 Subd. 2. **Plan development.** At a minimum, the plan must:

59.19 (1) establish ~~implementation~~ policies and, guidance, and recommendations to implement
59.20 the transition to a transit service fleet of exclusively zero-emission and electric transit
59.21 vehicles, including for recipients of financial assistance under section 473.388;

59.22 (2) align with the requirements under subdivision 4 and section 473.388, subdivision 9;

59.23 (3) consider methods for transit providers to maximize greenhouse gas reduction in
59.24 addition to zero-emission transit bus procurement, including but not limited to service
59.25 expansion, reliability improvements, and other transit service improvements;

59.26 (4) analyze greenhouse gas emission reduction from transit improvements identified
59.27 under clause (3) in comparison to zero-emission transit bus procurement;

59.28 (5) set transition milestones or performance measures, or both, which may include vehicle
59.29 procurement goals over the transition period;

60.1 ~~(3)~~ (6) identify barriers, constraints, and risks, and determine objectives and strategies
60.2 to address the issues identified;

60.3 ~~(4)~~ (7) consider findings and best practices from other transit agencies;

60.4 ~~(5)~~ (8) analyze zero-emission and electric transit vehicle technology impacts, including
60.5 cold weather operation and emerging technologies;

60.6 (9) prioritize deployment of zero-emission transit buses based on the extent to which
60.7 service is provided to environmental justice areas, as defined in section 116.065, subdivision
60.8 1;

60.9 ~~(6)~~ (10) consider opportunities to prioritize the deployment of zero-emissions vehicles
60.10 in areas with poor air quality;

60.11 (11) consider opportunities to prioritize deployment of zero-emission transit buses along
60.12 arterial and highway bus rapid transit routes, including methods to maximize cost
60.13 effectiveness with bus rapid transit construction projects;

60.14 ~~(7)~~ (12) provide detailed estimates of implementation costs to implement the plan and
60.15 meet the requirements under subdivision 4 and section 473.388, subdivision 9, which, to
60.16 the extent feasible, must include a forecast of annual expenditures, identification of potential
60.17 sources of funding, and a summary of any anticipated or planned activity to seek additional
60.18 funds; and

60.19 ~~(8)~~ (13) examine capacity, constraints, and potential investments in the electric
60.20 transmission and distribution grid, in consultation with appropriate public utilities;

60.21 (14) identify methods to coordinate necessary facility upgrades in a manner that
60.22 maximizes cost effectiveness and overall system reliability;

60.23 (15) examine workforce impacts under the transition plan, including but not limited to
60.24 changes in staffing complement; personnel skill gaps and needs; and employee training,
60.25 retraining, or role transitions; and

60.26 (16) summarize updates to the plan from the most recent version.

60.27 Subd. 3. **Copy to legislature.** Upon completion or revision of the plan, the council must
60.28 provide a copy to the chairs, ranking minority members, and staff of the legislative
60.29 committees with jurisdiction over transportation policy and finance.

60.30 Subd. 4. **Bus procurement.** (a) Beginning on January 1, 2030, at least 50 percent of the
60.31 qualified transit buses annually purchased for regular route transit service or special

61.1 transportation service under section 473.386 by the council must be a zero-emission transit
61.2 bus.

61.3 (b) Beginning on January 1, 2035, any qualified transit bus purchased for regular route
61.4 transit service or special transportation service under section 473.386 by the council must
61.5 be a zero-emission transit bus.

61.6 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
61.7 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
61.8 Scott, and Washington.

61.9 Sec. 56. Minnesota Statutes 2023 Supplement, section 473.4051, is amended by adding
61.10 a subdivision to read:

61.11 Subd. 4. **Bus rapid transit project infrastructure.** (a) The council must design,
61.12 construct, and fully fund the following elements of all bus rapid transit projects, regardless
61.13 of the project's scope: (1) sidewalk curb ramps and signals meeting the most current
61.14 Americans with Disabilities Act standards at all intersection quadrants in intersections
61.15 affected by construction of a bus rapid transit station; and (2) transit priority infrastructure,
61.16 including but not limited to red transit pavement marking and traffic signal modifications.

61.17 (b) Intersections impacted by the requirements under paragraph (a) must include
61.18 infrastructure serving the bus rapid transit station from the opposite side of a street or from
61.19 a nonadjacent mid-block location. This paragraph must be construed to require full and
61.20 complete intersection upgrades to the most current Americans with Disabilities Act design
61.21 standards, notwithstanding any conflicting or lesser minimum requirements or suggestions
61.22 set forth in separate laws, regulations, advisories, or other published Americans with
61.23 Disabilities Act materials.

61.24 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
61.25 final enactment for projects that first commence construction on or after that date. This
61.26 section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
61.27 Washington.

61.28 Sec. 57. **COMMUNITY ROADSIDE LANDSCAPE PARTNERSHIPS.**

61.29 Subject to available funds, the commissioner of transportation must assess and undertake
61.30 methods to improve and expand the Department of Transportation's community roadside
61.31 landscape partnership program, including:

62.1 (1) identifying and evaluating locations for partnership opportunities throughout the
62.2 state where there is high traffic volume and minimal existing vegetation coverage in the
62.3 form of trees or large shrubs;

62.4 (2) performing outreach and engagement about the program with eligible community
62.5 partners;

62.6 (3) prioritizing roadsides where vegetation could reduce neighborhood noise impacts or
62.7 improve aesthetics for neighborhoods that border interstate highways without regard to
62.8 whether there are existing noise walls; and

62.9 (4) analyzing methods to include cost sharing between the department and participating
62.10 community partners for ongoing landscape maintenance.

62.11 Sec. 58. **REVISOR INSTRUCTION.**

62.12 The revisor of statutes must recodify Minnesota Statutes, section 169.21, subdivision
62.13 6, as Minnesota Statutes, section 171.0701, subdivision 1b. The revisor must correct any
62.14 cross-references made necessary by this recodification.

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

62.16 Sec. 59. **REVISOR INSTRUCTION.**

62.17 The revisor of statutes must recodify Minnesota Statutes, section 473.3927, subdivision
62.18 1, as Minnesota Statutes, section 473.3927, subdivision 1b. The revisor must correct any
62.19 cross-references made necessary by this recodification.

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

62.21 Sec. 60. **REPEALER.**

62.22 (a) Minnesota Statutes 2022, section 168.1297, is repealed.

62.23 (b) Minnesota Rules, part 7410.6180, is repealed.

62.24 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

62.25 **ARTICLE 3**

62.26 **LABOR APPROPRIATIONS**

62.27 Section 1. **APPROPRIATIONS.**

62.28 (a) The sums shown in the columns under "Appropriations" are added to the
62.29 appropriations in Laws 2023, chapter 53, or other law to the specified agency. The

64.1	Appropriations by Fund		
64.2		2024	2025
64.3			4,889,000
64.4	General	7,200,000	<u>5,286,000</u>
64.5	Workers'		32,390,000
64.6	Compensation	30,599,000	<u>32,669,000</u>
64.7	Workforce		
64.8	Development	9,911,000	6,765,000

64.9 The amounts that may be spent for each
 64.10 purpose are specified in the following
 64.11 subdivisions. The general fund base for this
 64.12 appropriation is ~~\$4,936,000~~ \$5,006,000 in
 64.13 fiscal year 2026 and ~~\$4,958,000~~ \$5,028,000
 64.14 in fiscal year 2027 and each year thereafter.

64.15 The workers compensation fund base is
 64.16 ~~\$32,749,000~~ \$32,892,000 in fiscal year 2026
 64.17 and \$32,458,000 in fiscal year 2027 and each
 64.18 year thereafter. The workforce development
 64.19 fund base is \$6,765,000 in fiscal year 2026
 64.20 and each year thereafter.

64.21 Sec. 5. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

64.22			6,270,000
64.23	Subd. 3. Labor Standards	6,520,000	<u>6,667,000</u>

64.24	Appropriations by Fund		
64.25			4,635,000
64.26	General	4,957,000	<u>5,032,000</u>
64.27	Workforce		
64.28	Development	1,563,000	1,635,000

64.29 The general fund base for this appropriation
 64.30 is ~~\$4,682,000~~ \$4,752,000 in fiscal year 2026
 64.31 and ~~\$4,704,000~~ \$4,774,000 in fiscal year 2027
 64.32 and each year thereafter.

64.33 (a) \$2,046,000 each year is for wage theft
 64.34 prevention.

64.35 (b) \$1,563,000 the first year and \$1,635,000
 64.36 the second year are from the workforce

65.1 development fund for prevailing wage
 65.2 enforcement.
 65.3 (c) \$134,000 the first year and \$134,000 the
 65.4 second year are for outreach and enforcement
 65.5 efforts related to changes to the nursing
 65.6 mothers, lactating employees, and pregnancy
 65.7 accommodations law.
 65.8 (d) \$661,000 the first year and \$357,000 the
 65.9 second year are to perform work for the
 65.10 Nursing Home Workforce Standards Board.
 65.11 The base for this appropriation is \$404,000 in
 65.12 fiscal year 2026 and \$357,000 in fiscal year
 65.13 2027.
 65.14 (e) \$225,000 the first year and \$169,000 the
 65.15 second year are for the purposes of the Safe
 65.16 Workplaces for Meat and Poultry Processing
 65.17 Workers Act.
 65.18 (f) \$27,000 the first year is for the creation
 65.19 and distribution of a veterans' benefits and
 65.20 services poster under Minnesota Statutes,
 65.21 section 181.536.
 65.22 (g) \$141,000 the second year is to inform and
 65.23 educate employers relating to Minnesota
 65.24 Statutes, section 181.960. This is a onetime
 65.25 appropriation.
 65.26 (h) \$200,000 the second year is for education
 65.27 and training related to employee
 65.28 misclassification. This is a onetime
 65.29 appropriation and is available until June 30,
 65.30 2026.

65.31 Sec. 6. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

65.32			7,559,000
65.33	Subd. 5. Workplace Safety	8,644,000	<u>7,838,000</u>

66.1	Appropriations by Fund		
66.2	General	2,000,000	-0-
66.3	Workers'		7,559,000
66.4	Compensation	6,644,000	<u>7,838,000</u>

66.5 The workers compensation fund base for this
 66.6 appropriation is ~~\$7,918,000~~ \$8,061,000 in
 66.7 fiscal year 2026 and \$7,627,000 in fiscal year
 66.8 2027 and each year thereafter.

66.9 \$2,000,000 the first year is for the ergonomics
 66.10 safety grant program. This appropriation is
 66.11 available until June 30, 2026. This is a onetime
 66.12 appropriation.

66.13 Sec. 7. Laws 2023, chapter 53, article 19, section 4, is amended to read:

66.14 Sec. 4. **BUREAU OF MEDIATION SERVICES** \$ 3,707,000 \$ 3,789,000

66.15 ~~(a)~~ \$750,000 each year is for purposes of the
 66.16 Public Employment Relations Board under
 66.17 Minnesota Statutes, section 179A.041.

66.18 ~~(b)~~ ~~\$68,000 each year is for grants to area~~
 66.19 ~~labor management committees. Grants may~~
 66.20 ~~be awarded for a 12-month period beginning~~
 66.21 ~~July 1 each year. Any unencumbered balance~~
 66.22 ~~remaining at the end of the first year does not~~
 66.23 ~~cancel but is available for the second year.~~

66.24 ~~(c)~~ ~~\$47,000 each year is for rulemaking,~~
 66.25 ~~staffing, and other costs associated with peace~~
 66.26 ~~officer grievance procedures.~~

66.27 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

66.28 **ARTICLE 4**
 66.29 **COMBATIVE SPORTS**

66.30 Section 1. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

66.31 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
 66.32 fund to an owner or a lessee in an amount greater than ~~\$75,000~~ \$100,000 per licensee. The

67.1 commissioner shall not pay compensation from the fund to owners and lessees in an amount
67.2 that totals more than \$550,000 per licensee. The commissioner shall only pay compensation
67.3 from the fund for a final judgment that is based on a contract directly between the licensee
67.4 and the homeowner or lessee that was entered into prior to the cause of action and that
67.5 requires licensure as a residential building contractor or residential remodeler.

67.6 **EFFECTIVE DATE.** This section is effective July 1, 2024.

67.7 Sec. 2. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

67.8 **341.25 RULES.**

67.9 (a) The commissioner may adopt rules that include standards for the physical examination
67.10 and condition of combatants and referees.

67.11 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
67.12 chapter, including, but not limited to, the conduct of all combative sport contests and their
67.13 manner, supervision, time, and place.

67.14 (c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated
67.15 by the Association of Boxing Commissions, is incorporated by reference and made a part
67.16 of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In
67.17 the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

67.18 (d) The most recent version of the Unified Rules of Boxing, as promulgated by the
67.19 Association of Boxing Commissions, is incorporated by reference and made a part of this
67.20 chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event
67.21 of a conflict between this chapter and the Unified Rules, this chapter must govern.

67.22 (e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of
67.23 Muay Thai, as promulgated by the Association of Boxing Commissions, ~~is~~ are incorporated
67.24 by reference and made a part of this chapter except as qualified by this chapter and any
67.25 applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified~~
67.26 ~~Rules~~ those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event
67.27 governed by a different set of kickboxing rules, the promoter must send the commissioner
67.28 a copy of the rules under which the proposed bouts will be conducted at least 45 days before
67.29 the event. The commissioner may approve or deny the use of the alternative rules at the
67.30 commissioner's discretion. If the alternative rules are approved for an event, this chapter
67.31 and any applicable Minnesota Rules, except of those incorporating the Unified Rules of
67.32 Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the
67.33 rules and Minnesota law.

68.1 Sec. 3. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended
68.2 to read:

68.3 Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this
68.4 chapter specifically states otherwise, contests or exhibitions for martial arts and amateur
68.5 boxing are exempt from the requirements of this chapter and officials at these events are
68.6 not required to be licensed under this chapter.

68.7 (b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth
68.8 in subdivision 6 or 7, must be regulated by a nationally recognized organization approved
68.9 by the commissioner. The organization must have a set of written standards, procedures, or
68.10 rules used to sanction the combative sports it oversees.

68.11 (c) Any regulatory body overseeing a martial arts or amateur boxing event must submit
68.12 bout results to the commissioner within 72 hours after the event. If the regulatory body
68.13 issues suspensions, the regulatory body must submit to the commissioner a list of any
68.14 suspensions resulting from the event within 72 hours after the event. Regulatory bodies that
68.15 oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject
68.16 to this paragraph.

68.17 Sec. 4. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to
68.18 read:

68.19 Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts
68.20 contests between individuals under the age of 18 years are exempt from the requirements
68.21 of this chapter and officials at these events are not required to be licensed under this chapter.
68.22 A contest under this subdivision must be regulated by (1) a widely recognized organization
68.23 that regularly oversees youth competition, or (2) a local government.

68.24 Sec. 5. Minnesota Statutes 2022, section 341.29, is amended to read:

68.25 **341.29 JURISDICTION OF COMMISSIONER.**

68.26 The commissioner shall:

68.27 (1) have sole direction, supervision, regulation, control, and jurisdiction over all
68.28 combative sport contests that are held within this state unless a contest is exempt from the
68.29 application of this chapter under federal law;

68.30 (2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

69.1 (3) grant a license to an applicant if, in the judgment of the commissioner, the financial
69.2 responsibility, experience, character, and general fitness of the applicant are consistent with
69.3 the public interest, ~~convenience, or necessity~~ and in the best interests of combative sports
69.4 and conforms with this chapter and the commissioner's rules;

69.5 (4) deny, suspend, or revoke a license using the enforcement provisions of section
69.6 326B.082, except that the licensing reapplication time frames remain within the sole
69.7 discretion of the commissioner; and

69.8 (5) serve final nonlicensing orders in performing the duties of this chapter which are
69.9 subject to the contested case procedures provided in sections 14.57 to 14.69.

69.10 Sec. 6. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended
69.11 to read:

69.12 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's
69.13 license to an individual, corporation, or other business entity, the applicant shall complete
69.14 a licensing application on the Office of Combative Sports website or on forms prescribed
69.15 by the commissioner and shall:

69.16 (1) show on the licensing application the owner or owners of the applicant entity and
69.17 the percentage of interest held by each owner holding a 25 percent or more interest in the
69.18 applicant;

69.19 (2) provide the commissioner with a copy of the latest financial statement of the applicant;

69.20 (3) provide proof, where applicable, of authorization to do business in the state of
69.21 Minnesota; and

69.22 (4) deposit with the commissioner a surety bond in an amount set by the commissioner,
69.23 which must not be less than \$10,000. The bond shall be executed in favor of this state and
69.24 shall be conditioned on the faithful performance by the promoter of the promoter's obligations
69.25 under this chapter and the rules adopted under it.

69.26 (b) Before the commissioner issues a license to a combatant, the applicant shall:

69.27 (1) submit to the commissioner the results of current medical examinations on forms
69.28 prescribed by the commissioner that state that the combatant is cleared to participate in a
69.29 combative sport contest. The applicant must undergo and submit the results of the following
69.30 medical examinations, which do not exempt a combatant from the requirements in section
69.31 341.33:

70.1 (i) a physical examination performed by a licensed medical doctor, doctor of osteopathic
70.2 medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations
70.3 are valid for one year from the date of the exam;

70.4 (ii) an ophthalmological examination performed by an ophthalmologist or optometrist
70.5 that includes dilation designed to detect any retinal defects or other damage or a condition
70.6 of the eye that could be aggravated by combative sports. Ophthalmological examinations
70.7 are valid for one year from the date of the exam;

70.8 (iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C
70.9 antibody), and HIV. Blood work results are good for one year from the date blood was
70.10 drawn. The commissioner shall not issue a license to an applicant submitting positive test
70.11 results for HBsAg, HCV, or HIV; and

70.12 (iv) other appropriate neurological or physical examinations before any contest, if the
70.13 commissioner determines that the examination is desirable to protect the health of the
70.14 combatant;

70.15 (2) complete a licensing application on the Office of Combative Sports website or on
70.16 forms prescribed by the commissioner; and

70.17 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's
70.18 license, state photo identification card, passport, or birth certificate combined with additional
70.19 photo identification.

70.20 (c) Before the commissioner issues an amateur combatant license to an individual, the
70.21 applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's
70.22 prior bout history and evidence showing that the applicant has completed at least six months
70.23 of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

70.24 (d) Before the commissioner issues a professional combatant license to an individual,
70.25 the applicant must submit proof of qualifications that includes an applicant's prior bout
70.26 history showing the applicant has competed in at least four sanctioned combative sports
70.27 contests. If the applicant has not competed in at least four sanctioned combative sports
70.28 contests, the commissioner may still grant the applicant a license if the applicant provides
70.29 evidence demonstrating that the applicant has sufficient skills and experience in combative
70.30 sports or martial arts to compete as a professional combatant.

70.31 ~~(e)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the
70.32 applicant must submit proof of qualifications that may include certified training from the

71.1 Association of Boxing Commissions, licensure with other regulatory bodies, professional
71.2 references, or a log of bouts worked.

71.3 ~~(d)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant
71.4 must submit proof that they are licensed to practice medicine in the state of Minnesota and
71.5 in good standing.

71.6 Sec. 7. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

71.7 **341.321 FEE SCHEDULE.**

71.8 (a) The fee schedule for professional and amateur licenses issued by the commissioner
71.9 is as follows:

71.10 (1) referees, \$25;

71.11 (2) promoters, \$700;

71.12 (3) judges and knockdown judges, \$25;

71.13 (4) trainers and seconds, \$40;

71.14 (5) timekeepers, \$25;

71.15 (6) professional combatants, \$70;

71.16 (7) amateur combatants, \$35; and

71.17 (8) ringside physicians, \$25.

71.18 All license fees shall be paid no later than the weigh-in prior to the contest. No license may
71.19 be issued until all prelicensure requirements in section 341.30 are satisfied and fees are
71.20 paid.

71.21 (b) A promoter or event organizer of an event regulated by the Department of Labor and
71.22 Industry must pay, per event, a combative sport contest fee of ~~of~~.

71.23 (c) If the promoter sells tickets for the event, the event fee is \$1,500 per event or four
71.24 percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

71.25 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

71.26 (2) \$1,000 at the weigh-in prior to the contest;

71.27 (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to
71.28 the commissioner within 14 days of the completed contest; and

72.1 (4) the value of all complimentary tickets distributed for an event, to the extent they
72.2 exceed five percent of total event attendance, counts toward gross tickets sales for the
72.3 purposes of determining a combative sports contest fee. For purposes of this clause, the
72.4 lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

72.5 (d) If the promoter does not sell tickets and receives only a flat payment from a venue
72.6 to administer the event, the event fee is \$1,500 per event or four percent of the flat payment,
72.7 whichever is greater. The fee must be paid as follows:

72.8 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

72.9 (2) \$1,000 at the weigh-in prior to the contest; and

72.10 (3) if four percent of the flat payment is greater than \$1,500, the balance is due to the
72.11 commissioner within 14 days of the completed contest.

72.12 ~~(e)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
72.13 commissioner account in the special revenue fund.

72.14 Sec. 8. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a
72.15 subdivision to read:

72.16 Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that
72.17 doing so would be desirable to protect the health of a combatant, provide the combatant's
72.18 medical information collected under this chapter to the physician conducting a prebout exam
72.19 under this section or to the ringside physician or physicians assigned to the combatant's
72.20 combative sports contest.

72.21 Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

72.22 **341.355 CIVIL PENALTIES.**

72.23 When the commissioner finds that a person has violated one or more provisions of any
72.24 statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the
72.25 commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each
72.26 violation, or a civil penalty that deprives the person of any economic advantage gained by
72.27 the violation, or both. The commissioner may also impose these penalties against a person
72.28 who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

73.1

ARTICLE 5

73.2

CONSTRUCTION CODES AND LICENSING

73.3 Section 1. Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1, is
73.4 amended to read:

73.5 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
73.6 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
73.7 Construction Codes Advisory Council establish a code of standards for the construction,
73.8 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
73.9 design and construction, fire protection, health, sanitation, and safety, including design and
73.10 construction standards regarding heat loss control, illumination, and climate control. The
73.11 code must also include duties and responsibilities for code administration, including
73.12 procedures for administrative action, penalties, and suspension and revocation of certification.
73.13 The code must conform insofar as practicable to model building codes generally accepted
73.14 and in use throughout the United States, including a code for building conservation. In the
73.15 preparation of the code, consideration must be given to the existing statewide specialty
73.16 codes presently in use in the state. Model codes with necessary modifications and statewide
73.17 specialty codes may be adopted by reference. The code must be based on the application
73.18 of scientific principles, approved tests, and professional judgment. To the extent possible,
73.19 the code must be adopted in terms of desired results instead of the means of achieving those
73.20 results, avoiding wherever possible the incorporation of specifications of particular methods
73.21 or materials. To that end the code must encourage the use of new methods and new materials.
73.22 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
73.23 administer and enforce the provisions of those sections.

73.24 (b) The commissioner shall develop rules addressing the plan review fee assessed to
73.25 similar buildings without significant modifications including provisions for use of building
73.26 systems as specified in the industrial/modular program specified in section 326B.194.
73.27 Additional plan review fees associated with similar plans must be based on costs
73.28 commensurate with the direct and indirect costs of the service.

73.29 (c) Beginning with the 2018 edition of the model building codes and every six years
73.30 thereafter, the commissioner shall review the new model building codes and adopt the model
73.31 codes as amended for use in Minnesota, within two years of the published edition date. The
73.32 commissioner may adopt amendments to the building codes prior to the adoption of the
73.33 new building codes to advance construction methods, technology, or materials, or, where
73.34 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
73.35 or the use of a building.

74.1 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
74.2 residential energy code and the new model commercial energy code in accordance with
74.3 federal law for which the United States Department of Energy has issued an affirmative
74.4 determination in compliance with United States Code, title 42, section 6833. The
74.5 commissioner may adopt amendments prior to adoption of the new energy codes, as amended
74.6 for use in Minnesota, to advance construction methods, technology, or materials, or, where
74.7 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
74.8 or use of a building.

74.9 (e) Beginning in 2024, the commissioner shall act on the new model commercial energy
74.10 code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard.
74.11 The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent
74.12 reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a
74.13 baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that
74.14 incrementally move toward achieving the 80 percent reduction in annual net energy
74.15 consumption. By January 15 of the year following each new code adoption, the commissioner
74.16 shall make a report on progress under this section to the legislative committees with
74.17 jurisdiction over the energy code.

74.18 (f) Nothing in this section shall be interpreted to limit the ability of a public utility to
74.19 offer code support programs, or to claim energy savings resulting from such programs,
74.20 through its energy conservation and optimization plans approved by the commissioner of
74.21 commerce under section 216B.241 or an energy conservation and optimization plan filed
74.22 by a consumer-owned utility under section 216B.2403.

74.23 (g) Beginning in 2026, the commissioner shall act on the new model residential energy
74.24 code by adopting each new published edition of the International Energy Conservation Code
74.25 or a more efficient standard. The residential energy code in effect in 2038 and thereafter
74.26 must achieve a 70 percent reduction in annual net energy consumption or greater, using the
74.27 2006 International Energy Conservation Code State Level Residential Codes Energy Use
74.28 Index for Minnesota, as published by the United States Department of Energy's Building
74.29 Energy Codes Program, as a baseline. The commissioner shall adopt residential energy
74.30 codes from 2026 to 2038 that incrementally move toward achieving the 70 percent reduction
74.31 in annual net energy consumption. By January 15 of the year following each new code
74.32 adoption, the commissioner shall submit a report on progress under this section to the
74.33 legislative committees with jurisdiction over the energy code.

75.1 Sec. 2. Minnesota Statutes 2022, section 326B.802, subdivision 13, is amended to read:

75.2 Subd. 13. **Residential real estate.** "Residential real estate" means a new or existing
75.3 building constructed for habitation by one to four families, and includes detached garages
75.4 and swimming pools.

75.5 Sec. 3. Minnesota Statutes 2023 Supplement, section 326B.802, subdivision 15, is amended
75.6 to read:

75.7 Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

75.8 (a) **Excavation.** Excavation includes work in any of the following areas:

75.9 (1) excavation;

75.10 (2) trenching;

75.11 (3) grading; and

75.12 (4) site grading.

75.13 (b) **Masonry and concrete.** Masonry and concrete includes work in any of the following
75.14 areas:

75.15 (1) drain systems;

75.16 (2) poured walls;

75.17 (3) slabs and poured-in-place footings;

75.18 (4) masonry walls;

75.19 (5) masonry fireplaces;

75.20 (6) masonry veneer; and

75.21 (7) water resistance and waterproofing.

75.22 (c) **Carpentry.** Carpentry includes work in any of the following areas:

75.23 (1) rough framing;

75.24 (2) finish carpentry;

75.25 (3) doors, windows, and skylights;

75.26 (4) porches and decks, excluding footings;

75.27 (5) wood foundations; and

75.28 (6) drywall installation, excluding taping and finishing.

76.1 (d) **Interior finishing.** Interior finishing includes work in any of the following areas:

76.2 (1) floor covering;

76.3 (2) wood floors;

76.4 (3) cabinet and counter top installation;

76.5 (4) insulation and vapor barriers;

76.6 (5) interior or exterior painting;

76.7 (6) ceramic, marble, and quarry tile;

76.8 (7) ornamental guardrail and installation of prefabricated stairs; and

76.9 (8) wallpapering.

76.10 (e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:

76.11 (1) siding;

76.12 (2) soffit, fascia, and trim;

76.13 (3) exterior plaster and stucco;

76.14 (4) painting; and

76.15 (5) rain carrying systems, including gutters and down spouts.

76.16 (f) **Drywall and plaster.** Drywall and plaster includes work in any of the following
76.17 areas:

76.18 (1) installation;

76.19 (2) taping;

76.20 (3) finishing;

76.21 (4) interior plaster;

76.22 (5) painting; and

76.23 (6) wallpapering.

76.24 (g) **Residential roofing.** Residential roofing includes work in any of the following areas:

76.25 (1) roof coverings;

76.26 (2) roof sheathing;

76.27 (3) roof weatherproofing and insulation;

77.1 (4) repair of roof support system, but not construction of new roof support system; and

77.2 (5) penetration of roof coverings for purposes of attaching a solar photovoltaic system.

77.3 (h) **General installation specialties.** Installation includes work in any of the following
77.4 areas:

77.5 (1) garage doors and openers;

77.6 (2) ~~pools~~, spas; and hot tubs;

77.7 (3) fireplaces and wood stoves;

77.8 (4) asphalt paving and seal coating;

77.9 (5) ornamental guardrail and prefabricated stairs; and

77.10 (6) assembly of the support system for a solar photovoltaic system.

77.11 Sec. 4. Minnesota Statutes 2022, section 326B.89, subdivision 1, is amended to read:

77.12 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
77.13 the meanings given them.

77.14 (b) "Gross annual receipts" means the total amount derived from residential contracting
77.15 or residential remodeling activities, regardless of where the activities are performed, and
77.16 must not be reduced by costs of goods sold, expenses, losses, or any other amount.

77.17 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

77.18 (d) "Residential real estate" means a new or existing building constructed for habitation
77.19 by one to four families, and includes detached garages intended for storage of vehicles
77.20 associated with the residential real estate, and private swimming pools connected with the
77.21 residential real estate, which are controlled and used by the owner or the owner's family or
77.22 invited guests and are not used as part of a business.

77.23 (e) "Fund" means the contractor recovery fund.

77.24 (f) "Owner" when used in connection with real property, means a person who has any
77.25 legal or equitable interest in real property and includes a condominium or townhome
77.26 association that owns common property located in a condominium building or townhome
77.27 building or an associated detached garage. Owner does not include any real estate developer
77.28 or any owner using, or intending to use, the property for a business purpose and not as
77.29 owner-occupied residential real estate.

77.30 (g) "Cycle One" means the time period between July 1 and December 31.

78.1 (h) "Cycle Two" means the time period between January 1 and June 30.

78.2 **ARTICLE 6**

78.3 **BUREAU OF MEDIATION SERVICES**

78.4 Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

78.5 Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section
78.6 must complete training as required by the commissioner during the person's appointment.
78.7 At a minimum, an initial training must include:

78.8 (1) at least six hours on the topics of cultural competency, racism, implicit bias, and
78.9 recognizing and valuing community diversity and cultural differences; and

78.10 (2) at least six hours on topics related to the daily experience of peace officers, which
78.11 may include ride-alongs with on-duty officers or other activities that provide exposure to
78.12 the environments, choices, and judgments required of officers in the field.

78.13 (b) The commissioner may adopt rules establishing training requirements consistent
78.14 with this subdivision.

78.15 ~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required~~
78.16 ~~initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after
78.17 2020 must complete the required initial training within six months of the arbitrator's
78.18 appointment.

78.19 ~~(e)~~ (d) The Bureau of Mediation Services must pay for all costs associated with the
78.20 required training ~~must be borne by the arbitrator.~~

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

78.22 Sec. 2. **REPEALER.**

78.23 (a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84,
78.24 subdivision 1; and 179.85, are repealed.

78.25 (b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250;
78.26 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620;
78.27 5520.0700; 5520.0710; and 5520.0800, are repealed.

79.1

ARTICLE 7

79.2

PUBLIC EMPLOYMENT LABOR RELATIONS

79.3 Section 1. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is
79.4 amended to read:

79.5 Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of~~
79.6 ~~the~~ a board meeting when ~~it~~ the board is:

79.7 (1) deliberating on the merits of an unfair labor practice charges charge under sections
79.8 179.11, 179.12, and 179A.13;

79.9 (2) reviewing a hearing officer's recommended decision and order of a hearing officer
79.10 under section 179A.13; or

79.11 (3) reviewing decisions of the commissioner of the Bureau of Mediation Services relating
79.12 to a commissioner's decision on an unfair labor practices practice under section 179A.12,
79.13 subdivision 11.

79.14 Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended
79.15 to read:

79.16 Subd. 6. **Payroll deduction, authorization, and remittance.** (a) Public employees ~~have~~
79.17 ~~the right to~~ may request and be allowed payroll deduction for the exclusive representative
79.18 ~~and the~~ its associated political fund ~~associated with the exclusive representative and registered~~
79.19 ~~pursuant to~~ under section 10A.12. If there is no exclusive representative, public employees
79.20 may request payroll deduction for the employee organization of their choice. A public
79.21 employer must provide payroll deduction according to any public employee's request under
79.22 this paragraph.

79.23 (b) A public employer must rely on a certification from any an exclusive representative
79.24 requesting remittance of a deduction that the employee organization has and will maintain
79.25 an authorization, signed, either by hand or electronically according to section 325L.02,
79.26 paragraph (h), by the public employee from whose salary or wages the deduction is to be
79.27 made, ~~which may include an electronic signature by the public employee as defined in~~
79.28 ~~section 325L.02, paragraph (h).~~ An exclusive representative making such a certification
79.29 ~~must not be~~ is not required to provide the public employer a copy of the authorization unless
79.30 a dispute arises about the authorization's existence or terms ~~of the authorization.~~ ~~The exclusive~~
79.31 ~~representative must indemnify the public employer for any successful claims made by the~~
79.32 ~~employee for unauthorized deductions in reliance on the certification.~~

80.1 ~~(b)~~ (c) A ~~dues payroll~~ deduction authorization ~~remains in effect~~ is effective until the
80.2 exclusive representative notifies the employer ~~receives notice from the exclusive~~
80.3 ~~representative~~ that a public employee has changed or canceled ~~their~~ the employee's
80.4 authorization in writing in accordance with the terms of the original ~~authorizing document,~~
80.5 ~~and~~ authorization. When determining whether deductions have been properly changed or
80.6 canceled, a public employer must rely on information from the exclusive representative
80.7 receiving remittance of the deduction ~~regarding whether the deductions have been properly~~
80.8 ~~changed or canceled~~. ~~The exclusive representative must indemnify the public employer,~~
80.9 ~~including any reasonable attorney fees and litigation costs, for any successful claims made~~
80.10 ~~by the employee for unauthorized deductions made in reliance on such information.~~

80.11 ~~(e)~~ (d) Deduction authorization under this section is:

80.12 (1) independent from the public employee's membership status in the employee
80.13 organization to which payment is remitted; and is

80.14 (2) effective regardless of whether a collective bargaining agreement authorizes the
80.15 deduction.

80.16 ~~(d) Employers~~ (e) An employer must commence:

80.17 (1) begin deductions within 30 days of notice of authorization from the ~~after an~~ exclusive
80.18 representative submits a certification under paragraph (b); and must

80.19 (2) remit the deductions to the exclusive representative within 30 days of the deduction.
80.20 ~~The failure of an employer to comply with the provisions of this paragraph shall be an unfair~~
80.21 ~~labor practice under section 179A.13, the relief for which shall be reimbursement by the~~
80.22 ~~employer of deductions that should have been made or remitted based on a valid authorization~~
80.23 ~~given by the employee or employees.~~

80.24 ~~(e) In the absence of an exclusive representative, public employees have the right to~~
80.25 ~~request and be allowed payroll deduction for the organization of their choice.~~

80.26 (f) An exclusive representative must indemnify a public employer:

80.27 (1) for any successful employee claim for unauthorized employer deductions made by
80.28 relying on an exclusive representative's certification under paragraph (b); and

80.29 (2) for any successful employee claim for unauthorized employer deductions made by
80.30 relying on information for changing or canceling deductions under paragraph (c), with
80.31 indemnification including any reasonable attorney fees and litigation costs.

81.1 ~~(f)~~ (g) Any dispute under this subdivision must be resolved through an unfair labor
 81.2 practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails
 81.3 to comply with paragraph (e), and the employer must reimburse deductions that should have
 81.4 been made or remitted based on a valid authorization given by the employee or employees.

81.5 Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended
 81.6 to read:

81.7 Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of~~
 81.8 ~~hire of~~ after a bargaining unit employee is hired, a public employer must provide the
 81.9 following ~~contact~~ information on the employee to an the unit's exclusive representative in
 81.10 an Excel file format or other format agreed to by the exclusive representative:

81.11 (1) name;

81.12 (2) job title;

81.13 (3) worksite location, including location ~~within~~ in a facility when appropriate;

81.14 (4) home address;

81.15 (5) work telephone number;

81.16 (6) home and personal cell phone numbers on file with the public employer;

81.17 (7) date of hire; and

81.18 (8) work email address and personal email address on file with the public employer.

81.19 (b) Every 120 calendar days ~~beginning on January 1, 2024~~, a public employer must
 81.20 provide to ~~an~~ a bargaining unit's exclusive representative in an Excel file or similar format
 81.21 agreed to by the exclusive representative the ~~following~~ information under paragraph (a) for
 81.22 all bargaining unit employees: ~~name; job title; worksite location, including location within~~
 81.23 ~~a facility when appropriate; home address; work telephone number; home and personal cell~~
 81.24 ~~phone numbers on file with the public employer; date of hire; and work email address and~~
 81.25 ~~personal email address on file with the public employer.~~

81.26 (c) ~~A public employer must notify an exclusive representative within 20 calendar days~~
 81.27 ~~of the separation of~~ If a bargaining unit employee separates from employment or transfer
 81.28 transfers out of the a bargaining unit of a bargaining unit employee, the employee's public
 81.29 employer must notify the employee's exclusive representative within 20 calendar days after
 81.30 the separation or transfer.

82.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended
82.2 to read:

82.3 Subd. 9. **Access.** (a) A public employer must allow an exclusive representative to meet
82.4 in person with a newly hired employees, without charge to the pay or leave time of the
82.5 employees, for 30 minutes, employee within 30 calendar days from the date of hire; during
82.6 new employee orientations or, if the employer does not conduct new employee orientations,
82.7 at individual or group meetings. For an orientation or meeting under this paragraph, an
82.8 employer must allow the employee and exclusive representative up to 30 minutes to meet
82.9 and must not charge the employee's pay or leave time during the orientation or meeting. An
82.10 orientation or meeting may be held virtually or for longer than 30 minutes only by mutual
82.11 agreement of the employer and exclusive representative.

82.12 (b) An exclusive representative ~~shall~~ must receive ~~no less than~~ at least ten days' notice
82.13 ~~in advance~~ of an orientation, ~~except that~~ but a shorter notice may be provided ~~where~~ if there
82.14 is an urgent need critical to the employer's operations ~~of the public employer~~ that was not
82.15 reasonably foreseeable. Notice of and attendance at new employee orientations and other
82.16 meetings under this paragraph ~~must be~~ and paragraph (a) are limited to:

82.17 (1) the public employer;;

82.18 (2) the employees;;

82.19 (3) the exclusive representative; and

82.20 (4) any vendor contracted to provide a service for ~~purposes of the meeting. Meetings~~
82.21 ~~may be held virtually or for longer than 30 minutes only by mutual agreement of the public~~
82.22 ~~employer and exclusive representative.~~

82.23 ~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with
82.24 bargaining unit members ~~using their employer-issued email addresses regarding by email~~
82.25 on:

82.26 (1) collective bargaining;;

82.27 (2) the administration of collective bargaining agreements;;

82.28 (3) the investigation of grievances, and other workplace-related complaints and issues;;

82.29 and

82.30 (4) internal matters involving the governance or business of the exclusive representative;
82.31 ~~consistent with the employer's generally applicable technology use policies.~~

83.1 (d) An exclusive representative may communicate with bargaining unit members under
 83.2 paragraph (c) via the members' employer-issued email addresses, but the communication
 83.3 must be consistent with the employer's generally applicable technology use policies.

83.4 ~~(e)~~ (e) A public employer must allow an exclusive representative to meet with bargaining
 83.5 unit members in facilities owned or leased by the public employer ~~regarding to communicate~~
 83.6 on:

83.7 (1) collective bargaining;

83.8 (2) the administration of collective bargaining agreements;

83.9 (3) the investigation of grievances and other workplace-related complaints and issues;

83.10 and

83.11 (4) internal matters involving the governance or business of the exclusive representative;
 83.12 ~~provided the use does not interfere with governmental operations and the exclusive~~
 83.13 ~~representative complies with worksite security protocols established by the public employer.~~

83.14 (f) The following applies for a meeting under paragraph (e):

83.15 (1) a meeting cannot interfere with government operations;

83.16 (2) the exclusive representative must comply with employer-established worksite security
 83.17 protocols;

83.18 ~~Meetings conducted~~ (3) a meeting in a government building pursuant to this paragraph
 83.19 ~~must not~~ building cannot be for the purpose of supporting or opposing any candidate for
 83.20 ~~partisan political office or for the purpose of distributing literature or information regarding~~
 83.21 on partisan elections; and

83.22 (4) an exclusive representative conducting a meeting in a government building or other
 83.23 government facility pursuant to this subdivision may be charged for maintenance, security,
 83.24 and other costs related to the use of using the government building or facility that would
 83.25 not otherwise be incurred by the government entity.

83.26 Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended
 83.27 to read:

83.28 Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are
 83.29 included within the units ~~which~~ that include the classifications to which they are assigned
 83.30 for purposes of compensation. Supervisory employees ~~shall only~~ can be assigned only to
 83.31 ~~units~~ unit 12 and or 16. The following units are the appropriate units of executive branch
 83.32 state employees:

- 84.1 (1) law enforcement unit;
- 84.2 (2) craft, maintenance, and labor unit;
- 84.3 (3) service unit;
- 84.4 (4) health care nonprofessional unit;
- 84.5 (5) health care professional unit;
- 84.6 (6) clerical and office unit;
- 84.7 (7) technical unit;
- 84.8 (8) correctional guards unit;
- 84.9 (9) state university instructional unit;
- 84.10 (10) state college instructional unit;
- 84.11 (11) state university administrative unit;
- 84.12 (12) professional engineering unit;
- 84.13 (13) health treatment unit;
- 84.14 (14) general professional unit;
- 84.15 (15) professional state residential instructional unit;
- 84.16 (16) supervisory employees unit;
- 84.17 (17) public safety radio communications operator unit;
- 84.18 (18) licensed peace officer special unit; and
- 84.19 (19) licensed peace officer leader unit.

84.20 ~~Each unit consists of the classifications or positions assigned to it in the schedule of~~
84.21 ~~state employee job classification and positions maintained by the commissioner. The~~
84.22 ~~commissioner may only make changes in the schedule in existence on the day prior to~~
84.23 ~~August 1, 1984, as required by law or as provided in subdivision 4.~~

- 84.24 (b) The following positions are included in the licensed peace officer special unit:
- 84.25 (1) State Patrol lieutenant;
- 84.26 (2) NR district supervisor - enforcement;
- 84.27 (3) assistant special agent in charge;
- 84.28 (4) corrections investigation assistant director 2;

85.1 (5) corrections investigation supervisor; and

85.2 (6) commerce supervisor special agent.

85.3 (c) The following positions are included in the licensed peace officer leader unit:

85.4 (1) State Patrol captain;

85.5 (2) NR program manager 2 enforcement; and

85.6 (3) special agent in charge.

85.7 (d) Each unit consists of the classifications or positions assigned to it in the schedule of
 85.8 state employee job classification and positions maintained by the commissioner. The
 85.9 commissioner may make changes in the schedule in existence on the day before August 1,
 85.10 1984, only:

85.11 (1) as required by law; or

85.12 (2) as provided in subdivision 4.

85.13 Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended
 85.14 to read:

85.15 Subd. 2a. **Majority verification procedure.** ~~(a) Notwithstanding any other provision~~
 85.16 ~~of this section,~~ An employee organization may file a petition with the commissioner
 85.17 requesting certification as the exclusive representative of ~~an~~ a proposed appropriate unit
 85.18 ~~based on a verification that~~ for which there is no currently certified exclusive representative.
 85.19 The petition must verify that over 50 percent of the employees in the proposed appropriate
 85.20 unit wish to be represented by the petitioner organization. The commissioner shall require
 85.21 ~~dated representation authorization signatures of affected employees as verification of the~~
 85.22 ~~employee organization's claim of majority status.~~

85.23 ~~(b) Upon receipt of an employee organization's petition, accompanied by employee~~
 85.24 ~~authorization signatures under this subdivision, the commissioner shall investigate the~~
 85.25 ~~petition.~~ If the commissioner determines that over 50 percent of the employees in ~~an~~ the
 85.26 appropriate unit have provided authorization signatures designating the petitioning employee
 85.27 organization specified in the petition as their exclusive representative, the commissioner
 85.28 ~~shall not order an election but shall~~ must certify the employee organization as the employees'
 85.29 exclusive representative without ordering an election under this section.

86.1 Sec. 7. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

86.2 Subd. 5. **Commissioner to investigate.** ~~The commissioner shall,~~ Upon receipt of an
86.3 ~~employee organization's~~ receiving a petition to the commissioner under subdivision 3 1a
86.4 or 2a, the commissioner must:

86.5 (1) investigate to determine if sufficient evidence of a question of representation exists;
86.6 and

86.7 (2) hold hearings necessary to determine the appropriate unit and other matters necessary
86.8 to determine the representation rights of the affected employees and employer.

86.9 Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended
86.10 to read:

86.11 Subd. 6. **Authorization signatures.** ~~In (a) When~~ determining the numerical status of
86.12 an employee organization for purposes of this section, the commissioner ~~shall~~ must require
86.13 a dated representation authorization signatures of affected employees signature of each
86.14 affected employee as verification of the statements contained in the joint request or petitions
86.15 petition. These

86.16 (b) An authorization signatures shall be signature is privileged and confidential
86.17 information available to the commissioner only. An electronic signatures signature, as
86.18 defined in section 325L.02, paragraph (h), ~~shall be~~ is valid as an authorization signatures
86.19 signature.

86.20 (c) An authorization signatures shall be signature is valid for a ~~period of~~ one year
86.21 following the signature date of signature.

86.22 Sec. 9. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended
86.23 to read:

86.24 Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election
86.25 or majority verification procedure and order a new election or procedure if the commissioner
86.26 finds ~~that~~ one of the following:

86.27 (1) there was an unfair labor practice that:

86.28 (i) was committed by an employer or, a representative candidate or, an employee, or a
86.29 group of employees; and ~~that the unfair labor practice~~

86.30 (ii) affected the result of an the election or the majority verification procedure pursuant
86.31 to subdivision 2a; or ~~that~~

87.1 (2) procedural or other irregularities in the conduct of the election or majority verification
 87.2 procedure may have substantially affected its the results, ~~the commissioner may void the~~
 87.3 ~~result and order a new election or majority verification procedure.~~

87.4 Sec. 10. RULEMAKING.

87.5 The commissioner must adopt rules on petitions for majority verification, including
 87.6 technical changes needed for consistency with Minnesota Statutes, section 179A.12, and
 87.7 the commissioner may use the expedited rulemaking process under Minnesota Statutes,
 87.8 section 14.389.

87.9 Sec. 11. REVISOR INSTRUCTION.

87.10 The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision
 87.11 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

87.12 **ARTICLE 8**

87.13 **UNIVERSITY OF MINNESOTA COLLECTIVE BARGAINING UNITS**

87.14 Section 1. Minnesota Statutes 2023 Supplement, section 179A.03, subdivision 14, is
 87.15 amended to read:

87.16 Subd. 14. **Public employee or employee.** (a) "Public employee" or "employee" means
 87.17 any person appointed or employed by a public employer except:

87.18 (1) elected public officials;

87.19 (2) election officers;

87.20 (3) commissioned or enlisted personnel of the Minnesota National Guard;

87.21 (4) emergency employees who are employed for emergency work caused by natural
 87.22 disaster;

87.23 (5) part-time employees whose service does not exceed the lesser of 14 hours per week
 87.24 or 35 percent of the normal work week in the employee's appropriate unit;

87.25 (6) employees whose positions are basically temporary or seasonal in character and: (i)
 87.26 are not for more than 67 working days in any calendar year; or (ii) are not working for a
 87.27 Minnesota school district or charter school; ~~or (iii) are not for more than 100 working days~~
 87.28 ~~in any calendar year and the employees are under the age of 22, are full-time students~~
 87.29 ~~enrolled in a nonprofit or public educational institution prior to being hired by the employer,~~
 87.30 ~~and have indicated, either in an application for employment or by being enrolled at an~~

88.1 ~~educational institution for the next academic year or term, an intention to continue as students~~
88.2 ~~during or after their temporary employment;~~

88.3 (7) employees providing services for not more than two consecutive quarters to the
88.4 Board of Trustees of the Minnesota State Colleges and Universities under the terms of a
88.5 professional or technical services contract as defined in section 16C.08, subdivision 1;

88.6 (8) employees of charitable hospitals as defined by section 179.35, subdivision 3, except
88.7 that employees of charitable hospitals as defined by section 179.35, subdivision 3, are public
88.8 employees for purposes of sections 179A.051, 179A.052, and 179A.13;

88.9 ~~(9) full-time undergraduate students employed by the school which they attend under a~~
88.10 ~~work-study program or in connection with the receipt of financial aid, irrespective of number~~
88.11 ~~of hours of service per week;~~

88.12 ~~(10)~~ (9) an individual who is employed for less than 300 hours in a fiscal year as an
88.13 instructor in an adult vocational education program;

88.14 ~~(11)~~ (10) with respect to court employees:

88.15 (i) personal secretaries to judges;

88.16 (ii) law clerks;

88.17 (iii) managerial employees;

88.18 (iv) confidential employees; and

88.19 (v) supervisory employees; or

88.20 ~~(12)~~ (11) with respect to employees of Hennepin Healthcare System, Inc., managerial,
88.21 supervisory, and confidential employees.

88.22 (b) The following individuals are public employees regardless of the exclusions of
88.23 paragraph (a), clauses (5) to (7):

88.24 (1) an employee hired by a school district or the Board of Trustees of the Minnesota
88.25 State Colleges and Universities except at the university established in the Twin Cities
88.26 metropolitan area under section 136F.10 or for community services or community education
88.27 instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member
88.28 who is a public employee, where the replacement employee is employed more than 30
88.29 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching
88.30 position created due to increased enrollment, curriculum expansion, courses which are a
88.31 part of the curriculum whether offered annually or not, or other appropriate reasons;

89.1 (2) an employee hired for a position under paragraph (a), clause (6), item (i), if that same
 89.2 position has already been filled under paragraph (a), clause (6), item (i), in the same calendar
 89.3 year and the cumulative number of days worked in that same position by all employees
 89.4 exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position"
 89.5 includes a substantially equivalent position if it is not the same position solely due to a
 89.6 change in the classification or title of the position;

89.7 (3) an early childhood family education teacher employed by a school district; ~~and~~

89.8 (4) an individual hired by the Board of Trustees of the Minnesota State Colleges and
 89.9 Universities or the University of Minnesota as the instructor of record to teach (i) one class
 89.10 for more than three credits in a fiscal year, or (ii) two or more credit-bearing classes in a
 89.11 fiscal year; and

89.12 (5) an individual who: (i) is paid by the Board of Regents of the University of Minnesota
 89.13 for work performed at the direction of the university or any of its employees or contractors;
 89.14 and (ii) is enrolled in three or more university credit-bearing classes or one semester as a
 89.15 full-time student or post-doctoral fellow during the fiscal year in which the work is
 89.16 performed. For purposes of this section, work paid by the university includes but is not
 89.17 limited to work that is required as a condition of receiving a stipend or tuition benefit,
 89.18 whether or not the individual also receives educational benefit from performing that work.
 89.19 Individuals who perform supervisory functions in regard to any of the aforementioned
 89.20 workers are not considered supervisory employees for the purpose of section 179A.06,
 89.21 subdivision 2.

89.22 Sec. 2. Minnesota Statutes 2022, section 179A.11, subdivision 1, is amended to read:

89.23 Subdivision 1. **Units.** (a) The following are ~~the~~ appropriate units of University of
 89.24 Minnesota employees. All units shall exclude managerial and confidential employees.
 89.25 ~~Supervisory employees shall only be assigned to unit 13. No additional units of University~~
 89.26 ~~of Minnesota employees shall be recognized for the purpose of meeting and negotiating.~~

89.27 (1) The Law Enforcement Unit ~~consists of~~ includes the positions of all employees with
 89.28 the power of arrest.

89.29 (2) The Craft and Trades Unit ~~consists of~~ includes the positions of all employees whose
 89.30 work requires specialized manual skills and knowledge acquired through formal training
 89.31 or apprenticeship or equivalent on-the-job training or experience.

90.1 (3) The Service, Maintenance, and Labor Unit ~~consists of~~ includes the positions of all
90.2 employees whose work is typically that of maintenance, service, or labor and which does
90.3 not require extensive previous training or experience, except as provided in unit 4.

90.4 (4) The Health Care Nonprofessional and Service Unit ~~consists of~~ includes the positions
90.5 of all nonprofessional employees of the University of Minnesota hospitals, dental school,
90.6 and health service whose work is unique to those settings, excluding labor and maintenance
90.7 employees as defined in unit 3.

90.8 (5) The Nursing Professional Unit ~~consists of~~ includes all positions which are required
90.9 to be filled by registered nurses.

90.10 (6) The Clerical and Office Unit ~~consists of~~ includes the positions of all employees
90.11 whose work is typically clerical or secretarial, including nontechnical data recording and
90.12 retrieval and general office work, except as provided in unit 4.

90.13 (7) The Technical Unit ~~consists of~~ includes the positions of all employees whose work
90.14 is not typically manual and which requires specialized knowledge or skills acquired through
90.15 two-year academic programs or equivalent experience or on-the-job training, except as
90.16 provided in unit 4.

90.17 ~~(8) The Twin Cities Instructional Unit consists of the positions of all instructional~~
90.18 ~~employees with the rank of professor, associate professor, assistant professor, including~~
90.19 ~~research associate or instructor, including research fellow, located on the Twin Cities~~
90.20 ~~campuses.~~

90.21 ~~(9)~~ (8) The Outstate Instructional Unit ~~consists of~~ includes the positions of all instructional
90.22 employees with the rank of professor, associate professor, assistant professor, including
90.23 research associate or instructor, including research fellow, located at the Duluth campus,
90.24 provided that the positions of instructional employees of the same ranks at the Morris,
90.25 Crookston, or ~~Waseca~~ Rochester campuses shall be included within this unit if a majority
90.26 of the eligible employees voting at a campus so vote during an election conducted by the
90.27 commissioner, provided that the election or majority verification procedure shall not be
90.28 held until the Duluth campus has voted in favor of representation. The election shall be held
90.29 or majority verification procedure shall take place when an employee organization or group
90.30 of employees petitions the commissioner stating that a majority of the eligible employees
90.31 at one of these campuses wishes to join the unit and this petition is supported by a showing
90.32 of at least 30 percent support from eligible employees at that campus and is filed between
90.33 September 1 and November 1.

91.1 ~~Should both units 8 and 9 elect exclusive bargaining representatives, those representatives~~
 91.2 ~~may by mutual agreement jointly negotiate a contract with the regents, or may negotiate~~
 91.3 ~~separate contracts with the regents. If the exclusive bargaining representatives jointly~~
 91.4 ~~negotiate a contract with the regents, the contract shall be ratified by each unit. For the~~
 91.5 ~~purposes of this section, "instructional employees" shall include all individuals who spend~~
 91.6 ~~35 percent or more of their work time creating, delivering, and assessing the mastery of~~
 91.7 ~~credit-bearing coursework.~~

91.8 (10) The Graduate Assistant Unit ~~consists of~~ includes the positions of all graduate
 91.9 assistants who are enrolled in the graduate school and who hold the rank of research assistant,
 91.10 teaching assistant, teaching associate I or II, project assistant, graduate school fellow,
 91.11 graduate school trainee, professional school fellow, professional school trainee, or
 91.12 administrative fellow I or II. None of the listed ranks refer to ranks under the job category
 91.13 of professionals-in-training.

91.14 (11) ~~The Academic Professional and Administrative Staff Unit consists of all academic~~
 91.15 ~~professional and administrative staff positions that are not defined as included in an~~
 91.16 ~~instructional unit, the supervisory unit, the clerical unit, or the technical unit.~~

91.17 (12) ~~The Noninstructional Professional Unit consists of the positions of all employees~~
 91.18 ~~meeting the requirements of section 179A.03, subdivision 13, clause (1) or (2), which are~~
 91.19 ~~not defined as included within an instructional unit, the Academic Professional and~~
 91.20 ~~Administrative Staff Unit, or the supervisory unit.~~

91.21 (13) ~~The Supervisory Employees Unit consists of the positions of all supervisory~~
 91.22 ~~employees.~~

91.23 (b) All University of Minnesota employees whose positions are not within an enumerated
 91.24 bargaining unit in this subdivision may organize in the manner set forth in section 179A.09,
 91.25 and the commissioner must place special weight on the desires of the petitioning employee
 91.26 representatives.

91.27 Sec. 3. Minnesota Statutes 2022, section 179A.11, subdivision 2, is amended to read:

91.28 Subd. 2. **University of Minnesota employee severance.** (a) Each of the following
 91.29 groups of University of Minnesota employees has the right, as specified in this subdivision,
 91.30 to separate from the instructional and supervisory units: (1) health sciences instructional
 91.31 employees at all campuses with the rank of professor, associate professor, assistant professor,
 91.32 including research associate, or instructor, including research fellow, (2) instructional
 91.33 employees of the law school with the rank of professor, associate professor, assistant

92.1 professor, including research associate, or instructor, including research fellow, (3)
 92.2 instructional supervisors, (4) noninstructional professional supervisors, and (5) academic
 92.3 professional and administrative staff supervisors.

92.4 ~~This~~ (b) The right to separate may be exercised:

92.5 (1) by petition between September 1 and November 1. If a group separates from its unit,
 92.6 it has no right to meet and negotiate, but retains the right to meet and confer with the
 92.7 appropriate officials on any matter of concern to the group. The right to separate must be
 92.8 exercised as follows: An employee organization or group of employees claiming that a
 92.9 majority of any one of these groups of employees on a statewide basis wish to separate from
 92.10 their unit may petition the commissioner for an election during the petitioning period. If the
 92.11 petition is supported by a showing of at least 30 percent support from the employees, the
 92.12 commissioner ~~shall~~ may hold an election on the separation issue or the petitioning group
 92.13 may proceed under the process set forth in section 179A.12. This election must be conducted
 92.14 within 30 days of the close of the petition period. If a majority of votes cast endorse severance
 92.15 from their unit, the commissioner shall certify that result; or

92.16 (2) by the group's exclusion from a proposed unit in a representation petition.

92.17 (c) Where not inconsistent with other provisions of this section, the election is governed
 92.18 by section 179A.12. If a group of employees severs, it may rejoin that unit by following the
 92.19 procedures for severance during the periods for severance.

92.20 Sec. 4. Minnesota Statutes 2022, section 179A.11, is amended by adding a subdivision to
 92.21 read:

92.22 Subd. 3. **Joint bargaining.** Units organized under this section that have elected exclusive
 92.23 bargaining representatives may by mutual agreement jointly negotiate a contract with the
 92.24 regents, or may negotiate separate contracts with the regents. If the exclusive bargaining
 92.25 representatives jointly negotiate a contract with the regents, the contract must be ratified
 92.26 by each unit.

92.27 ARTICLE 9

92.28 MISCELLANEOUS LABOR PROVISIONS

92.29 Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, as
 92.30 amended by Laws 2024, chapter 85, section 15, is amended to read:

92.31 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
 92.32 the meanings given them.

93.1 (b) "Economic development" means financial assistance provided to a person directly
93.2 or to a local unit of government or nonprofit organization on behalf of a person who is
93.3 engaged in the manufacture or sale of goods and services. Economic development does not
93.4 include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance
93.5 for new housing construction in which total financial assistance at a single project site is
93.6 less than \$100,000; or (3) financial assistance for the new construction of fully detached
93.7 single-family affordable homeownership units for which the financial assistance covers no
93.8 more than ten fully detached single-family affordable homeownership units. For purposes
93.9 of this paragraph, "affordable homeownership" means housing targeted at households with
93.10 incomes, at initial occupancy, at or below 115 percent of the state or area median income,
93.11 whichever is greater, as determined by the United States Department of Housing and Urban
93.12 Development.

93.13 (c) "Financial assistance" means (1) a grant awarded by a state agency for economic
93.14 development related purposes if a single business receives \$200,000 or more of the grant
93.15 proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for
93.16 economic development related purposes if a single business receives \$500,000 or more of
93.17 the loan proceeds; ~~or~~ (3) a reduction, credit, or abatement of a tax assessed under chapter
93.18 297A where the tax reduction, credit, or abatement applies to a geographic area smaller
93.19 than the entire state and was granted for economic development related purposes; (4) tax
93.20 increment financing pursuant to section 469.174, provided that such tax increment financing
93.21 (i) provides financial assistance to a development that consists, in part or in whole, of 25
93.22 units or more of multifamily housing, or (ii) provides \$100,000 or more of financial assistance
93.23 to a development; or (5) allocations of low-income housing credits by all suballocators as
93.24 defined under section 462A.222, for which tax credits are used for multifamily housing
93.25 projects consisting of more than ten units. Financial assistance does not include payments
93.26 by the state of aids and credits under chapter 273 or 477A to a political subdivision.

93.27 (d) "Project site" means the location where improvements are made that are financed in
93.28 whole or in part by the financial assistance; or the location of employees that receive financial
93.29 assistance in the form of employment and training services as defined in section 116L.19,
93.30 subdivision 4, or customized training from a technical college.

93.31 (e) "State agency" means any agency defined under section 16B.01, subdivision 2,
93.32 Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation.

93.33 **EFFECTIVE DATE.** This section is effective for financial assistance provided after
93.34 August 1, 2024, and applies only to tax increment financing districts for which the request
93.35 for certification was made on or after August 1, 2024.

94.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.42, subdivision 2, is amended
94.2 to read:

94.3 Subd. 2. **Project.** "Project" means demolition, erection, construction, alteration,
94.4 improvement, restoration, remodeling, or repairing of a public building, structure, facility,
94.5 land, or other public work, which includes any work suitable for and intended for use by
94.6 the public, or for the public benefit, financed in whole or part by state funds. Project also
94.7 includes demolition, erection, construction, alteration, improvement, restoration, remodeling,
94.8 or repairing of a building, structure, facility, land, or public work when:

94.9 (1) the acquisition of property, predesign, design, or demolition is financed in whole or
94.10 part by state funds; or

94.11 (2) the project is owned by a city, county, or school district and the materials and supplies
94.12 used or consumed in and equipment incorporated into the construction, reconstruction,
94.13 upgrade, expansion, renovation, or remodeling of the project qualify for an exemption from
94.14 sales and use tax under chapter 297A or special law.

94.15 Sec. 3. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

94.16 Subd. 3. **Employer.** "Employer" means a person who has ~~20~~ one or more employees.
94.17 Employer does not include a state agency, statewide system, political subdivision, or advisory
94.18 board or commission that is subject to chapter 13.

94.19 Sec. 4. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

94.20 The commissioner of labor and industry, in consultation with the commissioner of health,
94.21 shall adopt rules to:

94.22 (1) lower the acceptable blood lead levels above which require mandatory removal of
94.23 workers from the lead exposure; and

94.24 (2) lower the blood lead levels required before a worker is allowed to return to work.
94.25 The thresholds established must be based on the most recent public health information on
94.26 the safety of lead exposure.

95.1 **ARTICLE 10**95.2 **BROADBAND AND PIPELINE SAFETY**

95.3 Section 1. Minnesota Statutes 2022, section 116J.395, subdivision 6, is amended to read:

95.4 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
95.5 commissioner shall give priority to applications that are constructed in areas identified by
95.6 the director of the Office of Broadband Development as unserved.

95.7 (b) In evaluating applications and awarding grants, the commissioner may give priority
95.8 to applications that:

95.9 (1) are constructed in areas identified by the director of the Office of Broadband
95.10 Development as underserved;

95.11 (2) offer new or substantially upgraded broadband service to important community
95.12 institutions including, but not limited to, libraries, educational institutions, public safety
95.13 facilities, and healthcare facilities;

95.14 (3) facilitate the use of telehealth and electronic health records;

95.15 (4) serve economically distressed areas of the state, as measured by indices of
95.16 unemployment, poverty, or population loss that are significantly greater than the statewide
95.17 average;

95.18 (5) provide technical support and train residents, businesses, and institutions in the
95.19 community served by the project to utilize broadband service;

95.20 (6) include a component to actively promote the adoption of the newly available
95.21 broadband services in the community;

95.22 (7) provide evidence of strong support for the project from citizens, government,
95.23 businesses, and institutions in the community;

95.24 (8) provide access to broadband service to a greater number of unserved or underserved
95.25 households and businesses; or

95.26 (9) leverage greater amounts of funding for the project from other private and public
95.27 sources.

95.28 (c) The commissioner shall endeavor to award grants under this section to qualified
95.29 applicants in all regions of the state.

96.1 (d) No less than the following percentages of the total border-to-border broadband grant
96.2 funds awarded in the year indicated shall be reserved for applicants that agree to implement
96.3 the workforce best practices as defined in paragraph (e):

96.4 (1) 50 percent in 2024;

96.5 (2) 60 percent in 2025; and

96.6 (3) 70 percent in 2026 and thereafter.

96.7 The applicant's agreement to implement the workforce best practices as defined in paragraph
96.8 (e) must be an express condition of providing the grant in the grant agreement.

96.9 (e) An applicant for a grant under this section is considered to implement workforce
96.10 best practices only if the applicant can demonstrate that:

96.11 (1) there is credible evidence of support for the application and the applicant's workforce
96.12 needs on the project for which the grant is provided from one or more labor,
96.13 labor-management, or other workforce organizations that have a track record of representing
96.14 and advocating for workers or recruiting, training, and securing employment for people of
96.15 color, Indigenous people, women, or people with disabilities in the construction industry;
96.16 and

96.17 (2) all laborers and mechanics performing construction, installation, remodeling, or
96.18 repairs on the project sites for which the grant is provided:

96.19 (i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the
96.20 applicant and all of its construction contractors and subcontractors agree that the payment
96.21 of prevailing wage to such laborers and mechanics is subject to the requirements and
96.22 enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
96.23 177.45, which the commissioner of labor and industry shall have the authority to enforce;
96.24 or

96.25 (ii) receive from their employer:

96.26 (A) at least 80 hours of skills training annually, of which at least 40 hours must consist
96.27 of hands-on instruction;

96.28 (B) employer-paid family health insurance coverage; and

96.29 (C) employer-paid retirement benefit payments equal to no less than 15 percent of the
96.30 employee's total taxable wages.

96.31 (f) In the event that the commissioner does not receive enough qualified applications to
96.32 achieve the standards under paragraph (d), the commissioner shall consult with prospective

97.1 applicants and labor and workforce organizations under paragraph (e), clause (1), to solicit
97.2 additional qualified applications.

97.3 Sec. 2. [116J.3991] BROADBAND, EQUITY, ACCESS, AND DEPLOYMENT
97.4 (BEAD).

97.5 Subdivision 1. **Implementation.** The commissioner shall implement a Broadband,
97.6 Equity, Access, and Deployment (BEAD) Program that prioritizes applicants for state
97.7 funding that demonstrate the following:

97.8 (1) commitment by the applicant to robust training programs with established
97.9 requirements that are tied to uniform wage scales, job titles, and relevant certifications or
97.10 skill codes;

97.11 (2) use of a directly employed workforce, as opposed to a subcontracted workforce, to
97.12 perform broadband placing, splicing, and maintenance work. Public entity applicants may
97.13 meet this requirement by use of a directly employed workforce or committing to contract
97.14 with an Internet service provider that will use a directly employed workforce;

97.15 (3) commitment to implement workforce best practices under section 116J.395,
97.16 subdivision 6, paragraph (e), on the project or projects for which the applicant seeks public
97.17 funding; and

97.18 (4) commitment to retaining a locally based workforce and establishing programs to
97.19 promote training and hiring pipelines for underrepresented communities.

97.20 Subd. 2. **Project evaluation.** In projects funded by the BEAD Program, the criteria
97.21 under subdivision 1 and section 116J.395, subdivision 6, paragraph (e), shall receive a
97.22 priority point allocation in the point scheme for project applications, such that these criteria
97.23 shall, together with points awarded for labor law compliance, constitute no fewer than 25
97.24 points of the evaluation scheme, out of 100. No fewer than 20 points must be based on an
97.25 applicant's forward-looking commitments regarding implementation of workforce best
97.26 practices and other commitments listed in this section.

97.27 Subd. 3. **Disclosures.** Applicants' disclosures responding to the criteria in subdivision
97.28 1 and section 116J.395, subdivision 6, paragraph (e), must be publicly available on the
97.29 department website, and all workforce commitments made under this section and section
97.30 116J.395 shall become enforceable, certified commitments and conditions of the grant.

97.31 Subd. 4. **Workforce plan data.** (a) Grantees in projects funded by the program under
97.32 this section and section 116J.395 are required to provide in biannual reports information
97.33 on their workforce, including:

98.1 (1) whether the workforce will be directly employed by the grantee or the Internet service
98.2 provider or whether work will be performed by a subcontracted workforce;

98.3 (2) the entities that the contractor plans to subcontract with in carrying out the proposed
98.4 work, if any, and the entity employing the workforce in each job title;

98.5 (3) the job titles and size of the workforce, including the number of full-time equivalent
98.6 positions that are required to carry out the proposed work over the course of the project;

98.7 (4) for each job title required to carry out the proposed work, a description of wages,
98.8 benefits, applicable wage scales including overtime rates, and a description of how wages
98.9 are calculated; and

98.10 (5) any other workforce plan information as determined by the commissioner.

98.11 (b) Following an award, the workforce plan and the requirement to submit ongoing
98.12 workforce reports shall be incorporated as material conditions of the contract with the
98.13 department and become enforceable, certified commitments. The commissioner must conduct
98.14 regular reviews to assure compliance and take appropriate measures for enforcement.

98.15 Subd. 5. **Failure to meet requirements or falsification of data.** If successful applicants
98.16 fail to meet the program requirements under this section, or otherwise falsify information
98.17 regarding such requirements, the commissioner shall investigate the failure and issue an
98.18 appropriate action, up to and including a determination that the applicant is ineligible for
98.19 future participation in broadband grant programs funded by the department.

98.20 Subd. 6. **Federal grant requirements.** The commissioner shall have authority not to
98.21 enforce or apply any requirement of this section to the extent that the requirement would
98.22 prevent the state from receiving federal broadband grant funding.

98.23 Sec. 3. **[181.912] UNDERGROUND TELECOMMUNICATIONS**
98.24 **INFRASTRUCTURE.**

98.25 Subdivision 1. **Definitions.** For the purposes of this section:

98.26 (1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut
98.27 a bore hole for installing underground utilities;

98.28 (2) "safety-qualified underground telecommunications installer" means a person who
98.29 has completed underground utilities installation certification under subdivision 3;

98.30 (3) "underground telecommunications utilities" means buried broadband, telephone and
98.31 other telecommunications transmission, distribution and service lines, and associated
98.32 facilities; and

99.1 (4) "underground utilities" means buried electric transmission and distribution lines, gas
99.2 and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone
99.3 or telecommunications lines, and associated facilities.

99.4 Subd. 2. **Installation requirements.** The installation of underground telecommunications
99.5 infrastructure that is located within ten feet of existing underground utilities or that crosses
99.6 said utilities must be performed by safety-qualified underground telecommunications
99.7 installers as follows:

99.8 (1) the location of existing utilities by hand or hydro excavation or other accepted methods
99.9 must be performed by a safety-qualified underground telecommunications installer;

99.10 (2) where telecommunications infrastructure is installed by means of directional drilling,
99.11 the monitoring of the location and depth of the drill head must be performed by a
99.12 safety-qualified underground telecommunications installer; and

99.13 (3) no less than two safety-qualified underground telecommunications installers must
99.14 be present at all times at any location where telecommunications infrastructure is being
99.15 installed by means of directional drilling.

99.16 Subd. 3. **Certification Standards.** (a) The commissioner of labor and industry shall
99.17 approve standards for a safety-qualified underground telecommunications installer
99.18 certification program that requires a person to:

99.19 (1) complete a 40-hour initial course that includes classroom and hands-on instruction
99.20 covering proper work procedures for safe installation of underground utilities, including:

99.21 (i) regulations applicable to excavation near existing utilities;

99.22 (ii) identification, location, and verification of utility lines using hand or hydro excavation
99.23 or other accepted methods;

99.24 (iii) response to line strike incidents;

99.25 (iv) traffic control procedures;

99.26 (v) use of a tracking device to safely guide directional drill equipment along a drill path;
99.27 and

99.28 (vi) avoidance and mitigation of safety hazards posed by underground utility installation
99.29 projects;

99.30 (2) demonstrate knowledge of the course material by successfully completing an
99.31 examination approved by the commissioner; and

100.1 (3) complete a four-hour refresher course within three years of completing the original
100.2 course and every three years thereafter in order to maintain certification.

100.3 (b) The commissioner must develop an approval process for training providers under
100.4 this subdivision, and may suspend or revoke the approval of any training provider that fails
100.5 to demonstrate consistent delivery of approved curriculum or success in preparing participants
100.6 to complete the examination.

100.7 Sec. 4. Minnesota Statutes 2022, section 216B.17, is amended by adding a subdivision to
100.8 read:

100.9 Subd. 9. Telecommunications and cable communications systems. (a) The commission
100.10 has authority under this section to investigate, upon complaint or on its own motion, conduct
100.11 by or on behalf of a telecommunications carrier, telephone company, or cable
100.12 communications system provider that impacts public utility or cooperative electric association
100.13 infrastructure. If the commission finds that the conduct damaged or unreasonably interfered
100.14 with the function of the infrastructure, the commission may take any action authorized under
100.15 sections 216B.52 to 216B.61 with respect to the provider.

100.16 (b) For purposes of this subdivision:

100.17 (1) "telecommunications carrier" has the meaning given in section 237.01, subdivision
100.18 6;

100.19 (2) "telephone company" has the meaning given in section 237.01, subdivision 7; and

100.20 (3) "cable communications system provider" means an owner or operator of a cable
100.21 communications system as defined in section 238.02, subdivision 3.

100.22 Sec. 5. Minnesota Statutes 2022, section 299J.01, is amended to read:

100.23 **299J.01 AUTHORITY OF OFFICE OF PIPELINE SAFETY.**

100.24 The commissioner of public safety shall, to the extent authorized by agreement with the
100.25 United States Secretary of Transportation, act as agent for the United States Secretary of
100.26 Transportation to implement the federal Hazardous Liquid Pipeline Safety Act, ~~United~~
100.27 ~~States Code, title 49, sections 2001 to 2014, the federal and~~ Natural Gas Pipeline Safety
100.28 ~~Act acts,~~ United States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and federal
100.29 pipeline safety regulations with respect to interstate pipelines located within this state. The
100.30 commissioner shall, to the extent authorized by federal law, regulate pipelines in the state
100.31 as authorized by sections 299J.01 to 299J.17 and 299F.56 to 299F.641.

101.1 Sec. 6. Minnesota Statutes 2022, section 299J.02, is amended by adding a subdivision to
101.2 read:

101.3 Subd. 14. **Utility corridor.** "Utility corridor" means land that contains access to
101.4 above-ground utility infrastructure or an underground facility as defined in section 216D.01,
101.5 subdivision 11.

101.6 Sec. 7. Minnesota Statutes 2022, section 299J.04, subdivision 2, is amended to read:

101.7 Subd. 2. **Delegated duties.** (a) The commissioner shall seek and accept federal
101.8 designation of the office's pipeline inspectors as federal agents for the purposes of
101.9 enforcement of the federal Hazardous Liquid Pipeline Safety Act, ~~United States Code, title~~
101.10 ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety Act acts, United
101.11 States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and federal rules adopted to
101.12 implement those acts. The commissioner shall establish and submit to the United States
101.13 Secretary of Transportation an inspection program that complies with requirements for
101.14 delegated interstate agent inspection authority.

101.15 (b) To the extent that federal delegation of interstate agent inspection authority permits,
101.16 the inspection program for interstate pipelines and LNG facilities must be the same as the
101.17 inspection program for intrastate pipelines and LNG facilities. If the United States Secretary
101.18 of Transportation delegates inspection authority to the state as provided in this subdivision,
101.19 the commissioner, at a minimum, shall do the following to carry out the delegated federal
101.20 authority:

101.21 (1) inspect pipelines and LNG facilities periodically as specified in the inspection
101.22 program;

101.23 (2) collect inspection fees;

101.24 (3) order and oversee the testing of pipelines and LNG facilities as authorized by federal
101.25 law and regulations; and

101.26 (4) file reports with the United States Secretary of Transportation as required to maintain
101.27 the delegated inspection authority.

101.28 Sec. 8. Minnesota Statutes 2022, section 299J.11, is amended to read:

101.29 **299J.11 ADOPTION OF FEDERAL PIPELINE INSPECTION RULES.**

101.30 (a) To enable the state to act as an agent of the United States Secretary of Transportation
101.31 and to qualify for annual federal certification to enforce the federal pipeline inspection

102.1 program authorized by the Hazardous Liquid Pipeline Safety Act, ~~United States Code, title~~
102.2 ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety Act acts, United
102.3 States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and the rules implementing
102.4 those acts, the federal pipeline inspection rules and safety standards, and regulations and
102.5 standards that may be adopted that amend them, are adopted.

102.6 (b) An individual or contractor performing construction or maintenance work within 20
102.7 feet of a utility corridor must comply with the operator qualification rules set forth in Code
102.8 of Federal Regulations, title 49, parts 192, subpart N, and 195, subpart G.

102.9 (c) An individual or contractor performing construction or maintenance work within 20
102.10 feet of a utility corridor must comply with the workplace drug and alcohol testing rules set
102.11 forth in Code of Federal Regulations, title 49, part 40.

102.12 Sec. 9. **REPEALER.**

102.13 Minnesota Statutes 2022, section 116J.398, is repealed.

102.14 ARTICLE 11

102.15 EMPLOYEE MISCLASSIFICATION PROHIBITED

102.16 Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 1, is amended
102.17 to read:

102.18 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable
102.19 office hours or upon request and inspect the place of business or employment of any employer
102.20 of employees working in the state, to examine and inspect books, registers, payrolls, and
102.21 other records of any employer that in any way relate to wages, hours, and other conditions
102.22 of employment of any employees. The commissioner may transcribe any or all of the books,
102.23 registers, payrolls, and other records as the commissioner deems necessary or appropriate
102.24 and may question the employer, employees, and other persons to ascertain compliance with
102.25 any of the sections 177.21 to 177.435 and 181.165 listed in subdivision 4. The commissioner
102.26 may investigate wage claims or complaints by an employee against an employer if the failure
102.27 to pay a wage may violate Minnesota law or an order or rule of the department.

102.28 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended
102.29 to read:

102.30 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
102.31 of employees working in the state to submit to the commissioner photocopies, certified

103.1 copies, or, if necessary, the originals of ~~employment~~ records that relate to employment or
103.2 employment status which the commissioner deems necessary or appropriate. The records
103.3 which may be required include full and correct statements in writing, including sworn
103.4 statements by the employer, containing information relating to wages, hours, names,
103.5 addresses, and any other information pertaining to the employer's employees and the
103.6 conditions of their employment as the commissioner deems necessary or appropriate.

103.7 The commissioner may require the records to be submitted by certified mail delivery
103.8 or, if necessary, by personal delivery by the employer or a representative of the employer,
103.9 as authorized by the employer in writing.

103.10 The commissioner may fine the employer up to \$10,000 for each failure to submit or
103.11 deliver records as required by this section. This penalty is in addition to any penalties
103.12 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
103.13 under this subdivision, the appropriateness of such penalty to the size of the employer's
103.14 business and the gravity of the violation shall be considered.

103.15 Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 3, is amended to read:

103.16 Subd. 3. **Adequacy of records.** If the records maintained by the employer do not provide
103.17 sufficient information to determine the exact amount of back wages due an employee, the
103.18 commissioner may make a determination of wages due based on available evidence ~~and~~
103.19 ~~mediate a settlement with the employer.~~

103.20 Sec. 4. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended
103.21 to read:

103.22 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
103.23 employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031,
103.24 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph
103.25 (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.723, 181.79,
103.26 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09,
103.27 subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section
103.28 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer
103.29 to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated.
103.30 For purposes of this subdivision only, a violation is repeated if at any time during the two
103.31 years that preceded the date of violation, the commissioner issued an order to the employer
103.32 for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or
103.33 the commissioner and the employer have entered into a settlement agreement that required

104.1 the employer to pay back wages that were required by sections 177.41 to 177.435. The
104.2 department shall serve the order upon the employer or the employer's authorized
104.3 representative in person or by certified mail at the employer's place of business. An employer
104.4 who wishes to contest the order must file written notice of objection to the order with the
104.5 commissioner within 15 calendar days after being served with the order. A contested case
104.6 proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If,
104.7 within 15 calendar days after being served with the order, the employer fails to file a written
104.8 notice of objection with the commissioner, the order becomes a final order of the
104.9 commissioner. For the purposes of this subdivision, an employer includes a contractor that
104.10 has assumed a subcontractor's liability within the meaning of section 181.165.

104.11 Sec. 5. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 7, is amended
104.12 to read:

104.13 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
104.14 violated a section identified in subdivision 4, or any rule adopted under section 177.28,
104.15 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner
104.16 shall order the employer to cease and desist from engaging in the violative practice and to
104.17 take such affirmative steps that in the judgment of the commissioner will effectuate the
104.18 purposes of the section or rule violated. In addition to remedies, damages, and penalties
104.19 provided for in the violated section, the commissioner shall order the employer to pay to
104.20 the aggrieved parties back pay, gratuities, and compensatory damages, less any amount
104.21 actually paid to the ~~employee~~ aggrieved parties by the employer, and for an additional equal
104.22 amount as liquidated damages. Any employer who is found by the commissioner to have
104.23 repeatedly or willfully violated a section or sections identified in subdivision 4 shall be
104.24 subject to ~~a~~ an additional civil penalty of up to \$10,000 for each violation for each employee.
104.25 In determining the amount of a civil penalty under this subdivision, the appropriateness of
104.26 such penalty to the size of the employer's business and the gravity of the violation shall be
104.27 considered. In addition, the commissioner may order the employer to reimburse the
104.28 department and the attorney general for all appropriate litigation and hearing costs expended
104.29 in preparation for and in conducting the contested case proceeding, unless payment of costs
104.30 would impose extreme financial hardship on the employer. If the employer is able to establish
104.31 extreme financial hardship, then the commissioner may order the employer to pay a
104.32 percentage of the total costs that will not cause extreme financial hardship. Costs include
104.33 but are not limited to the costs of services rendered by the attorney general, private attorneys
104.34 if engaged by the department, administrative law judges, court reporters, and expert witnesses
104.35 as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance

105.1 of a commissioner's order from the date the order is signed by the commissioner until it is
 105.2 paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The
 105.3 commissioner may establish escrow accounts for purposes of distributing remedies and
 105.4 damages.

105.5 Sec. 6. Minnesota Statutes 2022, section 181.171, subdivision 1, is amended to read:

105.6 Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking redress
 105.7 for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10, 181.101,
 105.8 181.11, 181.13, 181.14, 181.145, ~~and 181.15~~, 181.722, and 181.723 directly to district court.
 105.9 An employer who is found to have violated the above sections is liable to the aggrieved
 105.10 party for the civil penalties or damages provided for in the section violated. An employer
 105.11 who is found to have violated the above sections shall also be liable for compensatory
 105.12 damages and other appropriate relief including but not limited to injunctive relief.

105.13 Sec. 7. Minnesota Statutes 2022, section 181.722, is amended to read:

105.14 **181.722 MISREPRESENTATION MISCLASSIFICATION OF EMPLOYMENT**
 105.15 **RELATIONSHIP PROHIBITED EMPLOYEES.**

105.16 Subdivision 1. ~~Prohibition~~ **Prohibited activities related to employment status.** ~~No~~
 105.17 ~~employer shall misrepresent the nature of its employment relationship with its employees~~
 105.18 ~~to any federal, state, or local government unit; to other employers; or to its employees. An~~
 105.19 ~~employer misrepresents the nature of its employment relationship with its employees if it~~
 105.20 ~~makes any statement regarding the nature of the relationship that the employer knows or~~
 105.21 ~~has reason to know is untrue and if it fails to report individuals as employees when legally~~
 105.22 ~~required to do so.~~

105.23 (a) A person shall not:

105.24 (1) fail to classify, represent, or treat an individual who is the person's employee pursuant
 105.25 to subdivision 3 as an employee in accordance with the requirements of any applicable local,
 105.26 state, or federal law. A violation under this clause is in addition to any violation of local,
 105.27 state, or federal law;

105.28 (2) fail to report or disclose to any person or to any local, state, or federal government
 105.29 agency an individual who is the person's employee pursuant to subdivision 3 as an employee
 105.30 when required to do so under any applicable local, state, or federal law. Each failure to
 105.31 report or disclose an individual as an employee shall constitute a separate violation of this
 105.32 clause; or

106.1 (3) require or request an individual who is the person's employee pursuant to subdivision
106.2 3 to enter into any agreement or complete any document that misclassifies, misrepresents,
106.3 or treats the individual as an independent contractor or otherwise does not reflect that the
106.4 individual is the person's employee pursuant to subdivision 3. Each agreement or completed
106.5 document constitutes a separate violation of this provision.

106.6 (b) An owner, partner, principal, member, officer, or agent, on behalf of the person, who
106.7 engaged in any of the prohibited activities in this subdivision may be held individually
106.8 liable.

106.9 (c) An order issued by the commissioner to a person for engaging in any of the prohibited
106.10 activities in this subdivision is in effect against any successor person. A person is a successor
106.11 person if the person shares three or more of the following with the person to whom the order
106.12 was issued:

106.13 (1) has one or more of the same owners, members, principals, officers, or managers;

106.14 (2) performs similar work within the state of Minnesota;

106.15 (3) has one or more of the same telephone or fax numbers;

106.16 (4) has one or more of the same email addresses or websites;

106.17 (5) employs or engages substantially the same individuals to provide or perform services;

106.18 (6) utilizes substantially the same vehicles, facilities, or equipment; or

106.19 (7) lists or advertises substantially the same project experience and portfolio of work.

106.20 Subd. 1a. **Definitions.** (a) "Person" means any individual, sole proprietor, limited liability
106.21 company, limited liability partnership, corporation, partnership, incorporated or
106.22 unincorporated association, joint stock company, or any other legal or commercial entity.

106.23 (b) "Department" means the Department of Labor and Industry.

106.24 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
106.25 representative of the commissioner who is either an employee of the Department of Labor
106.26 and Industry or a person working under contract with the Department of Labor and Industry.

106.27 (d) "Individual" means a human being.

106.28 ~~Subd. 2. **Agreements to misclassify prohibited.** No employer shall require or request~~
106.29 ~~any employee to enter into any agreement, or sign any document, that results in~~
106.30 ~~misclassification of the employee as an independent contractor or otherwise does not~~
106.31 ~~accurately reflect the employment relationship with the employer.~~

107.1 Subd. 3. **Determination of employment relationship.** For purposes of this section, the
107.2 nature of an employment relationship is determined using the same tests and in the same
107.3 manner as employee status is determined under the applicable workers' compensation ~~and~~
107.4 or unemployment insurance program laws and rules.

107.5 Subd. 4. ~~Civil remedy~~ **Damages and penalties.** ~~A construction worker, as defined in~~
107.6 ~~section 179.254, who is not an independent contractor and has been injured by a violation~~
107.7 ~~of this section, may bring a civil action for damages against the violator. If the construction~~
107.8 ~~worker injured is an employee of the violator of this section, the employee's representative,~~
107.9 ~~as defined in section 179.01, subdivision 5, may bring a civil action for damages against~~
107.10 ~~the violator on behalf of the employee. The court may award attorney fees, costs, and~~
107.11 ~~disbursements to a construction worker recovering under this section.~~

107.12 (a) The following damages and penalties may be imposed for a violation of this section:

107.13 (1) compensatory damages to the individual the person has failed to classify, represent,
107.14 or treat as an employee pursuant to subdivision 3. Compensatory damages includes but is
107.15 not limited to the value of supplemental pay including minimum wage; overtime; shift
107.16 differentials; vacation pay, sick pay, and other forms of paid time off; health insurance; life
107.17 and disability insurance; retirement plans; savings plans and any other form of benefit;
107.18 employer contributions to unemployment insurance; Social Security and Medicare; and any
107.19 costs and expenses incurred by the individual resulting from the person's failure to classify,
107.20 represent, or treat the individual as an employee;

107.21 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
107.22 or treat as an employee pursuant to subdivision 3;

107.23 (3) a penalty of up to \$10,000 for each violation of subdivision 1; and

107.24 (4) a penalty of \$1,000 for each person who delays, obstructs, or otherwise fails to
107.25 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
107.26 to cooperate constitutes a separate violation.

107.27 (b) This section may be investigated and enforced under the commissioner's authority
107.28 under state law.

107.29 Subd. 5. **Reporting of violations.** Any court finding that a violation of this section has
107.30 occurred shall transmit a copy of its findings of fact and conclusions of law to the
107.31 commissioner of labor and industry. The commissioner of labor and industry shall report
107.32 the finding to relevant local, state, and federal agencies, including the commissioner of

108.1 commerce, the commissioner of employment and economic development, the commissioner
108.2 of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

108.3 Sec. 8. Minnesota Statutes 2022, section 181.723, is amended to read:

108.4 **181.723 MISCLASSIFICATION OF CONSTRUCTION CONTRACTORS**
108.5 **EMPLOYEES.**

108.6 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

108.7 (a) "Person" means any individual, sole proprietor, limited liability company, limited
108.8 liability partnership, corporation, partnership, incorporated or unincorporated association,
108.9 ~~sole proprietorship~~, joint stock company, or any other legal or commercial entity.

108.10 (b) "Department" means the Department of Labor and Industry.

108.11 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
108.12 representative of the commissioner who is either an employee of the Department of Labor
108.13 and Industry or person working under contract with the Department of Labor and Industry.

108.14 (d) "Individual" means a human being.

108.15 (e) "Day" means calendar day unless otherwise provided.

108.16 (f) "Knowingly" means knew or could have known with the exercise of reasonable
108.17 diligence.

108.18 (g) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that
108.19 term is defined in paragraph (a), except the term does not include an individual.

108.20 (h) "Independent contractor" means a business entity that meets all the requirements
108.21 under subdivision 4, paragraph (a).

108.22 Subd. 2. **Limited application.** This section only applies to ~~individuals~~ persons providing
108.23 or performing public or private sector commercial or residential building construction or
108.24 improvement services. Building construction and or improvement services do not include
108.25 all public or private sector commercial or residential building construction or improvement
108.26 services except for: (1) the manufacture, supply, or sale of products, materials, or
108.27 merchandise; (2) landscaping services for the maintenance or removal of existing plants,
108.28 shrubs, trees, and other vegetation, whether or not the services are provided as part of a
108.29 contract for the building construction or improvement services; and (3) all other landscaping
108.30 services, unless the other landscaping services are provided as part of a contract for the
108.31 building construction or improvement services.

109.1 Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for
109.2 purposes of chapters 176, 177, 181, 181A, 182, ~~and 268, as of January 1, 2009~~ and 326B,
109.3 an individual who provides or performs building construction or improvement services for
109.4 a person that are in the course of the person's trade, business, profession, or occupation is
109.5 an employee of that person and that person is an employer of the individual.

109.6 Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and
109.7 not an employee of the person for whom the individual is providing or performing services
109.8 in the course of the person's trade, business, profession, or occupation only if the individual
109.9 is operating as a business entity that meets all of the following requirements at the time the
109.10 services were provided or performed:

109.11 ~~(1) maintains a separate business with the individual's own office, equipment, materials,~~
109.12 ~~and other facilities;~~

109.13 ~~(2)(i) holds or has applied for a federal employer identification number or (ii) has filed~~
109.14 ~~business or self-employment income tax returns with the federal Internal Revenue Service~~
109.15 ~~if the individual has performed services in the previous year;~~

109.16 ~~(3) is operating under contract to perform the specific services for the person for specific~~
109.17 ~~amounts of money and under which the individual controls the means of performing the~~
109.18 ~~services;~~

109.19 ~~(4) is incurring the main expenses related to the services that the individual is performing~~
109.20 ~~for the person under the contract;~~

109.21 ~~(5) is responsible for the satisfactory completion of the services that the individual has~~
109.22 ~~contracted to perform for the person and is liable for a failure to complete the services;~~

109.23 ~~(6) receives compensation from the person for the services performed under the contract~~
109.24 ~~on a commission or per-job or competitive bid basis and not on any other basis;~~

109.25 ~~(7) may realize a profit or suffer a loss under the contract to perform services for the~~
109.26 ~~person;~~

109.27 ~~(8) has continuing or recurring business liabilities or obligations; and~~

109.28 ~~(9) the success or failure of the individual's business depends on the relationship of~~
109.29 ~~business receipts to expenditures.~~

109.30 ~~An individual who is not registered, if required by section 326B.701, is presumed to be~~
109.31 ~~an employee of a person for whom the individual performs services in the course of the~~
109.32 ~~person's trade, business, profession, or occupation. The person for whom the services were~~

110.1 ~~performed may rebut this presumption by showing that the unregistered individual met all~~
110.2 ~~nine factors in this paragraph at the time the services were performed.~~

110.3 ~~(b) If an individual is an owner or partial owner of a business entity, the individual is~~
110.4 ~~an employee of the person for whom the individual is performing services in the course of~~
110.5 ~~the person's trade, business, profession, or occupation, and is not an employee of the business~~
110.6 ~~entity in which the individual has an ownership interest, unless:~~

110.7 ~~(1) the business entity meets the nine factors in paragraph (a);~~

110.8 ~~(2) invoices and payments are in the name of the business entity; and~~

110.9 ~~(3) the business entity is registered with the secretary of state, if required.~~

110.10 ~~If the business entity in which the individual has an ownership interest is not registered,~~
110.11 ~~if required by section 326B.701, the individual is presumed to be an employee of a person~~
110.12 ~~for whom the individual performs services and not an employee of the business entity in~~
110.13 ~~which the individual has an ownership interest. The person for whom the services were~~
110.14 ~~performed may rebut the presumption by showing that the business entity met the~~
110.15 ~~requirements of clauses (1) to (3) at the time the services were performed.~~

110.16 (1) was established and maintained separately from and independently of the person for
110.17 whom the services were provided or performed;

110.18 (2) owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space,
110.19 or other facilities that are used by the business entity to provide or perform building
110.20 construction or improvement services;

110.21 (3) provides or performs, or offers to provide or perform, the same or similar building
110.22 construction or improvement services for multiple persons or the general public;

110.23 (4) is in compliance with all of the following:

110.24 (i) holds a federal employer identification number if required by federal law;

110.25 (ii) holds a Minnesota tax identification number if required by Minnesota law;

110.26 (iii) has received and retained 1099 forms for income received for building construction
110.27 or improvement services provided or performed, if required by Minnesota or federal law;

110.28 (iv) has filed business or self-employment income tax returns, including estimated tax
110.29 filings, with the federal Internal Revenue Service and the Department of Revenue, as the
110.30 business entity or as a self-employed individual reporting income earned, for providing or
110.31 performing building construction or improvement services, if any, in the previous 12 months;
110.32 and

- 111.1 (v) has completed and provided a W-9 federal income tax form to the person for whom
111.2 the services were provided or performed if required by federal law;
- 111.3 (5) is in good standing as defined by section 5.26 and, if applicable, has a current
111.4 certificate of good standing issued by the secretary of state pursuant to section 5.12;
- 111.5 (6) has a Minnesota unemployment insurance account if required by chapter 268;
- 111.6 (7) has obtained required workers' compensation insurance coverage if required by
111.7 chapter 176;
- 111.8 (8) holds current business licenses, registrations, and certifications if required by chapter
111.9 326B and sections 327.31 to 327.36;
- 111.10 (9) is operating under a written contract to provide or perform the specific services for
111.11 the person that:
- 111.12 (i) is signed and dated by both an authorized representative of the business entity and
111.13 of the person for whom the services are being provided or performed;
- 111.14 (ii) is fully executed no later than 30 days after the date work commences;
- 111.15 (iii) identifies the specific services to be provided or performed under the contract;
- 111.16 (iv) provides for compensation from the person for the services provided or performed
111.17 under the contract on a commission or per-job or competitive bid basis and not on any other
111.18 basis; and
- 111.19 (v) the requirements of item (ii) shall not apply to change orders;
- 111.20 (10) submits invoices and receives payments for completion of the specific services
111.21 provided or performed under the written proposal, contract, or change order in the name of
111.22 the business entity. Payments made in cash do not meet this requirement;
- 111.23 (11) the terms of the written proposal, contract, or change order provide the business
111.24 entity control over the means of providing or performing the specific services, and the
111.25 business entity in fact controls the provision or performance of the specific services;
- 111.26 (12) incurs the main expenses and costs related to providing or performing the specific
111.27 services under the written proposal, contract, or change order;
- 111.28 (13) is responsible for the completion of the specific services to be provided or performed
111.29 under the written proposal, contract, or change order and is responsible, as provided under
111.30 the written proposal, contract, or change order, for failure to complete the specific services;
111.31 and

112.1 (14) may realize additional profit or suffer a loss, if costs and expenses to provide or
112.2 perform the specific services under the written proposal, contract, or change order are less
112.3 than or greater than the compensation provided under the written proposal, contract, or
112.4 change order.

112.5 (b)(1) Any individual providing or performing the services as or for a business entity is
112.6 an employee of the person who engaged the business entity and is not an employee of the
112.7 business entity, unless the business entity meets all of the requirements under subdivision
112.8 4, paragraph (a).

112.9 (2) Any individual who is determined to be the person's employee is acting as an agent
112.10 of and in the interest of the person when engaging any other individual or business entity
112.11 to provide or perform any portion of the services that the business entity was engaged by
112.12 the person to provide or perform.

112.13 (3) Any individual engaged by an employee of the person, at any tier under the person,
112.14 is also the person's employee, unless the individual is providing or performing the services
112.15 as or for a business entity that meets the requirements of subdivision 4, paragraph (a).

112.16 (4) Clauses (1) to (3) do not create an employee-employer relationship between a person
112.17 and an employee at any tier under the person if there is an intervening business entity in the
112.18 contractual chain that meets the requirements of subdivision 4, paragraph (a).

112.19 **Subd. 7. Prohibited activities related to independent contractor status.** (a) The
112.20 prohibited activities in ~~this subdivision~~ paragraphs (b) and (c) are in addition to ~~those the~~
112.21 activities prohibited in sections 326B.081 to 326B.085.

112.22 (b) An individual providing or performing building construction or improvement services
112.23 shall not hold himself or herself out ~~represent themselves~~ as an independent contractor
112.24 unless the individual is operating as a business entity that meets all the requirements of
112.25 subdivision 4, paragraph (a).

112.26 (c) A person who provides or performs building construction or improvement services
112.27 in the course of the person's trade, business, occupation, or profession shall not:

112.28 (1) as a condition of payment for services provided or performed, require an individual
112.29 ~~through coercion, misrepresentation, or fraudulent means,~~ who is an employee pursuant to
112.30 this section, to register as a construction contractor under section 326B.701, or to adopt or
112.31 agree to being classified, represented, or treated as an independent contractor status or form
112.32 a business entity. Each instance of conditioning payment to an individual who is an employee
112.33 on one of these conditions shall constitute a separate violation of this provision;

113.1 ~~(2) knowingly misrepresent or misclassify an individual as an independent contractor;~~
113.2 fail to classify, represent, or treat an individual who is an employee pursuant to this section
113.3 as an employee in accordance with the requirements of any of the chapters listed in
113.4 subdivision 3. Failure to classify, represent, or treat an individual who is an employee
113.5 pursuant to this section as an employee in accordance with each requirement of a chapter
113.6 listed in subdivision 3 shall constitute a separate violation of this provision;

113.7 (3) fail to report or disclose to any person or to any local, state, or federal government
113.8 agency an individual who is an employee pursuant to subdivision 3, as an employee when
113.9 required to do so under any applicable local, state, or federal law. Each failure to report or
113.10 disclose an individual as an employee shall constitute a separate violation of this provision;

113.11 (4) require or request an individual who is an employee pursuant to this section to enter
113.12 into any agreement or complete any document that misclassifies, misrepresents, or treats
113.13 the individual as an independent contractor or otherwise does not reflect that the individual
113.14 is an employee pursuant to this section. Each agreement or completed document shall
113.15 constitute a separate violation of this provision; or

113.16 (5) require an individual who is an employee under this section to register under section
113.17 326B.701.

113.18 (d) In addition to the person providing or performing building construction or
113.19 improvement services in the course of the person's trade, business, occupation, or profession,
113.20 any owner, partner, principal, member, officer, or agent who engaged in any of the prohibited
113.21 activities in this subdivision may be held individually liable.

113.22 (e) An order issued by the commissioner to a person for engaging in any of the prohibited
113.23 activities in this subdivision is in effect against any successor person. A person is a successor
113.24 person if the person shares three or more of the following with the person to whom the order
113.25 was issued:

113.26 (1) has one or more of the same owners, members, principals, officers, or managers;

113.27 (2) performs similar work within the state of Minnesota;

113.28 (3) has one or more of the same telephone or fax numbers;

113.29 (4) has one or more of the same email addresses or websites;

113.30 (5) employs or engages substantially the same individuals to provide or perform building
113.31 construction or improvement services;

113.32 (6) utilizes substantially the same vehicles, facilities, or equipment; or

114.1 (7) lists or advertises substantially the same project experience and portfolio of work.

114.2 (f) If a person who has engaged an individual to provide or perform building construction
114.3 or improvement services that are in the course of the person's trade, business, profession,
114.4 or occupation, classifies, represents, treats, reports, or discloses the individual as an
114.5 independent contractor, the person shall maintain, for at least three years, and in a manner
114.6 that may be readily produced to the commissioner upon demand, all the information and
114.7 documentation upon which the person based the determination that the individual met all
114.8 the requirements under subdivision 4, paragraph (a), at the time the individual was engaged
114.9 and at the time the services were provided or performed.

114.10 (g) The following damages and penalties may be imposed for a violation of this section:

114.11 (1) compensatory damages to the individual the person failed to classify, represent, or
114.12 treat as an employee pursuant to this section. Compensatory damages include but are not
114.13 limited to the value of supplemental pay including minimum wage; overtime; shift
114.14 differentials; vacation pay; sick pay; and other forms of paid time off; health insurance; life
114.15 and disability insurance; retirement plans; saving plans and any other form of benefit;
114.16 employer contributions to unemployment insurance; Social Security and Medicare and any
114.17 costs and expenses incurred by the individual resulting from the person's failure to classify,
114.18 represent, or treat the individual as an employee;

114.19 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
114.20 or treat as an employee pursuant to this section;

114.21 (3) a penalty of up to \$10,000 for each violation of this subdivision; and

114.22 (4) a penalty of \$1,000 for any person who delays, obstructs, or otherwise fails to
114.23 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
114.24 to cooperate constitutes a separate violation.

114.25 (h) This section may be investigated and enforced under the commissioner's authority
114.26 under state law.

114.27 Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner
114.28 of revenue and the commissioner of employment and economic development, adopt, amend,
114.29 suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the
114.30 commissioner's responsibilities under this section. ~~This subdivision is effective May 26,~~
114.31 ~~2007.~~

114.32 Subd. 15. **Notice and review by commissioners of revenue and employment and**
114.33 **economic development.** When the commissioner has reason to believe that a person has

115.1 violated subdivision 7, ~~paragraph (b); or (c), clause (1) or (2)~~; the commissioner must notify
115.2 the commissioner of revenue and the commissioner of employment and economic
115.3 development. Upon receipt of notification from the commissioner, the commissioner of
115.4 revenue must review the information returns required under section 6041A of the Internal
115.5 Revenue Code. The commissioner of revenue shall also review the submitted certification
115.6 that is applicable to returns audited or investigated under section 289A.35.

115.7 **EFFECTIVE DATE.** This section is effective August 1, 2024, except that the
115.8 amendments to subdivision 4 are effective for contracts entered into on or after that date
115.9 and for all building construction or improvement services provided or performed on or after
115.10 January 1, 2025.

115.11 **Sec. 9. [181.724] INTERGOVERNMENTAL MISCLASSIFICATION**
115.12 **ENFORCEMENT AND EDUCATION PARTNERSHIP ACT.**

115.13 Subdivision 1. **Citation.** This section and section 181.725 may be cited as the
115.14 "Intergovernmental Misclassification Enforcement and Education Partnership Act."

115.15 Subd. 2. **Policy and statement of purpose.** It is the policy of the state of Minnesota to
115.16 prevent employers from misclassifying workers, because employee misclassification allows
115.17 an employer to illegally evade obligations under state labor, employment, and tax laws,
115.18 including but not limited to the laws governing minimum wage, overtime, unemployment
115.19 insurance, paid family medical leave, earned sick and safe time, workers' compensation
115.20 insurance, temporary disability insurance, the payment of wages, and payroll taxes.

115.21 Subd. 3. **Definitions.** (a) For the purposes of this section and section 181.725, the
115.22 following terms have the meanings given, unless the language or context clearly indicates
115.23 that a different meaning is intended.

115.24 (b) "Partnership entity" means one of the following governmental entities with jurisdiction
115.25 over employee misclassification in Minnesota:

115.26 (1) the Department of Labor and Industry;

115.27 (2) the Department of Revenue;

115.28 (3) the Department of Employment and Economic Development;

115.29 (4) the Department of Commerce; and

115.30 (5) the attorney general in the attorney general's enforcement capacity under sections
115.31 177.45 and 181.1721.

116.1 (c) "Employee misclassification" means the practice by an employer of not properly
116.2 classifying workers as employees.

116.3 Subd. 4. **Coordination, collaboration, and information sharing.** For purposes of this
116.4 section, a partnership entity:

116.5 (1) shall communicate with other entities to help detect and investigate instances of
116.6 employee misclassification;

116.7 (2) may request from, provide to, or receive from the other partnership entities data
116.8 necessary for the purpose of detecting and investigating employee misclassification, unless
116.9 prohibited by federal law; and

116.10 (3) may collaborate with one another when investigating employee misclassification,
116.11 unless prohibited by federal law. Collaboration includes but is not limited to referrals,
116.12 strategic enforcement, and joint investigations by two or more partnership entities.

116.13 Sec. 10. **[181.725] INTERGOVERNMENTAL MISCLASSIFICATION**
116.14 **ENFORCEMENT AND EDUCATION PARTNERSHIP.**

116.15 Subdivision 1. **Composition.** The Intergovernmental Misclassification Enforcement and
116.16 Education Partnership is composed of the following members or their designees, who shall
116.17 serve on behalf of their respective partnership entities:

116.18 (1) the commissioner of labor and industry;

116.19 (2) the commissioner of revenue;

116.20 (3) the commissioner of employment and economic development;

116.21 (4) the commissioner of commerce; and

116.22 (5) the attorney general.

116.23 Subd. 2. **Meetings.** The commissioner of labor and industry, in consultation with other
116.24 members of the partnership, shall convene and lead meetings of the partnership to discuss
116.25 issues related to the investigation of employee misclassification and public outreach.
116.26 Members of the partnership may select a designee to attend any such meeting. Meetings
116.27 must occur at least quarterly.

116.28 Subd. 2a. **Additional meetings.** (a) In addition to regular quarterly meetings under
116.29 subdivision 2, the commissioner of labor and industry, in consultation with members of the
116.30 partnership, may convene and lead additional meetings for the purpose of discussing and
116.31 making recommendations under subdivision 4a.

117.1 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
117.2 in law.

117.3 Subd. 3. **Roles.** Each partnership entity may use the information received through its
117.4 participation in the partnership to investigate employee misclassification within their relevant
117.5 jurisdictions as follows:

117.6 (1) the Department of Labor and Industry in its enforcement authority under chapters
117.7 176, 177, and 181;

117.8 (2) the Department of Revenue in its enforcement authority under chapters 289A and
117.9 290;

117.10 (3) the Department of Employment and Economic Development in its enforcement
117.11 authority under chapters 268 and 268B;

117.12 (4) the Department of Commerce in its enforcement authority under chapters 45, 60A,
117.13 60K, 79, and 79A; and

117.14 (5) the attorney general in the attorney general's enforcement authority under sections
117.15 177.45 and 181.1721.

117.16 Subd. 4. **Annual presentation to the legislature.** At the request of the chairs, the
117.17 Intergovernmental Misclassification Enforcement and Education Partnership shall present
117.18 annually to members of the house of representatives and senate committees with jurisdiction
117.19 over labor. The presentation shall include information about how the partnership carried
117.20 out its duties during the preceding calendar year.

117.21 Subd. 4a. **First presentation.** (a) By March 1, 2025, the Intergovernmental
117.22 Misclassification Enforcement and Education Partnership shall make its first presentation
117.23 to members of the house of representatives and senate committees with jurisdiction over
117.24 labor. The first presentation may be made in a form and manner determined by the
117.25 partnership. In addition to providing information about how the partnership carried out its
117.26 duties in its first year, the presentation shall include the following information and
117.27 recommendations, including any budget requests to carry out the recommendations:

117.28 (1) consider any staffing recommendations for the partnership and each partnership
117.29 entity to carry out the duties and responsibilities under this section;

117.30 (2) provide a summary of the industries, areas, and employers with high numbers of
117.31 misclassification violations and recommendations for proactive review and enforcement
117.32 efforts;

- 118.1 (3) propose a system for making cross referrals between partnership entities;
- 118.2 (4) identify cross-training needs and a proposed cross-training plan; and
- 118.3 (5) propose a metric or plan for monitoring and assessing:
- 118.4 (i) the number and severity of employee misclassification violations; and
- 118.5 (ii) the adequacy and effectiveness of the partnership's duties related to employee
- 118.6 misclassification, including but not limited to the partnership's efforts on education, outreach,
- 118.7 detection, investigation, deterrence, and enforcement of employee misclassification.
- 118.8 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
- 118.9 in law.
- 118.10 Subd. 5. Separation. The Intergovernmental Misclassification Enforcement and
- 118.11 Education Partnership is not a separate agency or board and is not subject to chapter 13D.
- 118.12 Data shared or created by the partnership entities under this section or section 181.724 are
- 118.13 subject to chapter 13 and hold the data classification prescribed by law.
- 118.14 Subd. 6. Duties. The Intergovernmental Misclassification Enforcement and Education
- 118.15 Partnership shall:
- 118.16 (1) set goals to maximize Minnesota's efforts to detect, investigate, and deter employee
- 118.17 misclassification;
- 118.18 (2) share information to facilitate the detection and investigation of employee
- 118.19 misclassification;
- 118.20 (3) develop a process or procedure that provides a person with relevant information and
- 118.21 connects them with relevant partnership entities, regardless of which partnership entity that
- 118.22 person contacts for assistance;
- 118.23 (4) identify best practices in investigating employee misclassification;
- 118.24 (5) identify resources needed for better enforcement of employee misclassification;
- 118.25 (6) inform and educate stakeholders on rights and responsibilities related to employee
- 118.26 misclassification;
- 118.27 (7) serve as a unified point of contact for workers, businesses, and the public impacted
- 118.28 by misclassification;
- 118.29 (8) inform the public on enforcement actions taken by the partnership entities; and
- 118.30 (9) perform other duties as necessary to:

119.1 (i) increase the effectiveness of detection, investigation, enforcement, and deterrence of
119.2 employee misclassification; and

119.3 (ii) carry out the purposes of the partnership.

119.4 Subd. 7. **Public outreach.** (a) The commissioner of labor and industry shall maintain
119.5 on the department's website information about the Intergovernmental Misclassification
119.6 Enforcement and Education Partnership, including information about how to file a complaint
119.7 related to employee misclassification.

119.8 (b) Each partnership entity shall maintain on its website information about worker
119.9 classification laws, including requirements for employers and employees, consequences for
119.10 misclassifying workers, and contact information for other partnership entities.

119.11 Subd. 8. **No limitation of other duties.** This section does not limit the duties or
119.12 authorities of a partnership entity, or any other government entity, under state law.

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

119.14 Sec. 11. Minnesota Statutes 2022, section 270B.14, subdivision 17, is amended to read:

119.15 Subd. 17. **Disclosure to Department of Commerce.** (a) The commissioner may disclose
119.16 to the commissioner of commerce information required to administer the Uniform Disposition
119.17 of Unclaimed Property Act in sections 345.31 to 345.60, including the Social Security
119.18 numbers of the taxpayers whose refunds are on the report of abandoned property submitted
119.19 by the commissioner to the commissioner of commerce under section 345.41. Except for
119.20 data published under section 345.42, the information received that is private or nonpublic
119.21 data retains its classification, and can be used by the commissioner of commerce only for
119.22 the purpose of verifying that the persons claiming the refunds are the owners.

119.23 (b) The commissioner may disclose a return or return information to the commissioner
119.24 of commerce under section 45.0135 to the extent necessary to investigate employer
119.25 compliance with section 176.181.

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

119.27 Sec. 12. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision
119.28 to read:

119.29 Subd. 23. **Disclosure to the attorney general.** The commissioner may disclose a return
119.30 or return information to the attorney general for the purpose of determining whether a
119.31 business is an employer and to the extent necessary to enforce section 177.45 or 181.1721.

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

120.2 Sec. 13. Minnesota Statutes 2022, section 326B.081, subdivision 3, is amended to read:

120.3 Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.165,
120.4 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, and chapter 341, and all rules,
120.5 orders, stipulation agreements, settlements, compliance agreements, licenses, registrations,
120.6 certificates, and permits adopted, issued, or enforced by the department under sections
120.7 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, or chapter 341.

120.8 Sec. 14. Minnesota Statutes 2022, section 326B.081, subdivision 6, is amended to read:

120.9 Subd. 6. **Licensing order.** "Licensing order" means an order issued under section
120.10 326B.082, subdivision 12, ~~paragraph (a).~~

120.11 Sec. 15. Minnesota Statutes 2022, section 326B.081, subdivision 8, is amended to read:

120.12 Subd. 8. **Stop work order.** "Stop work order" means an order issued under section
120.13 326B.082, subdivision 10.

120.14 Sec. 16. Minnesota Statutes 2022, section 326B.082, subdivision 1, is amended to read:

120.15 Subdivision 1. **Remedies available.** The commissioner may enforce all applicable law
120.16 under this section. The commissioner may use any enforcement provision in this section,
120.17 including the assessment of monetary penalties, against a person required to have a license,
120.18 registration, certificate, or permit under the applicable law based on conduct that would
120.19 provide grounds for action against a licensee, registrant, certificate holder, or permit holder
120.20 under the applicable law. The use of an enforcement provision in this section shall not
120.21 preclude the use of any other enforcement provision in this section or otherwise provided
120.22 by law. The commissioner's investigation and enforcement authority under this section may
120.23 be used by the commissioner in addition to or as an alternative to any other investigation
120.24 and enforcement authority provided by law.

120.25 Sec. 17. Minnesota Statutes 2022, section 326B.082, subdivision 2, is amended to read:

120.26 Subd. 2. **Access to information and property; subpoenas.** (a) In order to carry out the
120.27 purposes of the applicable law, the commissioner may:

120.28 (1) administer oaths and affirmations, certify official acts, interview, question, take oral
120.29 or written statements, demand data and information, and take depositions;

121.1 (2) request, examine, take possession of, test, sample, measure, photograph, record, and
121.2 copy any documents, apparatus, devices, equipment, or materials;

121.3 (3) at a time and place indicated by the commissioner, request persons to appear before
121.4 the commissioner to give testimony, provide data and information, and produce documents,
121.5 apparatus, devices, equipment, or materials;

121.6 (4) issue subpoenas to compel persons to ~~appear before the commissioner to give~~
121.7 testimony, provide data and information, and to produce documents, apparatus, devices,
121.8 equipment, or materials; and

121.9 (5) with or without notice, enter without delay ~~upon~~ and access all areas of any property,
121.10 public or private, for the purpose of taking any action authorized under this subdivision or
121.11 the applicable law, including ~~obtaining~~ to request, examine, take possession of, test, sample,
121.12 measure, photograph, record, and copy any data, information, remedying documents,
121.13 apparatus, devices, equipment, or materials; to interview, question, or take oral or written
121.14 statements; to remedy violations; or ~~conducting~~ to conduct surveys, inspections, or
121.15 investigations.

121.16 (b) Persons requested by the commissioner to give testimony, provide data and
121.17 information, or produce documents, apparatus, devices, equipment, or materials shall respond
121.18 within the time and in the manner specified by the commissioner. If no time to respond is
121.19 specified in the request, then a response shall be submitted within 30 days of the
121.20 commissioner's service of the request.

121.21 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's
121.22 representative, or lessee's representative to permit the commissioner's entry ~~onto~~ and access
121.23 to all areas of any property as provided in paragraph (a), the commissioner may apply for
121.24 an administrative inspection order in the Ramsey County District Court or, at the
121.25 commissioner's discretion, in the district court in the county in which the property is located.
121.26 The commissioner may anticipate that a property owner or lessee will refuse entry and
121.27 access to all areas of a property if the property owner, lessee, property owner's representative,
121.28 or lessee's representative has refused to permit entry or access to all areas of a property on
121.29 a prior occasion or has informed the commissioner that entry or access to areas of a property
121.30 will be refused. Upon showing of administrative probable cause by the commissioner, the
121.31 district court shall issue an administrative inspection order that compels the property owner
121.32 or lessee to permit the commissioner to enter and be allowed access to all areas of the
121.33 property for the purposes specified in paragraph (a).

122.1 (d) Upon the application of the commissioner, a district court shall treat the failure of
122.2 any person to obey a subpoena lawfully issued by the commissioner under this subdivision
122.3 as a contempt of court.

122.4 Sec. 18. Minnesota Statutes 2022, section 326B.082, subdivision 4, is amended to read:

122.5 Subd. 4. **Fax or email transmission.** When this section or section 326B.083 permits a
122.6 request for reconsideration or request for hearing to be served by fax on the commissioner,
122.7 or when the commissioner instructs that a request for reconsideration or request for hearing
122.8 be served by email on the commissioner, the fax or email shall not exceed 15 printed pages
122.9 in length. The request shall be considered timely served if the fax or email is received by
122.10 the commissioner, at the fax number or email address identified by the commissioner in the
122.11 order or notice of violation, no later than 4:30 p.m. central time on the last day permitted
122.12 for faxing or emailing the request. Where the quality or authenticity of the faxed or emailed
122.13 request is at issue, the commissioner may require the original request to be filed. Where the
122.14 commissioner has not identified quality or authenticity of the faxed or emailed request as
122.15 an issue and the request has been faxed or emailed in accordance with this subdivision, the
122.16 person faxing or emailing the request does not need to file the original request with the
122.17 commissioner.

122.18 Sec. 19. Minnesota Statutes 2022, section 326B.082, subdivision 6, is amended to read:

122.19 Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to
122.20 any person who the commissioner determines has committed a violation of the applicable
122.21 law. The notice of violation must state a summary of the facts that constitute the violation
122.22 and the applicable law violated. The notice of violation may require the person to correct
122.23 the violation. If correction is required, the notice of violation must state the deadline by
122.24 which the violation must be corrected.

122.25 (b) In addition to any person, a notice of violation may be issued to any individual
122.26 identified in section 181.723, subdivision 7, paragraph (d). A notice of violation is effective
122.27 against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

122.28 ~~(b)~~ (c) The commissioner shall issue the notice of violation by:

122.29 (1) serving the notice of violation on the property owner or on the person who committed
122.30 the violation; or

122.31 (2) posting the notice of violation at the location where the violation occurred.

123.1 ~~(e)~~ (d) If the person to whom the commissioner has issued the notice of violation believes
123.2 the notice was issued in error, then the person may request reconsideration of the parts of
123.3 the notice that the person believes are in error. The request for reconsideration must be in
123.4 writing and must be served on, faxed, or emailed to the commissioner at the address, fax
123.5 number, or email address specified in the notice of violation by the tenth day after the
123.6 commissioner issued the notice of violation. The date on which a request for reconsideration
123.7 is served by mail shall be the postmark date on the envelope in which the request for
123.8 reconsideration is mailed. If the person does not serve, fax, or email a written request for
123.9 reconsideration or if the person's written request for reconsideration is not served on or
123.10 faxed to the commissioner by the tenth day after the commissioner issued the notice of
123.11 violation, the notice of violation shall become a final order of the commissioner and will
123.12 not be subject to review by any court or agency. The request for reconsideration must:

123.13 (1) specify which parts of the notice of violation the person believes are in error;

123.14 (2) explain why the person believes the parts are in error; and

123.15 (3) provide documentation to support the request for reconsideration.

123.16 The commissioner shall respond in writing to requests for reconsideration made under
123.17 this paragraph within 15 days after receiving the request. A request for reconsideration does
123.18 not stay a requirement to correct a violation as set forth in the notice of violation. After
123.19 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
123.20 the notice of violation. The commissioner's response to a request for reconsideration is final
123.21 and shall not be reviewed by any court or agency.

123.22 Sec. 20. Minnesota Statutes 2022, section 326B.082, subdivision 7, is amended to read:

123.23 Subd. 7. **Administrative orders; correction; assessment of monetary penalties.** (a)
123.24 The commissioner may issue an administrative order to any person who the commissioner
123.25 determines has committed a violation of the applicable law. The commissioner shall issue
123.26 the administrative order by serving the administrative order on the person. The administrative
123.27 order may require the person to correct the violation, may require the person to cease and
123.28 desist from committing the violation, and may assess monetary damages and penalties. The
123.29 commissioner shall follow the procedures in section 326B.083 when issuing administrative
123.30 orders. Except as provided in paragraph (b), the commissioner may issue to each person a
123.31 monetary penalty of up to \$10,000 for each violation of applicable law committed by the
123.32 person. The commissioner may order that part or all of the monetary penalty will be forgiven
123.33 if the person to whom the order is issued demonstrates to the commissioner by the 31st day

124.1 after the order is issued that the person has corrected the violation or has developed a
124.2 correction plan acceptable to the commissioner.

124.3 (b) The commissioner may issue an administrative order for failure to correct a violation
124.4 by the deadline stated in a final notice of violation issued under subdivision 6 or a final
124.5 administrative order issued under paragraph (a). Each day after the deadline during which
124.6 the violation remains uncorrected is a separate violation for purposes of calculating the
124.7 maximum monetary penalty amount.

124.8 (c) Upon the application of the commissioner, a district court shall find the failure of
124.9 any person to correct a violation as required by a final notice of violation issued under
124.10 subdivision 6 or a final administrative order issued by the commissioner under this
124.11 subdivision as a contempt of court.

124.12 (d) In addition to any person, an administrative order may be issued to any individual
124.13 identified in section 181.723, subdivision 7, paragraph (d). An administrative order shall
124.14 be effective against any successor person as defined in section 181.723, subdivision 7,
124.15 paragraph (e).

124.16 Sec. 21. Minnesota Statutes 2022, section 326B.082, subdivision 10, is amended to read:

124.17 Subd. 10. **Stop work orders.** ~~(a) If the commissioner determines based on an inspection~~
124.18 ~~or investigation that a person has violated or is about to violate the applicable law,~~ The
124.19 commissioner may issue ~~to the person~~ a stop work order requiring ~~the person to cease and~~
124.20 ~~desist from committing the violation~~ cessation of all business operations of a person at one
124.21 or more of the person's workplaces and places of business or across all of the person's
124.22 workplaces and places of business. A stop work order may be issued to any person who the
124.23 commissioner has determined, based on an inspection or investigation, has violated the
124.24 applicable law, has engaged in any of the activities under subdivision 11, paragraph (b), or
124.25 section 326B.701, subdivision 5, or has failed to comply with a final notice, final
124.26 administrative order, or final licensing order issued by the commissioner under this section
124.27 or a final order to comply issued by the commissioner under section 177.27.

124.28 (b) The stop work order is effective upon its issuance under paragraph (e). The order
124.29 remains in effect until the commissioner issues an order lifting the stop work order upon
124.30 finding that the person has come into compliance with the applicable law, has come into
124.31 compliance with a final order or notice of violation issued by the commissioner, has ceased
124.32 and desisted from engaging in any of the activities under subdivision 11, paragraph (b), or
124.33 section 326B.701, subdivision 5, and has paid in any remedies, damages, penalties, and
124.34 other monetary sanctions, including wages owed to employees under paragraph (j), to the

125.1 satisfaction of the commissioner, or if the commissioner or appellate court modifies or
125.2 vacates the order.

125.3 (c) In addition to any person, a stop work order may be issued to any individual identified
125.4 in section 181.723, subdivision 7, paragraph (d). The stop work order is effective against
125.5 any successor person as defined in section 181.723, subdivision 7, paragraph (e).

125.6 ~~(b)~~ (d) If the commissioner determines that a condition exists on real property that
125.7 ~~violates the applicable law~~ is the basis for issuing a stop work order, the commissioner may
125.8 also issue a stop work order to the owner or lessee of the real property ~~to cease and desist~~
125.9 ~~from committing the violation and to correct the condition that is in violation.~~

125.10 ~~(e)~~ (e) The commissioner shall issue the stop work order by:

125.11 (1) serving the order on the person ~~who has committed or is about to commit the violation;~~

125.12 (2) posting the order at the location where the violation was committed ~~or is about to be~~
125.13 ~~committed~~ or at the location where the ~~violating~~ condition exists that is the basis for issuing
125.14 the stop work order; or

125.15 (3) serving the order on any owner or lessee of the real property where the ~~violating~~
125.16 ~~condition exists~~ violations or conditions exist.

125.17 ~~(d)~~ (f) A stop work order shall:

125.18 (1) describe the act, conduct, or practice committed ~~or about to be committed~~, or the
125.19 condition, and include a reference to the applicable law ~~that the act, conduct, practice, or~~
125.20 ~~condition violates or would violate~~, the final order or final notice of violation, the provisions
125.21 in subdivision 11, paragraph (b); the provisions in section 326B.701, subdivision 5; or
125.22 liability under section 181.165, as applicable; and

125.23 (2) provide notice that any person aggrieved by the stop work order may request a hearing
125.24 as provided in paragraph ~~(e)~~ (g).

125.25 ~~(e)~~ (g) Within 30 days after the commissioner issues a stop work order, any person
125.26 aggrieved by the order may request an expedited hearing to review the commissioner's
125.27 action. The request for hearing must be made in writing and must be served on, emailed,
125.28 or faxed to the commissioner at the address, email address, or fax number specified in the
125.29 order. If the person does not request a hearing or if the person's written request for hearing
125.30 is not served on, emailed, or faxed to the commissioner on or before the 30th day after the
125.31 commissioner issued the stop work order, the order will become a final order of the
125.32 commissioner and will not be subject to review by any court or agency. The date on which
125.33 a request for hearing is served by mail is the postmark date on the envelope in which the

126.1 request for hearing is mailed. The hearing request must specifically state the reasons for
126.2 seeking review of the order. The person who requested the hearing and the commissioner
126.3 are the parties to the expedited hearing. The hearing shall be commenced within ten days
126.4 after the commissioner receives the request for hearing. The hearing shall be conducted
126.5 under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision.
126.6 The administrative law judge shall issue a report containing findings of fact, conclusions
126.7 of law, and a recommended order within ten days after the completion of the hearing, the
126.8 receipt of late-filed exhibits, or the submission of written arguments, whichever is later.
126.9 Any party aggrieved by the administrative law judge's report shall have five days after the
126.10 date of the administrative law judge's report to submit written exceptions and argument to
126.11 the commissioner that the commissioner shall consider and enter in the record. Within 15
126.12 days after receiving the administrative law judge's report, the commissioner shall issue an
126.13 order vacating, modifying, or making permanent the stop work order. The commissioner
126.14 and the person requesting the hearing may by agreement lengthen any time periods described
126.15 in this paragraph. The Office of Administrative Hearings may, in consultation with the
126.16 agency, adopt rules specifically applicable to cases under this subdivision.

126.17 ~~(f)~~ (h) A stop work order issued under this subdivision ~~shall be~~ is in effect until it is
126.18 lifted by the commissioner under paragraph (b) or is modified or vacated by the commissioner
126.19 or an appellate court under paragraph (b). The administrative hearing provided by this
126.20 subdivision and any appellate judicial review as provided in chapter 14 shall constitute the
126.21 exclusive remedy for any person aggrieved by a stop order.

126.22 (i) The commissioner may assess a civil penalty of \$5,000 per day against a person for
126.23 each day the person conducts business operations that are in violation of a stop work order
126.24 issued under this section.

126.25 (j) Once a stop work order becomes final, any of the person's employees affected by a
126.26 stop work order issued pursuant to this subdivision shall be entitled to average daily earnings
126.27 from the person for up to the first ten days of work lost by the employee because of the
126.28 issuance of a stop work order. Lifting of a stop work order may be conditioned on payment
126.29 of wages to employees. The commissioner may issue an order to comply under section
126.30 177.27 to obtain payment from persons liable for the payment of wages owed to the
126.31 employees under this section.

126.32 ~~(g)~~ (k) Upon the application of the commissioner, a district court shall find the failure
126.33 of any person to comply with a final stop work order lawfully issued by the commissioner
126.34 under this subdivision as a contempt of court.

127.1 (l) Notwithstanding section 13.39, the data in a stop work order issued under this
 127.2 subdivision are classified as public data after the commissioner has issued the order.

127.3 **EFFECTIVE DATE.** This section is effective August 1, 2024, for contracts entered
 127.4 into on or after that date and for all building and construction or improvement services
 127.5 provided or performed on or after January 1, 2025.

127.6 Sec. 22. Minnesota Statutes 2022, section 326B.082, subdivision 11, is amended to read:

127.7 Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny
 127.8 an application for a permit, license, registration, or certificate if the applicant does not meet
 127.9 or fails to maintain the minimum qualifications for holding the permit, license, registration,
 127.10 or certificate, or has any unresolved violations ~~or~~ unpaid fees, or monetary damages or
 127.11 penalties related to the activity for which the permit, license, registration, or certificate has
 127.12 been applied for or was issued.

127.13 (b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's
 127.14 permit, license, registration, or certificate, or censure the person holding or acting as
 127.15 qualifying person for the permit, license, registration, or certificate, if the commissioner
 127.16 finds that the person:

127.17 (1) committed one or more violations of the applicable law;

127.18 (2) committed one or more violations of chapter 176, 177, 181, 181A, 182, 268, 270C,
 127.19 or 363A;

127.20 ~~(2)~~ (3) submitted false or misleading information to ~~the~~ any state agency in connection
 127.21 with activities for which the permit, license, registration, or certificate was issued, or in
 127.22 connection with the application for the permit, license, registration, or certificate;

127.23 ~~(3)~~ (4) allowed the alteration or use of the person's own permit, license, registration, or
 127.24 certificate by another person;

127.25 ~~(4)~~ (5) within the previous five years, was convicted of a crime in connection with
 127.26 activities for which the permit, license, registration, or certificate was issued;

127.27 ~~(5)~~ (6) violated: (i) a final administrative order issued under subdivision 7, (ii) a final
 127.28 stop work order issued under subdivision 10, (iii) injunctive relief issued under subdivision
 127.29 9, or (iv) a consent order, order to comply, or other final order ~~of~~ issued by the commissioner
 127.30 or the commissioner of human rights, employment and economic development, or revenue;

127.31 ~~(6)~~ (7) delayed, obstructed, or otherwise failed to cooperate with a commissioner's
 127.32 investigation, including a request to give testimony, to provide data and information, to

128.1 produce documents, things, apparatus, devices, equipment, or materials, or to enter and
128.2 access all areas of any property ~~under subdivision 2;~~

128.3 ~~(7)~~ (8) retaliated in any manner against any employee or person who makes a complaint,
128.4 is questioned by, cooperates with, or provides information to the commissioner ~~or an~~
128.5 ~~employee or agent authorized by the commissioner who seeks access to property or things~~
128.6 ~~under subdivision 2;~~

128.7 ~~(8)~~ (9) engaged in any fraudulent, deceptive, or dishonest act or practice; or

128.8 ~~(9)~~ (10) performed work in connection with the permit, license, registration, or certificate
128.9 or conducted the person's affairs in a manner that demonstrates incompetence,
128.10 untrustworthiness, or financial irresponsibility.

128.11 (c) In addition to any person, a licensing order may be issued to any individual identified
128.12 in section 181.723, subdivision 7, paragraph (d). A licensing order is effective against any
128.13 successor person as defined in section 181.723, subdivision 7, paragraph (e).

128.14 ~~(e)~~ (d) If the commissioner revokes or denies a person's permit, license, registration, or
128.15 certificate under paragraph (b), the person is prohibited from reapplying for the same type
128.16 of permit, license, registration, or certificate for at least two years after the effective date
128.17 of the revocation or denial. The commissioner may, as a condition of reapplication, require
128.18 the person to obtain a bond or comply with additional reasonable conditions the commissioner
128.19 considers necessary to protect the public, including but not limited to demonstration of
128.20 current and ongoing compliance with the laws the violation of which were the basis for
128.21 revoking or denying the person's permit, license, registration, or certificate under paragraph
128.22 (b) or that the person has ceased and desisted in engaging in activities under paragraph (b)
128.23 that were the basis for revoking or denying the person's permit, license, registration, or
128.24 certificate under paragraph (b).

128.25 ~~(d)~~ (e) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn,
128.26 or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding
128.27 under this subdivision within two years after the permit, license, registration, or certificate
128.28 was last effective and enter a revocation or suspension order as of the last date on which
128.29 the permit, license, registration, or certificate was in effect.

128.30 Sec. 23. Minnesota Statutes 2022, section 326B.082, subdivision 13, is amended to read:

128.31 Subd. 13. **Summary suspension.** In any case where the commissioner has issued an
128.32 order to revoke, suspend, or deny a license, registration, certificate, or permit under
128.33 subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the

129.1 person's permit, license, registration, or certificate before the order becomes final. The
129.2 commissioner shall issue a summary suspension order when the safety of life or property
129.3 is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or
129.4 dishonest acts against the public, including but not limited to violations of section 181.723,
129.5 subdivision 7. The summary suspension shall not affect the deadline for submitting a request
129.6 for hearing under subdivision 12. If the commissioner summarily suspends a person's permit,
129.7 license, registration, or certificate, a timely request for hearing submitted under subdivision
129.8 12 shall also be considered a timely request for hearing on continuation of the summary
129.9 suspension. If the commissioner summarily suspends a person's permit, license, registration,
129.10 or certificate under this subdivision and the person submits a timely request for a hearing,
129.11 then a hearing on continuation of the summary suspension must be held within ten days
129.12 after the commissioner receives the request for hearing unless the parties agree to a later
129.13 date.

129.14 Sec. 24. Minnesota Statutes 2022, section 326B.082, is amended by adding a subdivision
129.15 to read:

129.16 Subd. 16a. **Additional penalties and damages.** Any person who delays, obstructs, or
129.17 otherwise fails to cooperate with the commissioner's investigation may be issued a penalty
129.18 of \$1,000. Each day of delay, obstruction, or failure to cooperate shall constitute a separate
129.19 violation.

129.20 Sec. 25. Minnesota Statutes 2022, section 326B.701, is amended to read:

129.21 **326B.701 CONSTRUCTION CONTRACTOR REGISTRATION.**

129.22 Subdivision 1. **Definitions.** The following definitions apply to this section:

129.23 (a) "Building construction or improvement services" means public or private sector
129.24 commercial or residential building construction or improvement services.

129.25 ~~(a)~~ (b) "Business entity" means a person other than an individual or a sole proprietor as
129.26 that term is defined in paragraph (h), except the term does not include an individual.

129.27 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
129.28 representative of the commissioner who is either an employee of the Department of Labor
129.29 and Industry or person working under contract with the Department of Labor and Industry.

129.30 (d) "Day" means calendar day unless otherwise provided.

129.31 (e) "Department" means the Department of Labor and Industry.

130.1 ~~(b)~~ (f) "Document" or "documents" includes papers; books; records; memoranda; data;
130.2 contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings;
130.3 records; accounts; files; statements; letters; emails; invoices; bills; notes; and calendars
130.4 maintained in any form or manner.

130.5 (g) "Individual" means a human being.

130.6 (h) "Person" means any individual, sole proprietor, limited liability company, limited
130.7 liability partnership, corporation, partnership, incorporated or unincorporated association,
130.8 joint stock company, or any other legal or commercial entity.

130.9 Subd. 2. **Applicability; registration requirement.** ~~(a) Persons who perform public or~~
130.10 ~~private sector commercial or residential building construction or improvement services as~~
130.11 ~~described in subdivision 2 must register with the commissioner as provided in this section.~~
130.12 ~~The purpose of registration is to assist the Department of Labor and Industry, the Department~~
130.13 ~~of Employment and Economic Development, and the Department of Revenue to enforce~~
130.14 ~~laws related to misclassification of employees.~~

130.15 ~~(b)~~ (a) Except as provided in paragraph ~~(e)~~ (b), any person who provides or performs
130.16 building construction or improvement services in the state ~~on or after September 15, 2012,~~
130.17 of Minnesota must register with the commissioner as provided in this section before providing
130.18 or performing building construction or improvement services ~~for another person.~~ The
130.19 requirements for registration under this section are not a substitute for, and do not relieve
130.20 a person from complying with, any other law requiring that the person be licensed, registered,
130.21 or certified.

130.22 ~~(e)~~ (b) The registration requirements in this section do not apply to:

130.23 (1) a person who, at the time the person is providing or performing the building
130.24 construction or improvement services, holds a current license, certificate, or registration
130.25 under chapter 299M or 326B;

130.26 ~~(2) a person who holds a current independent contractor exemption certificate issued~~
130.27 ~~under this section that is in effect on September 15, 2012, except that the person must register~~
130.28 ~~under this section no later than the date the exemption certificate expires, is revoked, or is~~
130.29 ~~canceled;~~

130.30 ~~(3)~~ (2) a person who has given a bond to the state under section 326B.197 or 326B.46;

130.31 ~~(4)~~ (3) an employee of the person providing or performing the building construction or
130.32 improvement services, ~~if the person was in compliance with laws related to employment of~~
130.33 ~~the individual at the time the construction services were performed;~~

131.1 ~~(5)~~ (4) an architect or professional engineer engaging in professional practice as defined
 131.2 in section 326.02, subdivisions 2 and 3;

131.3 ~~(6)~~ (5) a school district or technical college governed under chapter 136F;

131.4 ~~(7)~~ (6) a person providing or performing building construction or improvement services
 131.5 on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach
 131.6 Foundation, and their individual volunteers when engaged in activities on their behalf; or

131.7 ~~(8)~~ (7) a person exempt from licensing under section 326B.805, subdivision 6, clause
 131.8 ~~(5)~~ (4).

131.9 Subd. 3. **Registration application.** (a) Persons required to register under this section
 131.10 must submit electronically, in the manner prescribed by the commissioner, a complete
 131.11 application according to ~~paragraphs (b) to (d)~~ this subdivision.

131.12 (b) A complete application must include all of the following information and
 131.13 documentation about any individual who is registering as an individual or a sole proprietor,
 131.14 ~~or who owns 25 percent or more of a business entity being registered~~ the person who is
 131.15 applying for a registration:

131.16 (1) ~~the individual's full~~ person's legal name and title at the applicant's business;

131.17 (2) the person's assumed names filed with the secretary of state, if applicable;

131.18 ~~(2)~~ (3) ~~the individual's business address and~~ person's telephone number;

131.19 ~~(3) the percentage of the applicant's business owned by the individual; and~~

131.20 ~~(4) the individual's Social Security number.~~

131.21 ~~(e) A complete application must also include the following information:~~

131.22 ~~(1) the applicant's legal name; assumed name filed with the secretary of state, if any;~~
 131.23 ~~designated business address; physical address; telephone number; and email address;~~

131.24 ~~(2) the applicant's Minnesota tax identification number, if one is required or has been~~
 131.25 ~~issued;~~

131.26 ~~(3) the applicant's federal employer identification number, if one is required or has been~~
 131.27 ~~issued;~~

131.28 ~~(4) evidence of the active status of the applicant's business filings with the secretary of~~
 131.29 ~~state, if one is required or has been issued;~~

131.30 ~~(5) whether the applicant has any employees at the time the application is filed;~~

132.1 ~~(6) the names of all other persons with an ownership interest in the business entity who~~
132.2 ~~are not identified in paragraph (b), and the percentage of the interest owned by each person,~~
132.3 ~~except that the names of shareholders with less than ten percent ownership in a publicly~~
132.4 ~~traded corporation need not be provided;~~

132.5 ~~(7) information documenting compliance with workers' compensation and unemployment~~
132.6 ~~insurance laws;~~

132.7 (4) the person's email address;

132.8 (5) the person's business address;

132.9 (6) the person's physical address, if different from the business address;

132.10 (7) the legal name, telephone number, and email address of the person's registered agent,
132.11 if applicable, and the registered agent's business address and physical address, if different
132.12 from the business address;

132.13 (8) the jurisdiction in which the person is organized, if that jurisdiction is not in
132.14 Minnesota, as applicable;

132.15 (9) the legal name of the person in the jurisdiction in which it is organized, if the legal
132.16 name is different than the legal name provided in clause (1), as applicable;

132.17 (10) all of the following identification numbers, if all of these identification numbers
132.18 have been issued to the person. A complete application must include at least one of the
132.19 following identification numbers:

132.20 (i) the person's Social Security number;

132.21 (ii) the person's Minnesota tax identification number; or

132.22 (iii) the person's federal employer identification number;

132.23 (11) evidence of the active status of the person's business filings with the secretary of
132.24 state, if applicable;

132.25 (12) whether the person has any employees at the time the application is filed, and if so,
132.26 how many employees the person employs;

132.27 (13) the legal names of all persons with an ownership interest in the business entity, if
132.28 applicable, and the percentage of the interest owned by each person, except that the names
132.29 of shareholders with less than ten percent ownership in a publicly traded corporation need
132.30 not be provided;

133.1 (14) information documenting the person's compliance with workers' compensation and
133.2 unemployment insurance laws for the person's employees, if applicable;

133.3 (15) whether the person or any persons with an ownership interest in the business entity
133.4 as disclosed under clause (13) have been issued a notice of violation, administrative order,
133.5 licensing order, or order to comply by the Department of Labor and Industry in the last ten
133.6 years;

133.7 ~~(8)~~ (16) a certification that the ~~person~~ individual signing the application has: reviewed
133.8 it; ~~determined~~ asserts that the information and documentation provided is true and accurate;
133.9 and ~~determined~~ that the ~~person signing~~ individual is authorized to sign and file the application
133.10 as an agent or authorized representative of the ~~applicant~~ person. The name of the ~~person~~
133.11 individual signing, entered on an electronic application, shall constitute a valid signature
133.12 of the agent or authorized representative on behalf of the ~~applicant~~ person; and

133.13 ~~(9)~~ (17) a signed authorization for the Department of Labor and Industry to verify the
133.14 information and documentation provided on or with the application.

133.15 ~~(d)~~ (c) A registered person must notify the commissioner within 15 days after there is a
133.16 change in any of the information on the application as approved. This notification must be
133.17 provided electronically in the manner prescribed by the commissioner. However, if the
133.18 ~~business entity~~ structure or legal form of the business entity has changed, the person must
133.19 submit a new registration application ~~and registration fee, if any, for the new business entity.~~

133.20 ~~(e) The registered~~ (d) A person must ~~remain registered~~ maintain a current and up-to-date
133.21 registration while providing or performing building construction or improvement services
133.22 ~~for another person~~. The provisions of sections 326B.091, 326B.094, 326B.095, and 326B.097
133.23 apply to this section. ~~A person with an expired registration shall not provide construction~~
133.24 ~~services for another person if registration is required under this section.~~ Registration
133.25 application and expiration time frames are as follows:

133.26 ~~(1) all registrations issued on or before December 31, 2015, expire on December 31,~~
133.27 ~~2015;~~

133.28 ~~(2)~~ (1) all registrations issued after December 31, 2015, expire on the following December
133.29 31 of each odd-numbered year; and

133.30 ~~(3)~~ (2) a person may submit a ~~registration or~~ renewal application starting October 1 of
133.31 the year the registration expires. If a renewal application is submitted later than December
133.32 1 of the expiration year, the registration may expire before the department has issued or
133.33 denied the ~~registration~~ renewal.

134.1 Subd. 4. **Website.** (a) The commissioner shall develop and maintain a website on which
134.2 ~~applicants for registration~~ persons can submit a registration or renewal application. The
134.3 website shall be designed to receive and process ~~registration~~ applications and promptly
134.4 issue registration certificates electronically to successful applicants.

134.5 (b) The commissioner shall maintain ~~the certificates of registration on the department's~~
134.6 ~~official public website, which shall include~~ the following information on the department's
134.7 official public website:

134.8 (1) the registered person's legal ~~business~~ name, including any assumed name, ~~as filed~~
134.9 with the secretary of state;

134.10 (2) the legal names of the persons with an ownership interest in the business entity;

134.11 ~~(2)~~ (3) the registered person's business address designated and physical address, if
134.12 different from the business address, provided on the application; and

134.13 ~~(3)~~ (4) the effective date of the registration and the expiration date.

134.14 Subd. 5. **Prohibited activities related to registration.** (a) The prohibited activities in
134.15 this subdivision are in addition to those prohibited in ~~sections 326B.081 to 326B.085~~ section
134.16 326B.082, subdivision 11.

134.17 (b) A person who provides or performs building construction or improvement services
134.18 ~~in the course of the person's trade, business, occupation, or profession~~ shall not:

134.19 (1) ~~contract with~~ provide or perform building construction or improvement services for
134.20 ~~another person~~ without ~~first~~ being registered, if required by to be registered under this
134.21 section;

134.22 (2) require an individual who is the person's employee to register; or

134.23 ~~(2) contract with or pay~~ (3) engage another person to provide or perform building
134.24 construction or improvement services if the other person is required to be registered under
134.25 this section and is not registered if required by subdivision 2. All payments to an unregistered
134.26 person for construction services on a single project site shall be considered a single violation.

134.27 It is not a violation of this clause:

134.28 (i) for a person to ~~contract with or pay~~ have engaged an unregistered person if the
134.29 unregistered person ~~was registered at the time the contract for construction services was~~
134.30 ~~entered into~~ held a current registration on the date they began providing or performing the
134.31 building construction or improvement services; or

135.1 (ii) for a homeowner or business to ~~contract with or pay~~ engage an unregistered person
135.2 if the homeowner or business is not in the trade, business, profession, or occupation of
135.3 performing building construction or improvement services; ~~or,~~

135.4 ~~(3) be penalized for violations of this subdivision that are committed by another person.~~
135.5 ~~This clause applies only to violations of this paragraph.~~

135.6 (c) Each day a person who is required to be registered provides or performs building
135.7 construction or improvement services while unregistered shall be considered a separate
135.8 violation.

135.9 Subd. 6. Investigation and enforcement; remedies; and penalties. ~~(a) Notwithstanding~~
135.10 ~~the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum~~
135.11 ~~penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if~~
135.12 ~~the person registers within 30 days of the date of the penalty order.~~

135.13 ~~(b) The penalty for contracting with or paying an unregistered person to perform~~
135.14 ~~construction services in violation of subdivision 5, paragraph (b), clause (2), shall be as~~
135.15 ~~provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive~~
135.16 ~~the penalty for the first violation.~~

135.17 The commissioner may investigate and enforce this section under the authority in chapters
135.18 177 and 326B.

135.19 Subd. 7. ~~Notice requirement.~~ ~~Notice of a penalty order for failure to register must~~
135.20 ~~include a statement that the penalty shall be forgiven if the person registers within 30 days~~
135.21 ~~of the date of the penalty order.~~

135.22 Subd. 8. **Data classified.** Data in applications and any required documentation submitted
135.23 to the commissioner under this section are private data on individuals or nonpublic data as
135.24 defined in section 13.02. ~~Data in registration certificates issued by the commissioner are~~
135.25 ~~public data; except that for the registration information published on the department's website~~
135.26 ~~may be accessed for registration verification purposes only.~~ Data that document a suspension,
135.27 revocation, or cancellation of a certificate registration are public data. ~~Upon request of~~
135.28 Notwithstanding its classification as private data on individuals or nonpublic data, data in
135.29 applications and any required documentation submitted to the commissioner under this
135.30 section may be used by the commissioner to investigate and take enforcement action related
135.31 to laws for which the commissioner has enforcement responsibility and the commissioner
135.32 may share data and documentation with the Department of Revenue, the Department of
135.33 Commerce, the Department of Human Rights, or the Department of Employment and
135.34 Economic Development. The commissioner may release to the ~~requesting department~~

136.1 departments data classified as private or nonpublic under this subdivision or investigative
136.2 data that are not public under section 13.39 that relate to ~~the issuance or denial of applications~~
136.3 ~~or revocations of certificates~~ prohibited activities under this section and section 181.723.

136.4 ARTICLE 12

136.5 MINORS APPEARING IN INTERNET CONTENT

136.6 Section 1. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision
136.7 to read:

136.8 Subd. 5a. **Online platform.** "Online platform" means any public-facing website, web
136.9 application, or digital application, including a mobile application. Online platform includes
136.10 a social network, advertising network, mobile operating system, search engine, email service,
136.11 monetization platform to sell digital services, streaming service, paid subscription, or Internet
136.12 access service.

136.13 Sec. 2. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to
136.14 read:

136.15 Subd. 7a. **Content creation.** "Content creation" means content shared on an online
136.16 platform in exchange for compensation.

136.17 Sec. 3. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to
136.18 read:

136.19 Subd. 7b. **Content creator.** "Content creator" means an individual or individuals 18
136.20 years of age or older, including family members, who create video content performed in
136.21 Minnesota in exchange for compensation, and includes any proprietorship, partnership,
136.22 company, or other corporate entity assuming the name or identity of a particular individual
136.23 or individuals, or family members, for the purposes of that content creator. Content creator
136.24 does not include a person under the age of 18 who produces their own video content.

136.25 Sec. 4. [181A.13] **COMPENSATION FOR INTERNET CONTENT CREATION.**

136.26 Subdivision 1. **Minors featured in content creation.** (a) Except as otherwise provided
136.27 in this section, a minor is considered engaged in the work of content creation when the
136.28 following criteria are met at any time during the previous 12-month period:

136.29 (1) at least 30 percent of the content creator's compensated video content produced within
136.30 a 30-day period included the likeness, name, or photograph of any minor. Content percentage
136.31 is measured by the percentage of time the likeness, name, or photograph of a minor or if

137.1 more than one minor regularly appears in the creator's content, any of the minors, visually
137.2 appears or is the subject of an oral narrative in a video segment as compared to the total
137.3 length of the segment; and

137.4 (2) the number of views received per video segment on any online platform met the
137.5 online platform's threshold for generating compensation or the content creator received
137.6 actual compensation for video content equal to or greater than \$0.01 per view.

137.7 (b) A minor under the age of 14 is prohibited from engaging in the work of content
137.8 creation as provided in paragraph (a). If a minor under the age of 14 is featured by a content
137.9 creator, the minor shall receive 100 percent of the proceeds of the creator's compensation
137.10 for the content they have appeared in, less any amount owed to another minor.

137.11 (c) A minor who is at least age 14 but under the age of 18 may produce, create, and
137.12 publish their own content and is entitled to all compensation for their own content creation.
137.13 A minor engaged in the work of content creation as the producer, creator, and publisher of
137.14 content must also follow the requirements in paragraph (b).

137.15 (d) A minor who appears incidentally in a video that depicts a public event that a
137.16 reasonable person would know to be broadcast, including a concert, competition, or sporting
137.17 event, and is published by a content creator is not considered a violation of this section.

137.18 Subd. 2. **Records required.** (a) All video content creators whose content features a
137.19 minor engaged in the work of content creation shall maintain the following records and
137.20 retain the records until the minor reaches the age of 21:

137.21 (1) the name and documentary proof of the age of the minor engaged in the work of
137.22 content creation;

137.23 (2) the amount of content creation that generated compensation as described in subdivision
137.24 1 during the reporting period;

137.25 (3) the total number of minutes of content creation for which the content creator received
137.26 compensation during the reporting period;

137.27 (4) the total number of minutes a minor was featured in content creation during the
137.28 reporting period;

137.29 (5) the total compensation generated from content creation featuring a minor during the
137.30 reporting period; and

137.31 (6) the amount deposited into the trust account for the benefit of the minor engaged in
137.32 the work of content creation as required by subdivision 3.

138.1 (b) The records required by this subdivision must be readily accessible to the minor for
138.2 review. The content creator shall provide notice to the minor of the existence of the records.

138.3 Subd. 3. **Trust required.** (a) A minor who is engaged in the work of content creation
138.4 consistent with this section must be compensated by the content creator. The content creator
138.5 must set aside gross earnings on the video content that includes the likeness, name, or
138.6 photograph of the minor in a trust account to be preserved for the benefit of the minor until
138.7 the minor reaches the age of majority, according to the following distribution:

138.8 (1) if only one minor meets the content threshold described in subdivision 1, the
138.9 percentage of total gross earnings on any video segment, including the likeness, name, or
138.10 photograph of the minor that is equal to or greater than half of the content percentage that
138.11 includes the minor as described in subdivision 1; or

138.12 (2) if more than one minor meets the content threshold described in subdivision 1 and
138.13 a video segment includes more than one of those minors, the percentage described in clause
138.14 (1) for all minors in any segment must be equally divided between the minors regardless
138.15 of differences in percentage of content provided by the individual minors.

138.16 (b) A trust account required under this section must, at a minimum, provide that:

138.17 (1) the money in the account is available only to the minor engaged in the work of content
138.18 creation;

138.19 (2) the account is held by a bank, corporate fiduciary, or trust company, as those terms
138.20 are defined in chapter 48A;

138.21 (3) the money in the account becomes available to the minor engaged in the work of
138.22 content creation upon the minor attaining the age of 18 years or upon a declaration that the
138.23 minor is emancipated; and

138.24 (4) that the account meets the requirements of chapter 527, the Uniform Transfers to
138.25 Minors Act.

138.26 (c) If a content creator knowingly or recklessly violates this section, a minor satisfying
138.27 the criteria described in subdivision 1 may commence a civil action to enforce the provisions
138.28 of this section regarding the trust account. In any action brought in accordance with this
138.29 section, the court may award the following damages:

138.30 (1) actual damages including any compensation owed under this section;

138.31 (2) punitive damages; and

138.32 (3) the costs of the action, including attorney fees and litigation costs.

139.1 (d) This section does not affect a right or remedy available under any other law of the
139.2 state.

139.3 (e) Nothing in this section shall be interpreted to have any effect on a party that is neither
139.4 the content creator nor the minor who engaged in the work of content creation.

139.5 Subd. 4. Civil cause of action; violations. (a) Along with the civil action provided in
139.6 subdivision 3, paragraph (c), the minor may commence a civil action against the content
139.7 creator for damages, injunctive relief, and any other relief the court finds just and equitable
139.8 to enforce this section.

139.9 (b) The attorney general may enforce subdivision 1, pursuant to section 8.31, and may
139.10 recover costs and fees.

139.11 Subd. 5. Content removal. Content containing the likeness of a child must be deleted
139.12 and removed from any online platform by the individual who posted the content, the account
139.13 owner, or another person who has control over the account when the request is made by a
139.14 minor age 13 or older whose likeness appears in the content, or by an adult who was under
139.15 the age of 18 when their likeness was used in the content.

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

139.17 **ARTICLE 13**

139.18 **HOUSING APPROPRIATIONS**

139.19 Section 1. Laws 2023, chapter 37, article 1, section 2, subdivision 1, is amended to read:

139.20				273,298,000
139.21	Subdivision 1. Total Appropriation	\$	792,098,000	\$ <u>223,298,000</u>

139.22 (a) The amounts that may be spent for each
139.23 purpose are specified in the following
139.24 subdivisions.

139.25 (b) Unless otherwise specified, this
139.26 appropriation is for transfer to the housing
139.27 development fund for the programs specified
139.28 in this section. Except as otherwise indicated,
139.29 this transfer is part of the agency's permanent
139.30 budget base.

140.1 Sec. 2. Laws 2023, chapter 37, article 1, section 2, subdivision 17, is amended to read:

140.2			100,000,000
140.3	Subd. 17. Housing Infrastructure	100,000,000	<u>60,000,000</u>

140.4 This appropriation is for the housing
 140.5 infrastructure program for the eligible
 140.6 purposes under Minnesota Statutes, section
 140.7 462A.37, subdivision 2. This is a onetime
 140.8 appropriation.

140.9 Sec. 3. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

140.10			45,000,000
140.11	Subd. 29. Community Stabilization	45,000,000	<u>35,000,000</u>

140.12 This appropriation is for the community
 140.13 stabilization program. This a onetime
 140.14 appropriation. Of this amount, \$10,000,000 is
 140.15 for a grant to AEON for Huntington Place.

140.16 Sec. 4. **APPROPRIATION; MINNESOTA HOUSING FINANCE AGENCY.**

140.17 \$59,255,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
 140.18 of the Minnesota Housing Finance Agency. This appropriation is onetime and in addition
 140.19 to amounts appropriated in 2023. This appropriation is for transfer to the housing
 140.20 development fund. Of this amount:

140.21 (1) \$50,000,000 is for the housing affordability preservation investment program;

140.22 (2) \$8,885,000 is for the family homelessness prevention and assistance program under
 140.23 Minnesota Statutes, section 462A.204. Notwithstanding Minnesota Statutes, section 16C.06,
 140.24 \$943,000 of this appropriation is allocated to federally recognized American Indian Tribes
 140.25 located in Minnesota. Notwithstanding procurement provisions outlined in Minnesota
 140.26 Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing
 140.27 program grantees;

140.28 (3) \$270,000 is for administering the requirements of article 14, sections 18 and 43 to
 140.29 46; and

140.30 (4) \$100,000 is for a grant to the Amherst H. Wilder Foundation for the Minnesota
 140.31 homeless study.

141.1 **Sec. 5. APPROPRIATION; MINNESOTA MANAGEMENT AND BUDGET.**

141.2 \$200,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
 141.3 of Minnesota Management and Budget for management analysis and development to facilitate
 141.4 the working group on common interest communities and homeowners associations established
 141.5 in article 15. This is a onetime appropriation.

141.6 **Sec. 6. APPROPRIATION; SUPREME COURT.**

141.7 \$545,000 in fiscal year 2025 is appropriated from the general fund to the supreme court
 141.8 for the implementation of Laws 2023, chapter 52, article 19, section 120, as amended in
 141.9 article 15, section 2. This is a onetime appropriation and is available until June 30, 2026.

141.10

ARTICLE 14

141.11

HOUSING POLICY

141.12 Section 1. Minnesota Statutes 2022, section 15.082, is amended to read:

141.13 **15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.**

141.14 Notwithstanding any other law, the state is not liable for obligations of a public
 141.15 corporation created by statute. Upon dissolution of the public corporation, its wholly owned
 141.16 assets become state property. Partially owned assets become state property to the extent
 141.17 that state money was used to acquire them.

141.18 This section does not apply to a public corporation governed by chapter 119 or section
 141.19 469.0121.

141.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

141.21 Sec. 2. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

141.22 Subd. 10. **Energy ~~conservation~~ decarbonization and climate resilience.** It is further
 141.23 declared that supplies of conventional energy resources are rapidly depleting in quantity
 141.24 and rising in price and that the burden of these occurrences falls heavily upon the citizens
 141.25 of Minnesota generally and persons of low and moderate income in particular. These
 141.26 conditions are adverse to the health, welfare, and safety of all of the citizens of this state.
 141.27 It is further declared that it is a public purpose to ensure the availability of financing to be
 141.28 used by all citizens of the state, while giving preference to low and moderate income people,
 141.29 to assist in the installation in their dwellings of reasonably priced energy conserving systems
 141.30 including the use of alternative energy resources and equipment so that by the improvement
 141.31 of the energy efficiency ~~of~~, clean energy, greenhouse gas emissions reduction, climate

142.1 resiliency, and other qualified projects for all housing, the adequacy of the total energy
142.2 supply may be preserved for the benefit of all citizens.

142.3 Sec. 3. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to
142.4 read:

142.5 Subd. 2a. **Distressed building.** "Distressed building" means an existing rental housing
142.6 building:

142.7 (1) in which the units are restricted to households at or below 60 percent of the area
142.8 median income; and

142.9 (2) that:

142.10 (i) is in foreclosure proceedings;

142.11 (ii) has two or more years of negative net operating income;

142.12 (iii) has two or more years with a debt service coverage ratio less than one; or

142.13 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
142.14 reserves available for those purposes.

142.15 Sec. 4. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to
142.16 read:

142.17 Subd. 6a. **Recapitalization.** "Recapitalization" means financing for the physical and
142.18 financial needs of a distressed building, including restructuring and forgiveness of amortizing
142.19 and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt
142.20 payments, mortgage payment forbearance, deferred maintenance, security services, property
142.21 insurance, reasonably necessary capital improvements, funding of reserves for supportive
142.22 services, and property operations. Recapitalization may include reimbursement to a nonprofit
142.23 sponsor or owner for expenditures that would have otherwise qualified for recapitalization.

142.24 Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 3b, is amended to read:

142.25 Subd. 3b. **Refinancing mortgages.** The agency may make loans for recapitalization or
142.26 to refinance the existing indebtedness, of owners of rental property, secured by federally
142.27 assisted housing for the purpose of obtaining agreement of the owner to participate in the
142.28 federally assisted rental housing program and to extend any existing low-income affordability
142.29 restrictions on the housing for the maximum term permitted. For purposes of this subdivision,
142.30 "federally assisted rental housing" includes housing that is:

143.1 (1) subject to a project-based housing or rental assistance payment contract funded by
143.2 the federal government;

143.3 (2) financed by the Rural Housing Service of the United States Department of Agriculture
143.4 under section 515 of the Housing Act of 1949, as amended; or

143.5 (3) financed under section 236; section 221(d)(3) below market interest rate program;
143.6 section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

143.7 Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended
143.8 to read:

143.9 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
143.10 in the making, and may enter into commitments for the purchase, making, or participation
143.11 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
143.12 deems advisable, to persons and families of low and moderate income, and to owners of
143.13 existing residential housing for occupancy by such persons and families, for the rehabilitation
143.14 of existing residential housing owned by them. Rehabilitation may include the addition or
143.15 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
143.16 and may be made with security, or may be unsecured, as the agency deems advisable. The
143.17 loans may be in addition to or in combination with long-term eligible mortgage loans under
143.18 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
143.19 secured by the property, if refinancing is determined by the agency to be necessary to permit
143.20 the owner to meet the owner's housing cost without expending an unreasonable portion of
143.21 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
143.22 determines that the loan will be used primarily to make the housing more desirable to live
143.23 in, to increase the market value of the housing, for compliance with state, county or municipal
143.24 building, housing maintenance, fire, health or similar codes and standards applicable to
143.25 housing, or to accomplish energy ~~conservation-related improvements~~ decarbonization,
143.26 climate resiliency, and other qualified projects. In unincorporated areas and municipalities
143.27 not having codes and standards, the agency may, solely for the purpose of administering
143.28 the provisions of this chapter, establish codes and standards. No loan under this subdivision
143.29 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
143.30 will not be used for placing the owner-occupied residential housing in full compliance with
143.31 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
143.32 and standards applicable to housing. Rehabilitation loans shall be made only when the
143.33 agency determines that financing is not otherwise available, in whole or in part, from private
143.34 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized

144.1 under this subdivision may be made to eligible persons and families without limitations
144.2 relating to the maximum incomes of the borrowers if:

144.3 (1) the borrower or a member of the borrower's family requires a level of care provided
144.4 in a hospital, skilled nursing facility, or intermediate care facility for persons with
144.5 developmental disabilities;

144.6 (2) home care is appropriate; and

144.7 (3) the improvement will enable the borrower or a member of the borrower's family to
144.8 reside in the housing.

144.9 The agency may waive any requirement that the housing units in a residential housing
144.10 development be rented to persons of low and moderate income if the development consists
144.11 of four or fewer dwelling units, one of which is occupied by the owner.

144.12 Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

144.13 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
144.14 make loans to persons and families of low and moderate income to rehabilitate or to assist
144.15 in rehabilitating existing residential housing owned and occupied by those persons or
144.16 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
144.17 made unless the agency determines that the loan will be used primarily for rehabilitation
144.18 work necessary for health or safety, essential accessibility improvements, or to improve the
144.19 energy efficiency of, clean energy, greenhouse gas emissions reductions, climate resiliency,
144.20 and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
144.21 residential housing shall be denied solely because the loan will not be used for placing the
144.22 residential housing in full compliance with all state, county or municipal building, housing
144.23 maintenance, fire, health or similar codes and standards applicable to housing. The amount
144.24 of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
144.25 rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work
144.26 performed, or (c) that portion of the cost of rehabilitation which the agency determines
144.27 cannot otherwise be paid by the person or family without the expenditure of an unreasonable
144.28 portion of the income of the person or family. Loans made in whole or in part with federal
144.29 funds may exceed the maximum loan amount to the extent necessary to comply with federal
144.30 lead abatement requirements prescribed by the funding source. In making loans, the agency
144.31 shall determine the circumstances under which and the terms and conditions under which
144.32 all or any portion of the loan will be repaid and shall determine the appropriate security for
144.33 the repayment of the loan. Loans pursuant to this subdivision may be made with or without
144.34 interest or periodic payments.

145.1 Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

145.2 Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It
145.3 may agree to purchase, make, or otherwise participate in the making, and may enter into
145.4 commitments for the purchase, making, or participating in the making, of loans to persons
145.5 and families, without limitations relating to the maximum incomes of the borrowers, to
145.6 assist in energy ~~conservation rehabilitation measures~~ decarbonization, climate resiliency,
145.7 and other qualified projects for existing housing owned by those persons or families
145.8 including, but not limited to: weatherstripping and caulking; chimney construction or
145.9 improvement; furnace or space heater repair, cleaning or replacement; central air conditioner
145.10 installation, repair, maintenance, or replacement; air source or geothermal heat pump
145.11 installation, repair, maintenance, or replacement; insulation; windows and doors; and
145.12 structural or other directly related repairs or installations essential for energy ~~conservation~~
145.13 decarbonization, climate resiliency, and other qualified projects. Loans shall be made only
145.14 when the agency determines that financing is not otherwise available, in whole or in part,
145.15 from private lenders upon equivalent terms and conditions. Loans under this subdivision
145.16 or subdivision 14 may:

145.17 (1) be integrated with a utility's on-bill repayment program approved under section
145.18 216B.241, subdivision 5d; and

145.19 (2) also be made for the installation of on-site solar energy or energy storage systems.

145.20 Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

145.21 Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low
145.22 and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14,
145.23 or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied
145.24 by such persons or families. For the purposes of this section, persons of low and moderate
145.25 income include administrators appointed pursuant to section 504B.425, paragraph (d). No
145.26 grant shall be made unless the agency determines that the grant will be used primarily to
145.27 make the housing more desirable to live in, to increase the market value of the housing or
145.28 for compliance with state, county or municipal building, housing maintenance, fire, health
145.29 or similar codes and standards applicable to housing, or to accomplish energy ~~conservation~~
145.30 ~~related improvements~~ decarbonization, climate resiliency, or other qualified projects. In
145.31 unincorporated areas and municipalities not having codes and standards, the agency may,
145.32 solely for the purpose of administering this provision, establish codes and standards. No
145.33 grant for rehabilitation of owner occupied residential housing shall be denied solely because
145.34 the grant will not be used for placing the residential housing in full compliance with all

146.1 state, county or municipal building, housing maintenance, fire, health or similar codes and
146.2 standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)
146.3 \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of
146.4 rehabilitation which the agency determines cannot otherwise be paid by the person or family
146.5 without spending an unreasonable portion of the income of the person or family thereon.
146.6 In making grants, the agency shall determine the circumstances under which and the terms
146.7 and conditions under which all or any portion thereof will be repaid and shall determine the
146.8 appropriate security should repayment be required.

146.9 (b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing
146.10 under this subdivision to persons of low and moderate income for the purpose of qualifying
146.11 as foster parents.

146.12 Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

146.13 Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a)
146.14 It may make grants to assist in energy ~~conservation~~ rehabilitation measures decarbonization,
146.15 climate resiliency, and other qualified projects for existing owner occupied housing including,
146.16 but not limited to: insulation, storm windows and doors, furnace or space heater repair,
146.17 cleaning or replacement, chimney construction or improvement, weatherstripping and
146.18 caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy
146.19 ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to
146.20 any household shall not exceed \$2,000.

146.21 (b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate
146.22 resiliency grant, a household must be certified as eligible to receive emergency residential
146.23 heating assistance under either the federal or the state program, and either (1) have had a
146.24 heating cost for the preceding heating season that exceeded 120 percent of the regional
146.25 average for the preceding heating season for that energy source as determined by the
146.26 commissioner of employment and economic development, or (2) be eligible to receive a
146.27 federal energy conservation grant, but be precluded from receiving the grant because of a
146.28 need for directly related repairs that cannot be paid for under the federal program. The
146.29 Housing Finance Agency shall make a reasonable effort to determine whether other state
146.30 or federal loan and grant programs are available and adequate to finance the intended
146.31 improvements. An emergency energy conservation grant may be made in conjunction with
146.32 grants or loans from other state or federal programs that finance other needed rehabilitation
146.33 work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility
146.34 for other Housing Finance Agency loan or grant programs.

147.1 Sec. 11. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

147.2 Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners
147.3 of rental property that is occupied or intended for occupancy primarily by low- and
147.4 moderate-income tenants and which does not comply with the standards established in
147.5 section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization,
147.6 climate resiliency, and other qualified projects necessary to bring the property into full or
147.7 partial compliance with these standards. For property which meets the other requirements
147.8 of this subdivision, a loan may also be used for moderate rehabilitation of the property. The
147.9 authority granted in this subdivision is in addition to and not in limitation of any other
147.10 authority granted to the agency in this chapter. The limitations on eligible mortgagors
147.11 contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.
147.12 Loans for the improvement of rental property pursuant to this subdivision may contain
147.13 provisions that repayment is not required in whole or in part subject to terms and conditions
147.14 determined by the agency to be necessary and desirable to encourage owners to maximize
147.15 rehabilitation of properties.

147.16 Sec. 12. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

147.17 Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or
147.18 establish a fund to insure loans, or portions of loans, that are made by any banking institution,
147.19 savings association, or other lender approved by the agency, organized under the laws of
147.20 this or any other state or of the United States having an office in this state, to owners of
147.21 renter-occupied homes or apartments that do not comply with standards set forth in section
147.22 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners
147.23 or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of
147.24 improvements, including all related structural and other improvements, that will reduce
147.25 energy consumption, that will decarbonize, and that will ensure the climate resiliency of
147.26 housing.

147.27 Sec. 13. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended
147.28 to read:

147.29 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its
147.30 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or
147.31 their associated Tribally Designated Housing Entity (TDHE) as defined by United States
147.32 Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

148.1 Sec. 14. **[462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE**
148.2 **CONTRACTORS.**

148.3 **Subdivision 1. Application.** This section applies to all forms of financial assistance
148.4 provided by the Minnesota Housing Finance Agency, as well as the allocation of federal
148.5 low-income housing credits, for the development, construction, rehabilitation, renovation,
148.6 or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan
148.7 guarantees, loan insurance, and other financial assistance.

148.8 **Subd. 2. Disclosures.** An applicant for financial assistance under this chapter shall
148.9 disclose in the application any conviction, court judgment, agency determination, legal
148.10 settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations
148.11 of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14,
148.12 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19),
148.13 or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising
148.14 or occurring within the preceding five years on a construction project owned or managed
148.15 by the developer or owner of the proposed project, the intended general contractor for the
148.16 proposed project, or any of their respective parent companies, subsidiaries, or other affiliated
148.17 companies. An applicant for financial assistance shall make the disclosures required by this
148.18 subdivision available within 14 calendar days to any member of the public who submits a
148.19 request by mail or electronic correspondence. The applicant shall designate a public
148.20 information officer who will serve as a point of contact for public inquiries.

148.21 **Subd. 3. Responsible contractors required.** As a condition of receiving financial
148.22 assistance, the applicant shall verify that every contractor or subcontractor of any tier
148.23 performing work on the proposed project meets the minimum criteria to be a responsible
148.24 contractor under section 16C.285, subdivision 3. This verification must meet the criteria
148.25 defined in section 16C.285, subdivision 4.

148.26 **Subd. 4. Certified contractor lists.** As a condition of receiving financial assistance, the
148.27 applicant shall have available at the development site main office a list of every contractor
148.28 and subcontractor of any tier that performs work or is expected to perform work on the
148.29 proposed project, as described in section 16C.285, subdivision 5, including the following
148.30 information for each contractor and subcontractor: business name, scope of work, Department
148.31 of Labor and Industry registration number, business name of the entity contracting its
148.32 services, business telephone number and email address, and actual or anticipated number
148.33 of workers on the project. The applicant shall establish the initial contractor list 30 days
148.34 before the start of construction and shall update the list each month thereafter until
148.35 construction is complete. The applicant shall post the contractor list in a conspicuous location

149.1 at the project site and make the contractor list available to members of the public upon
149.2 request.

149.3 Subd. 5. **Wage theft remedy.** If any contractor or subcontractor of any tier is found to
149.4 have failed to pay statutorily required wages under section 609.52, subdivision 1, clause
149.5 (13), on a project receiving financial assistance or an allocation of federal low-income
149.6 housing tax credits from or through the agency, the recipient is responsible for correcting
149.7 the violation.

149.8 Subd. 6. **Wage theft prevention plans; disqualification.** (a) If any contractor or
149.9 subcontractor of any tier fails to pay statutorily required wages on a project receiving
149.10 financial assistance from or through the agency as determined by an enforcement entity,
149.11 the recipient must have a wage theft prevention plan to be eligible for further financial
149.12 assistance from the agency. The project developer's wage theft prevention plan must describe
149.13 detailed measures that the project developer and its general contractor have taken and are
149.14 committed to take to prevent wage theft on the project, including provisions in any
149.15 construction contracts and subcontracts on the project. The plan must be submitted to the
149.16 Department of Labor and Industry who will review the plan. The Department of Labor and
149.17 Industry may require the project developer to amend the plan or adopt policies or protocols
149.18 in the plan. Once approved by the Department of Labor and Industry, the wage theft
149.19 prevention plan must be submitted by the project developer to the agency with any subsequent
149.20 application for financial assistance from the agency. Such wage theft prevention plans shall
149.21 be made available to members of the public by the agency upon request.

149.22 (b) A developer is disqualified from receiving financial assistance from or through the
149.23 agency for three years if any of the developer's contractors or subcontractors of any tier are
149.24 found by an enforcement agency to have, within three years after entering into a wage theft
149.25 prevention plan under paragraph (a), failed to pay statutorily required wages on a project
149.26 receiving financial assistance from or through the agency for a total underpayment of \$25,000
149.27 or more.

149.28 Subd. 7. **Enforcement.** The agency may deny an application for financial assistance
149.29 that does not comply with this section or if the applicant refuses to enter into the agreements
149.30 required by this section. The agency may withhold financial assistance that has been
149.31 previously approved if the agency determines that the applicant has engaged in unacceptable
149.32 practices by failing to comply with this section until the violation is cured.

150.1 **EFFECTIVE DATE.** This section is effective for financial assistance provided after
150.2 August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply
150.3 to requests for proposals that were initiated prior to August 1, 2024.

150.4 Sec. 15. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
150.5 to read:

150.6 Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote
150.7 efficiency in program administration, underwriting, and compliance, the commissioner may
150.8 adjust income or rent limits for any multifamily capital funding program authorized under
150.9 state law to align with federal rent or income limits in sections 42 and 142 of the Internal
150.10 Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt
150.11 from the rulemaking requirements of chapter 14.

150.12 Sec. 16. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
150.13 to read:

150.14 Subd. 19. **Eligibility for agency programs.** The agency may determine that a household
150.15 or project unit meets the rent or income requirements for a program if the household or unit
150.16 receives or participates in income-based state or federal public assistance benefits, including
150.17 but not limited to:

150.18 (1) child care assistance programs under chapter 119B;

150.19 (2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

150.20 (3) housing support under chapter 256I;

150.21 (4) Minnesota family investment program and diversionary work program under chapter
150.22 256J; and

150.23 (5) economic assistance programs under chapter 256P.

150.24 Sec. 17. Minnesota Statutes 2022, section 462A.202, subdivision 3a, is amended to read:

150.25 Subd. 3a. **Permanent rental housing.** The agency may make loans, with or without
150.26 interest, to cities and counties to finance the construction, acquisition, or rehabilitation of
150.27 affordable, permanent, publicly owned rental housing, including housing owned by a public
150.28 corporation created pursuant to section 469.0121. Loans made under this subdivision are
150.29 subject to the restrictions of subdivision 7. In making loans under this subdivision, the
150.30 agency shall give priority to projects that increase the supply of affordable family housing.

151.1 Sec. 18. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL
151.2 ASSISTANCE NEEDS.

151.3 The agency must develop a projection of emergency rental assistance needs in
151.4 consultation with the commissioner of human services and representatives from county and
151.5 Tribal housing administrators and housing nonprofit agencies. The projection must identify
151.6 the amount of funding required to meet all emergency rental assistance needs, including
151.7 the family homelessness prevention and assistance program, the emergency assistance
151.8 program, and emergency general assistance. By January 15 each year, the commissioner
151.9 must submit a report on the projected need for emergency rental assistance to the chairs and
151.10 ranking minority members of the legislative committees having jurisdiction over housing
151.11 and human services finance and policy.

151.12 Sec. 19. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

151.13 Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate
151.14 income persons who own existing residential housing for the purpose of improving the
151.15 ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted
151.16 improvements shall include installation or upgrading of ceiling, wall, floor and duct
151.17 insulation, storm windows and doors, and caulking and weatherstripping. The improvements
151.18 shall not be inconsistent with the energy standards as promulgated as part of the State
151.19 Building Code; provided that the improvements need not bring the housing into full
151.20 compliance with the energy standards. Any loan for such purpose shall be made only upon
151.21 determination by the agency that such loan is not otherwise available, wholly or in part,
151.22 from private lenders upon equivalent terms and conditions. The agency may promulgate
151.23 rules as necessary to implement and make specific the provisions of this subdivision. The
151.24 rules shall be designed to permit the state, to the extent not inconsistent with this chapter,
151.25 to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and
151.26 other qualified projects.

151.27 Sec. 20. Minnesota Statutes 2022, section 462A.21, subdivision 8b, is amended to read:

151.28 Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance
151.29 program to provide loans or direct rental subsidies for housing for families with incomes
151.30 of up to 80 percent of state median income, or to provide grants for the operating cost of
151.31 public housing. Priority must be given to those developments with resident families with
151.32 the lowest income. The development may be financed by the agency or other public or
151.33 private lenders. Direct rental subsidies must be administered by the agency for the benefit

152.1 of eligible families. Financial assistance provided under this subdivision to recipients of aid
152.2 to families with dependent children must be in the form of vendor payments whenever
152.3 possible. Loans, grants, and direct rental subsidies under this subdivision may be made only
152.4 with specific appropriations by the legislature. The limitations on eligible mortgagors
152.5 contained in section 462A.03, subdivision 13, do not apply to loans for the recapitalization
152.6 or rehabilitation of existing housing under this subdivision.

152.7 Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended
152.8 to read:

152.9 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds
152.10 and notes which are outstanding at any time, excluding the principal amount of any bonds
152.11 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
152.12 ~~\$5,000,000,000~~ \$7,000,000,000.

152.13 Sec. 22. Minnesota Statutes 2022, section 462A.222, is amended by adding a subdivision
152.14 to read:

152.15 Subd. 5. **Limitation on rental increases.** (a) This subdivision applies to any project
152.16 that is restricted to seniors, as defined by section 462A.37, subdivision 1, paragraph (h),
152.17 and that receives low-income housing tax credits provided under section 42 of the Internal
152.18 Revenue Code of 1986, as amended. The rent in a project may not increase in any 12-month
152.19 period by a percentage more than the greater of:

152.20 (1) the percentage that benefit amounts for Social Security or Supplemental Security
152.21 Income recipients were increased pursuant to United States Code, title 42, sections 415(i)
152.22 and 1382f, in the preceding 12-month period; or

152.23 (2) zero percent.

152.24 (b) This subdivision does not apply to projects owned by a nonprofit entity or to a unit
152.25 occupied by an individual receiving ongoing government-subsidized rental assistance.

152.26 Sec. 23. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

152.27 Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota
152.28 manufactured home relocation trust fund to the extent necessary to carry out the objectives
152.29 of section 327C.095, subdivision 13, by making payments to manufactured home owners,
152.30 or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a)
152.31 and (e), and to pay the costs of administering the fund. Money in the fund is appropriated

153.1 to the agency for these purposes and ~~to the commissioner of management and budget~~ to pay
153.2 costs incurred ~~by the commissioner of management and budget~~ to administer the fund.

153.3 Sec. 24. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended
153.4 to read:

153.5 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
153.6 principal amount of housing infrastructure bonds in one or more series to which the payment
153.7 made under this section may be pledged. The housing infrastructure bonds authorized in
153.8 this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and
153.9 (7), on terms and conditions the agency deems appropriate, made for one or more of the
153.10 following purposes:

153.11 (1) to finance the costs of the construction, acquisition, recapitalization, and rehabilitation
153.12 of supportive housing where at least 50 percent of units are set aside for individuals and
153.13 families who are without a permanent residence;

153.14 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
153.15 housing to be used for affordable rental housing or for affordable home ownership and the
153.16 costs of new construction of rental housing on abandoned or foreclosed property where the
153.17 existing structures will be demolished or removed;

153.18 (3) to finance that portion of the costs of acquisition of property that is attributable to
153.19 the land to be leased by community land trusts to low- and moderate-income home buyers;

153.20 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
153.21 parks under section 462A.2035, subdivision 1b;

153.22 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, recapitalization, or
153.23 new construction of senior housing;

153.24 (6) to finance the costs of acquisition, rehabilitation, recapitalization, and replacement
153.25 of federally assisted rental housing and for the refinancing of costs of the construction,
153.26 acquisition, and rehabilitation of federally assisted rental housing, including providing funds
153.27 to refund, in whole or in part, outstanding bonds previously issued by the agency or another
153.28 government unit to finance or refinance such costs;

153.29 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
153.30 of single-family housing; ~~and~~

153.31 (8) to finance the costs of construction, acquisition, recapitalization, and rehabilitation
153.32 of permanent housing that is affordable to households with incomes at or below 50 percent

154.1 of the area median income for the applicable county or metropolitan area as published by
154.2 the Department of Housing and Urban Development, as adjusted for household size;

154.3 (9) to finance the recapitalization of a distressed building; and

154.4 (10) to finance the costs of construction, acquisition, recapitalization, rehabilitation,

154.5 conversion, and development of cooperatively owned housing created under chapter 308A

154.6 or 308B that is affordable to low- and moderate-income households.

154.7 (b) Among comparable proposals for permanent supportive housing, preference shall

154.8 be given to permanent supportive housing for veterans and other individuals or families

154.9 who:

154.10 (1) either have been without a permanent residence for at least 12 months or at least four

154.11 times in the last three years; or

154.12 (2) are at significant risk of lacking a permanent residence for 12 months or at least four

154.13 times in the last three years.

154.14 (c) Among comparable proposals for senior housing, the agency must give priority to

154.15 requests for projects that:

154.16 (1) demonstrate a commitment to maintaining the housing financed as affordable to

154.17 senior households;

154.18 (2) leverage other sources of funding to finance the project, including the use of

154.19 low-income housing tax credits;

154.20 (3) provide access to services to residents and demonstrate the ability to increase physical

154.21 supports and support services as residents age and experience increasing levels of disability;

154.22 and

154.23 (4) include households with incomes that do not exceed 30 percent of the median

154.24 household income for the metropolitan area.

154.25 (d) To the extent practicable, the agency shall balance the loans made between projects

154.26 in the metropolitan area and projects outside the metropolitan area. Of the loans made to

154.27 projects outside the metropolitan area, the agency shall, to the extent practicable, balance

154.28 the loans made between projects in counties or cities with a population of 20,000 or less,

154.29 as established by the most recent decennial census, and projects in counties or cities with

154.30 populations in excess of 20,000.

155.1 (e) Among comparable proposals for permanent housing, the agency must give preference
155.2 to projects that will provide housing that is affordable to households at or below 30 percent
155.3 of the area median income.

155.4 (f) If a loan recipient uses the loan for new construction or substantial rehabilitation as
155.5 defined by the agency on a building containing more than four units, the loan recipient must
155.6 construct, convert, or otherwise adapt the building to include:

155.7 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
155.8 accessible units, as defined by section 1002 of the current State Building Code Accessibility
155.9 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at
155.10 least one accessible unit as defined by section 1002 of the current State Building Code
155.11 Accessibility Provisions for Dwelling Units in Minnesota; and

155.12 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
155.13 sensory-accessible units that include:

155.14 (A) soundproofing between shared walls for first and second floor units;

155.15 (B) no florescent lighting in units and common areas;

155.16 (C) low-fume paint;

155.17 (D) low-chemical carpet; and

155.18 (E) low-chemical carpet glue in units and common areas.

155.19 Nothing in this paragraph relieves a project funded by the agency from meeting other
155.20 applicable accessibility requirements.

155.21 Sec. 25. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
155.22 to read:

155.23 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions
155.24 2 to 2i, the agency may issue up to \$50,000,000.

155.25 Sec. 26. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended
155.26 to read:

155.27 **Subd. 5. Additional appropriation.** (a) The agency must certify annually to the
155.28 commissioner of management and budget the actual amount of annual debt service on each
155.29 series of bonds issued under this section.

156.1 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
156.2 bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those
156.3 bonds, remain outstanding, the commissioner of management and budget must transfer to
156.4 the housing infrastructure bond account established under section 462A.21, subdivision 33,
156.5 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
156.6 necessary to make the transfers are appropriated from the general fund to the commissioner
156.7 of management and budget.

156.8 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
156.9 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those
156.10 bonds, remain outstanding, the commissioner of management and budget must transfer to
156.11 the housing infrastructure bond account established under section 462A.21, subdivision 33,
156.12 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
156.13 necessary to make the transfers are appropriated from the general fund to the commissioner
156.14 of management and budget.

156.15 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
156.16 bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those
156.17 bonds, remain outstanding, the commissioner of management and budget must transfer to
156.18 the housing infrastructure bond account established under section 462A.21, subdivision 33,
156.19 the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
156.20 necessary to make the transfers are appropriated from the general fund to the commissioner
156.21 of management and budget.

156.22 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
156.23 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those
156.24 bonds, remain outstanding, the commissioner of management and budget must transfer to
156.25 the housing infrastructure bond account established under section 462A.21, subdivision 33,
156.26 the amount certified under paragraph (a). The amounts necessary to make the transfers are
156.27 appropriated from the general fund to the commissioner of management and budget.

156.28 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
156.29 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those
156.30 bonds, remain outstanding, the commissioner of management and budget must transfer to
156.31 the housing infrastructure bond account established under section 462A.21, subdivision 33,
156.32 the amount certified under paragraph (a). The amounts necessary to make the transfers are
156.33 appropriated from the general fund to the commissioner of management and budget.

157.1 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
157.2 bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those
157.3 bonds, remain outstanding, the commissioner of management and budget must transfer to
157.4 the housing infrastructure bond account established under section 462A.21, subdivision 33,
157.5 the amount certified under paragraph (a). The amounts necessary to make the transfers are
157.6 appropriated from the general fund to the commissioner of management and budget.

157.7 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
157.8 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those
157.9 bonds, remain outstanding, the commissioner of management and budget must transfer to
157.10 the housing infrastructure bond account established under section 462A.21, subdivision 33,
157.11 the amount certified under paragraph (a). The amounts necessary to make the transfers are
157.12 appropriated from the general fund to the commissioner of management and budget.

157.13 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
157.14 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
157.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
157.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
157.17 the amount certified under paragraph (a). The amounts necessary to make the transfers are
157.18 appropriated from the general fund to the commissioner of management and budget.

157.19 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
157.20 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
157.21 bonds, remain outstanding, the commissioner of management and budget must transfer to
157.22 the housing infrastructure bond account established under section 462A.21, subdivision 33,
157.23 the amount certified under paragraph (a). The amounts necessary to make the transfers are
157.24 appropriated from the general fund to the commissioner of management and budget.

157.25 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
157.26 payments to be made by the state under this section.

157.27 Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended
157.28 to read:

157.29 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
157.30 meanings given.

157.31 (b) "Eligible project area" means a home rule charter or statutory city located outside
157.32 of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population~~
157.33 ~~exceeding 500; a community that has a combined population of 1,500 residents located~~

158.1 ~~within 15 miles of a home rule charter or statutory city located outside a metropolitan county~~
158.2 ~~as defined in section 473.121, subdivision 4;~~ federally recognized Tribal reservations; or
158.3 an area served by a joint county-city economic development authority.

158.4 (c) "Joint county-city economic development authority" means an economic development
158.5 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
158.6 a city and county and excluding those established by the county only.

158.7 (d) "Market rate residential rental properties" means properties that are rented at market
158.8 value, including new modular homes, new manufactured homes, and new manufactured
158.9 homes on leased land or in a manufactured home park, and may include rental developments
158.10 that have a portion of income-restricted units.

158.11 (e) "Qualified expenditure" means expenditures for market rate residential rental
158.12 properties including acquisition of property; construction of improvements; and provisions
158.13 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
158.14 costs.

158.15 Sec. 28. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

158.16 Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and
158.17 loans to be used for multifamily and single family developments for persons and families
158.18 of low and moderate income. Allowable use of the funds include: gap financing, as defined
158.19 in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition
158.20 or removal of existing structures; construction financing; permanent financing; interest rate
158.21 reduction; and refinancing.

158.22 (b) The agency may give preference for grants and loans to comparable proposals that
158.23 include regulatory changes or waivers that result in identifiable cost avoidance or cost
158.24 reductions, including but not limited to increased density, flexibility in site development
158.25 standards, or zoning code requirements.

158.26 ~~(c) The agency shall separately set aside:~~

158.27 ~~(1) at least ten percent of the financing under this section for housing units located in a~~
158.28 ~~township or city with a population of 2,500 or less that is located outside the metropolitan~~
158.29 ~~area, as defined in section 473.121, subdivision 2;~~

158.30 ~~(2) at least 35 percent of the financing under this section for housing for persons and~~
158.31 ~~families whose income is 50 percent or less of the area median income for the applicable~~
158.32 ~~county or metropolitan area as published by the Department of Housing and Urban~~
158.33 ~~Development, as adjusted for household size; and~~

159.1 ~~(3) at least 25 percent of the financing under this section for single-family housing.~~

159.2 ~~(d) If by September 1 of each year the agency does not receive requests to use all of the~~
159.3 ~~amounts set aside under paragraph (c), the agency may use any remaining financing for~~
159.4 ~~other projects eligible under this section.~~

159.5 Sec. 29. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

159.6 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency
159.7 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency
159.8 must not award a grant or a loan to a disqualified individual or disqualified business.

159.9 (b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

159.10 (1) an individual who or an individual whose immediate family member made a
159.11 contribution to the account in the current or prior taxable year and received a credit certificate;

159.12 (2) an individual who or an individual whose immediate family member owns the housing
159.13 for which the grant or loan will be used ~~and is using that housing as their domicile~~;

159.14 (3) an individual who meets the following criteria:

159.15 (i) the individual is an officer or principal of a business entity; and

159.16 (ii) that business entity made a contribution to the account in the current or previous
159.17 taxable year and received a credit certificate; or

159.18 (4) an individual who meets the following criteria:

159.19 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more
159.20 of the outstanding securities of a business entity; and

159.21 (ii) that business entity made a contribution to the account in the current or previous
159.22 taxable year and received a credit certificate.

159.23 (c) For the purposes of this subdivision disqualified business means a business entity
159.24 that:

159.25 (1) made a contribution to the account in the current or prior taxable year and received
159.26 a credit certificate;

159.27 (2) has an officer or principal who is an individual who made a contribution to the
159.28 account in the current or previous taxable year and received a credit certificate; or

159.29 (3) meets the following criteria:

160.1 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20
160.2 percent or more of the outstanding securities by an individual or business entity; and

160.3 (ii) that controlling individual or business entity made a contribution to the account in
160.4 the current or previous taxable year and received a credit certificate.

160.5 (d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be~~
160.6 ~~disqualified either individually or in combination with one or more members of the taxpayer's~~
160.7 ~~family, as defined in the Internal Revenue Code, section 267(c)(4). For purposes of this~~
160.8 subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse,
160.9 sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint
160.10 return, the limitations in this ~~paragraph~~ subdivision apply collectively to the taxpayer and
160.11 spouse. ~~For purposes of determining the ownership interest of a taxpayer under paragraph~~
160.12 ~~(a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code~~
160.13 ~~apply.~~

160.14 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the
160.15 disqualifications under this subdivision do not apply. The Minnesota Housing Finance
160.16 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency
160.17 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

160.18 (f) The agency may award grants or loans to a city as defined in section 462A.03,
160.19 subdivision 21; a federally recognized American Indian tribe or subdivision located in
160.20 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
160.21 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
160.22 authority or agency authorized by law to exercise any of the powers granted by sections
160.23 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
160.24 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible
160.25 recipients apply to grants and loans awarded under this paragraph.

160.26 (g) ~~Except for the set-aside provided in subdivision 2, paragraph (d),~~ Eligible recipients
160.27 must use the funds to serve households that meet the income limits as provided in section
160.28 462A.33, subdivision 5.

160.29 Sec. 30. Minnesota Statutes 2022, section 462C.02, subdivision 6, is amended to read:

160.30 Subd. 6. **City.** "City" means any statutory or home rule charter city, a county housing
160.31 and redevelopment authority created by special law or authorized by its county to exercise
160.32 its powers pursuant to section 469.004, or any public body which (a) is the housing and
160.33 redevelopment authority in and for a statutory or home rule charter city, the port authority

161.1 of a statutory or home rule charter city, ~~or~~ an economic development authority of a city
161.2 established under sections 469.090 to 469.108, or a public corporation created pursuant to
161.3 section 469.0121, and (b) is authorized by ordinance to exercise, on behalf of a statutory or
161.4 home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

161.5 Sec. 31. Minnesota Statutes 2022, section 469.012, subdivision 2j, is amended to read:

161.6 Subd. 2j. **May be in LLP, LLC, or corporation; bound as if HRA.** (a) An authority
161.7 may become a member or shareholder in and enter into or form limited partnerships, limited
161.8 liability companies, or corporations for the purpose of developing, constructing, rehabilitating,
161.9 managing, supporting, or preserving housing projects and housing development projects,
161.10 including low-income housing tax credit projects. These limited partnerships, limited liability
161.11 companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047
161.12 and other laws that apply to housing and redevelopment authorities, as if the limited
161.13 partnership, limited liability company, or corporation were a housing and redevelopment
161.14 authority.

161.15 (b) An authority may create a public corporation in accordance with section 469.0121
161.16 for the purpose of purchasing, owning, and operating real property converted through the
161.17 federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

161.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

161.19 Sec. 32. **[469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE**
161.20 **DEMONSTRATION PROGRAM.**

161.21 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
161.22 the meanings given.

161.23 (b) "Authority" has the meaning given under section 469.002, subdivision 2.

161.24 (c) "Board" means the board of directors of a corporation created under this section.

161.25 (d) "Corporation" means a public corporation created under this section.

161.26 (e) "RAD" means the federal Rental Assistance Demonstration program under Public
161.27 Law 112-55, as amended.

161.28 Subd. 2. **Public corporation created.** An authority may create a public corporation to
161.29 purchase, own, and operate real property that has been converted through RAD to preserve
161.30 and improve public housing properties. A public corporation created under this section is
161.31 also a political subdivision of the state and is limited to the powers in this section.

- 162.1 Subd. 3. Corporation powers. (a) The corporation has the following general powers:
- 162.2 (1) to have succession until dissolved by law;
- 162.3 (2) to sue and be sued in its corporate name;
- 162.4 (3) to adopt, alter, and use a corporate seal which shall be judicially noticed;
- 162.5 (4) to accept, hold, and administer gifts and bequests of money, securities, or other
- 162.6 personal property of whatsoever character, absolutely or in trust, for the purposes for which
- 162.7 the corporation is created. Unless otherwise restricted by the terms of the gift or bequest,
- 162.8 the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or
- 162.9 reinvest in such investments as it may determine from time to time the money, securities,
- 162.10 or other property given or bequeathed to it. The principal of such corporate funds and the
- 162.11 income therefrom, and all other revenues received by it from any source whatsoever shall
- 162.12 be placed in such depositories as the board of directors shall determine and shall be subject
- 162.13 to expenditure for corporate purposes;
- 162.14 (5) to enter into contracts generally and to execute all instruments necessary or appropriate
- 162.15 to carry out its corporate purposes;
- 162.16 (6) to appoint and prescribe the duties of officers, agents, and employees as may be
- 162.17 necessary to carry out its work and to compensate them;
- 162.18 (7) to purchase all supplies and materials necessary for carrying out its purposes;
- 162.19 (8) to accept from the United States or the state of Minnesota, or any of their agencies,
- 162.20 money or other assistance whether by gift, loan, or otherwise to carry out its corporate
- 162.21 purposes, and enter into such contracts with the United States or the state of Minnesota, or
- 162.22 any of the agencies of either, or with any of the political subdivisions of the state, as it may
- 162.23 deem proper and consistent with the purposes of this section;
- 162.24 (9) to contract and make cooperative agreements with federal, state, and municipal
- 162.25 departments and agencies and private corporations, associations, and individuals for the use
- 162.26 of the corporation property, including but not limited to rental agreements; and
- 162.27 (10) to acquire real or personal property or any interest therein in any manner authorized
- 162.28 under section 469.012, subdivision 1g, including by the exercise of eminent domain.
- 162.29 (b) A corporation may acquire properties converted under RAD, subject to restrictions
- 162.30 and conditions compatible with funding acquisitions of and improvements to real property
- 162.31 with state general obligation bond proceeds. The commissioner of management and budget
- 162.32 must determine the necessary restrictions and conditions under this paragraph.

163.1 Subd. 4. **Board of directors.** (a) A corporation is governed by a board of directors as
163.2 follows:

163.3 (1) a member of the city council from the city in which the corporation is incorporated;
163.4 and

163.5 (2) a commissioner of the authority that created the corporation.

163.6 (b) The term of a director is six years. Two members of the initial board of directors
163.7 must be appointed for terms of four years, and one for a term of two years.

163.8 (c) Vacancies on the board must be filled by the authority.

163.9 (d) Board members must not be compensated for their service as board members other
163.10 than to be reimbursed for reasonable expenses incurred in connection with their duties as
163.11 board members. Reimbursement shall be reviewed each year by the state auditor.

163.12 (e) The board must annually elect from among its members a chair and other officers
163.13 necessary for the performance of its duties.

163.14 Subd. 5. **Bylaws.** The board of directors must adopt bylaws and rules as it deems
163.15 necessary for the administration of its functions and the accomplishment of its purpose,
163.16 including among other matters the establishment of a business office and the rules, the use
163.17 of the project-based rental assistance properties, and the administration of corporation funds.

163.18 Subd. 6. **Place of business.** The board must locate and maintain the corporation's place
163.19 of business in the city in which the authority that created the corporation is located.

163.20 Subd. 7. **Open meetings; data practices.** Meetings of the board are subject to chapter
163.21 13D and meetings of the board conducted by interactive technology are subject to section
163.22 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act,
163.23 and shall protect from unlawful disclosure data classified as not public.

163.24 Subd. 8. **Compliance.** The corporation must comply with all federal, state, and local
163.25 laws, rules, ordinances, and other regulations required to own and operate properties as
163.26 project-based rental assistance properties.

163.27 Subd. 9. **Dissolution.** Upon dissolution of the corporation for any reason, its wholly
163.28 owned assets become property of the authority that created the corporation.

163.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

164.1 Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is amended
164.2 to read:

164.3 Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local
164.4 governments to develop and preserve affordable housing and supportive services for residents
164.5 within their jurisdictions in order to keep families from losing housing and to help those
164.6 experiencing homelessness find housing.

164.7 Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended
164.8 to read:

164.9 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
164.10 meanings given:

164.11 ~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are
164.12 cost-burdened divided by the total number of households that are cost-burdened in tier I
164.13 cities. The number of cost-burdened households shall be determined using the most recent
164.14 estimates or experimental estimates provided by the American Community Survey of the
164.15 United States Census Bureau as of May 1 of the aid calculation year.

164.16 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent
164.17 or more of household income or in which homeownership costs are 30 percent or more of
164.18 household income.

164.19 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that
164.20 are cost-burdened divided by the total number of households in metropolitan counties that
164.21 are cost-burdened. The number of cost-burdened households shall be determined using the
164.22 most recent estimates or experimental estimates provided by the American Community
164.23 Survey of the United States Census Bureau as of May 1 of the aid calculation year.

164.24 (e) "Locally funded housing expenditures" means expenditures of the aid recipient,
164.25 including expenditures by a public corporation or legal entity created by the aid recipient,
164.26 that are:

164.27 (1) funded from the recipient's general fund, a property tax levy of the recipient or its
164.28 housing and redevelopment authority, or unrestricted money available to the recipient, but
164.29 not including tax increments; and

164.30 (2) expended on one of the following qualifying activities:

164.31 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax
164.32 payments;

165.1 (ii) support services, case management services, and legal services for residents in arrears
165.2 on rent, mortgage, utilities, or property tax payments;

165.3 (iii) down payment assistance or homeownership education, counseling, and training;

165.4 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,
165.5 and infrastructure of residential dwellings;

165.6 (v) costs of operating emergency shelter, transitional housing, supportive housing, or
165.7 publicly owned housing, including costs of providing case management services and support
165.8 services; and

165.9 (vi) rental assistance.

165.10 ~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

165.11 ~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

165.12 ~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

165.13 ~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first,
165.14 second, or third class and is located in a metropolitan county.

165.15 Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended
165.16 to read:

165.17 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

165.18 (1) emergency rental assistance for households earning less than 80 percent of area
165.19 median income as determined by the United States Department of Housing and Urban
165.20 Development;

165.21 (2) financial support to nonprofit affordable housing providers in their mission to provide
165.22 safe, dignified, affordable and supportive housing; ~~and~~

165.23 (3) projects designed for the purpose of construction, acquisition, rehabilitation,
165.24 demolition or removal of existing structures, construction financing, permanent financing,
165.25 interest rate reduction, refinancing, and gap financing of housing to provide affordable
165.26 housing to households that have incomes which do not exceed, for homeownership projects,
165.27 115 percent of the greater of state or area median income as determined by the United States
165.28 Department of Housing and Urban Development, and for rental housing projects, 80 percent
165.29 of the greater of state or area median income as determined by the United States Department
165.30 of Housing and Urban Development, except that the housing developed or rehabilitated
165.31 with funds under this section must be affordable to the local work force;

166.1 (4) financing the operations and management of financially distressed residential
166.2 properties;

166.3 (5) funding of supportive services or staff of supportive services providers for supportive
166.4 housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing
166.5 providers to finance supportive housing operations may be awarded as a capitalized reserve
166.6 or as an award of ongoing funding; and

166.7 (6) costs of operating emergency shelter facilities, including the costs of providing
166.8 services.

166.9 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable
166.10 housing to households that have incomes which do not exceed, for homeownership projects,
166.11 80 percent of the greater of state or area median income as determined by the United States
166.12 Department of Housing and Urban Development, and for rental housing projects, 50 percent
166.13 of the greater of state or area median income as determined by the United States Department
166.14 of Housing and Urban Development. Priority may be given to projects that: reduce disparities
166.15 in home ownership; reduce housing cost burden, housing instability, or homelessness;
166.16 improve the habitability of homes; create accessible housing; or create more energy- or
166.17 water-efficient homes.

166.18 ~~(b)~~ (c) Gap financing is either:

166.19 (1) the difference between the costs of the property, including acquisition, demolition,
166.20 rehabilitation, and construction, and the market value of the property upon sale; or

166.21 (2) the difference between the cost of the property and the amount the targeted household
166.22 can afford for housing, based on industry standards and practices.

166.23 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,
166.24 the cleared land must be used for the construction of housing to be owned or rented by
166.25 persons who meet the income limits of paragraph (a).

166.26 ~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation
166.27 of a building containing more than four units, the loan recipient must construct, convert, or
166.28 otherwise adapt the building to include:

166.29 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
166.30 accessible units, as defined by section 1002 of the current State Building Code Accessibility
166.31 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

166.32 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
166.33 sensory-accessible units that include:

167.1 (A) soundproofing between shared walls for first and second floor units;

167.2 (B) no florescent lighting in units and common areas;

167.3 (C) low-fume paint;

167.4 (D) low-chemical carpet; and

167.5 (E) low-chemical carpet glue in units and common areas.

167.6 Nothing in this paragraph relieves a project funded by this section from meeting other

167.7 applicable accessibility requirements.

167.8 Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended

167.9 to read:

167.10 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on

167.11 a qualifying project. Funds are considered spent on a qualifying project if:

167.12 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that

167.13 the city or county cannot expend funds on a qualifying project by the deadline imposed by

167.14 paragraph (b) due to factors outside the control of the city or county; and

167.15 (2) the funds are transferred to a local housing trust fund.

167.16 Funds transferred to a local housing trust fund under this paragraph must be spent on a

167.17 project or household that meets the affordability requirements of subdivision 4, paragraph

167.18 (a).

167.19 (b) Funds must be spent by December 31 in the third year following the year after the

167.20 aid was received. The requirements of this paragraph are satisfied if funds are:

167.21 (1) committed to a qualifying project by December 31 in the third year following the

167.22 year after the aid was received; and

167.23 (2) expended by December 31 in the fourth year following the year after the aid was

167.24 received.

167.25 (c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

167.26 Sec. 37. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a

167.27 subdivision to read:

167.28 Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section,

167.29 a recipient must commit to using money to supplement, not supplant, existing locally funded

168.1 housing expenditures, so that they are using the money to create new, or to expand existing,
168.2 housing programs.

168.3 (b) In the annual report required under subdivision 6, a recipient must certify its
168.4 compliance with this subdivision, including an accounting of locally funded housing
168.5 expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota
168.6 Housing Finance Agency, it must document its locally funded housing expenditures in the
168.7 two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures,
168.8 the recipient must detail the expenditure, the amount of the reduction, and the reason for
168.9 the reduction. The certification required under this paragraph must be made available publicly
168.10 on the website of the recipient.

168.11 Sec. 38. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended
168.12 to read:

168.13 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount
168.14 of aid payable to each tier I city and county under this section. By August 1 of each year,
168.15 the commissioner must certify the distribution factors of each tier I city and county to be
168.16 used in the following year. The commissioner must pay local affordable housing aid annually
168.17 at the times provided in section 477A.015, distributing the amounts available on the
168.18 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions
168.19 2 and 3.

168.20 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later
168.21 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must
168.22 include documentation of the location of any unspent funds distributed under this section
168.23 and of qualifying projects completed or planned with funds under this section. If a tier I
168.24 city or county fails to submit a report, if a tier I city or county fails to spend funds within
168.25 the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses
168.26 funds for a project that does not qualify under this section, or if a tier I city or county fails
168.27 to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall
168.28 notify the Department of Revenue and the cities and counties that must repay funds under
168.29 paragraph (c) by February 15 of the following year.

168.30 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a
168.31 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or
168.32 county received under this section if the city or county:

168.33 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

169.1 (2) spends the funds on anything other than a qualifying project; ~~or~~

169.2 (3) fails to submit a report documenting use of the funds; or

169.3 (4) fails to meet the requirements of subdivision 5a.

169.4 (d) The commissioner of revenue must stop distributing funds to a tier I city or county
 169.5 that requests in writing that the commissioner stop payment or that, in three consecutive
 169.6 years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to
 169.7 have failed to use funds, misused funds, or failed to report on its use of funds.

169.8 (e) The commissioner may resume distributing funds to a tier I city or county to which
 169.9 the commissioner has stopped payments in the year following the August 1 after the
 169.10 Minnesota Housing Finance Agency certifies that the city or county has submitted
 169.11 documentation of plans for a qualifying project. The commissioner may resume distributing
 169.12 funds to a tier I city or county to which the commissioner has stopped payments at the
 169.13 request of the city or county in the year following the August 1 after the Minnesota Housing
 169.14 Finance Agency certifies that the city or county has submitted documentation of plans for
 169.15 a qualifying project.

169.16 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph
 169.17 (c) must be deposited in the housing development fund. Funds deposited under this paragraph
 169.18 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use
 169.19 on the family homeless prevention and assistance program under section 462A.204, the
 169.20 economic development and housing challenge program under section 462A.33, and the
 169.21 workforce and affordable homeownership development program under section 462A.38.

169.22 Sec. 39. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

169.23 Subd. 2. Challenge Program	60,425,000	60,425,000
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169.24 (a) This appropriation is for the economic
 169.25 development and housing challenge program
 169.26 under Minnesota Statutes, sections 462A.33
 169.27 and 462A.07, subdivision 14.

169.28 (b) Of this amount, \$6,425,000 each year shall
 169.29 be made available during the first 11 months
 169.30 of the fiscal year exclusively for housing
 169.31 projects for American Indians. Any funds not
 169.32 committed to housing projects for American
 169.33 Indians within the annual consolidated request

170.1 for funding processes may be available for
170.2 any eligible activity under Minnesota Statutes,
170.3 sections 462A.33 and 462A.07, subdivision
170.4 14.

170.5 (c) Of the amount in the first year, \$5,000,000
170.6 is for a grant to Urban Homeworks to expand
170.7 initiatives pertaining to deeply affordable
170.8 homeownership in Minneapolis neighborhoods
170.9 with over 40 percent of residents identifying
170.10 as Black, Indigenous, or People of Color and
170.11 at least 40 percent of residents making less
170.12 than 50 percent of the area median income.

170.13 The grant is to be used for acquisition,
170.14 rehabilitation, gap financing as defined in
170.15 section 462A.33, subdivision 1, and
170.16 construction of homes to be sold to households
170.17 with incomes ~~of 50 to~~ at or below 60 percent
170.18 of the area median income. This is a onetime
170.19 appropriation, ~~and is available until June 30,~~
170.20 ~~2027.~~ By December 15 each year ~~until 2027,~~
170.21 Urban Homeworks must submit a report to
170.22 the chairs and ranking minority members of
170.23 the legislative committees having jurisdiction
170.24 over housing finance and policy. The report
170.25 must include the amount used for (1)
170.26 acquisition, (2) rehabilitation, and (3)
170.27 construction of housing units, along with the
170.28 number of housing units acquired,
170.29 rehabilitated, or constructed, and the amount
170.30 of the appropriation that has been spent. If any
170.31 home was sold or transferred within the year
170.32 covered by the report, Urban Homeworks must
170.33 include the price at which the home was sold,
170.34 as well as how much was spent to complete
170.35 the project before sale.

171.1 (d) Of the amount in the first year, \$2,000,000
 171.2 is for a grant to Rondo Community Land
 171.3 Trust. This is a onetime appropriation.

171.4 (e) The base for this program in fiscal year
 171.5 2026 and beyond is \$12,925,000.

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

171.7 Sec. 40. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

171.8	Subd. 32. Northland Foundation	1,000,000	-0-
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171.9 This appropriation is for a grant to Northland
 171.10 Foundation for use on expenditures authorized
 171.11 under Minnesota Statutes, section 462C.16,
 171.12 subdivision 3, to assist and support
 171.13 communities in providing housing locally, and
 171.14 ~~on~~ for assisting local governments to establish
 171.15 local or regional housing trust funds.
 171.16 Northland Foundation may award grants and
 171.17 loans to other entities to expend on authorized
 171.18 expenditures under this section. This
 171.19 appropriation is onetime and available until
 171.20 June 30, 2025.

171.21 Sec. 41. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

171.22 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"
 171.23 means an individual:

171.24 (1) whose income is at or below 130 percent of area median income;

171.25 ~~(2) who resides in a census tract where at least 60 percent of occupied housing units are~~
 171.26 ~~renter-occupied, based on the most recent estimates or experimental estimates provided by~~
 171.27 ~~the American Community Survey of the United States Census Bureau;~~

171.28 ~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free,
 171.29 fee-based mortgage; and

171.30 ~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title
 171.31 24, section 92.2.

172.1 Sec. 42. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE**
172.2 **HOUSING.**

172.3 **Subdivision 1. Establishment.** A task force is established to study the financial health
172.4 and stability of affordable housing providers and to provide recommendations to the
172.5 Minnesota legislature to promote long-term sustainability of affordable housing providers,
172.6 prevent loss of affordable units, and promote housing security for renters.

172.7 **Subd. 2. Duties.** (a) The task force must assess underlying financial challenges for
172.8 affordable housing providers in their pursuit of developing and preserving safe, affordable,
172.9 and dignified housing, including examining:

172.10 (1) factors that are leading to increasing costs, including but not limited to insurance
172.11 rates, security costs, and rehabilitation needs;

172.12 (2) factors that are leading to declining revenues for affordable housing providers,
172.13 including but not limited to loss of rent and vacancy issues;

172.14 (3) the significant financial needs across the entire sector of affordable housing providers;
172.15 and

172.16 (4) the potential impact of loss of housing units under current conditions.

172.17 **(b) The task force must evaluate the current financing and administrative tools that are**
172.18 **being deployed to support housing providers and their effectiveness, including examining:**

172.19 (1) current funding needs, financing programs, and the availability of funding to assess
172.20 the level of funding as it relates to overall needs;

172.21 (2) administrative tools utilized by the Minnesota Housing Finance Agency to support
172.22 affordable housing providers; and

172.23 (3) the effectiveness of current funding programs and tools.

172.24 **(c) The task force must evaluate potential solutions to address identified financial**
172.25 **challenges for affordable housing providers, including:**

172.26 (1) additional funding for existing programs and tools;

172.27 (2) new financial tools, including new uses of housing infrastructure bonds;

172.28 (3) mechanisms to fund supportive services in the development process for new affordable
172.29 housing projects;

172.30 (4) underwriting practices at the Minnesota Housing Finance Agency; and

173.1 (5) recommendations for changes to financial or management practices for affordable
173.2 housing providers.

173.3 Subd. 3. **Meetings and report.** The Minnesota Housing Finance Agency shall convene
173.4 the first meeting of the task force no later than August 31, 2024, and shall provide accessible
173.5 physical or virtual meeting space as necessary for the task force to conduct its work. The
173.6 task force must submit final recommendations to the house of representatives and senate
173.7 housing committees and for the commissioner of the Minnesota Housing Finance Agency
173.8 no later than February 1, 2025.

173.9 Subd. 4. **Membership.** The task force shall consist of 13 members representing a cross
173.10 section of the affordable housing industry and relevant agency staff. The chair of the house
173.11 of representatives committee with jurisdiction over housing finance shall appoint four
173.12 members. The chair of the senate committee with jurisdiction over housing finance shall
173.13 appoint four members. The commissioner of the Minnesota Housing Finance Agency shall
173.14 appoint five members. Members must be appointed no later than July 1, 2024.

173.15 Subd. 5. **Expiration.** The task force expires upon submission of the final
173.16 recommendations required under subdivision 4.

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

173.18 Sec. 43. **DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND THE**
173.19 **MINNESOTA HOUSING FINANCE AGENCY; EMERGENCY ASSISTANCE**
173.20 **PROGRAM MODIFICATIONS.**

173.21 (a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
173.22 the commissioner of human services, shall develop program recommendations for emergency
173.23 rental assistance that have the flexibility to provide relief for crises within a time frame that
173.24 corresponds to the emergency and that are simple enough for applicants to understand across
173.25 all emergency rental assistance programs. In the development of these recommendations,
173.26 the commissioners must:

173.27 (1) recognize differences between administrative and legislative authority and propose
173.28 legislative changes to the definition of emergency general assistance;

173.29 (2) adopt policies and practices that prioritize easy-to-understand eligibility criteria and
173.30 definitions that prioritize accessible, culturally responsive, and trauma-informed approaches
173.31 when assisting persons through a crisis; and

173.32 (3) develop guidance to emergency rental assistance program administrators that
173.33 encourage the program administrators to be flexible with the required forms of documentation

174.1 for the program and to avoid establishing documentation requirements that are likely to be
174.2 barriers to participation in emergency rental assistance for eligible households.

174.3 (b) For the purposes of this section, the following terms have the meanings given:

174.4 (1) "culturally responsive" means agencies, programs, and providers of services respond
174.5 respectfully and effectively to people of all cultures, languages, classes, races, ethnic
174.6 backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a
174.7 manner that recognizes, values, and affirms differences and eliminates barriers to access;
174.8 and

174.9 (2) "trauma-informed" means to recognize that many people have experienced trauma
174.10 in their lifetime and that programs must be designed to respond to people with respect and
174.11 accommodate the needs of people who have or are currently experiencing trauma.

174.12 **Sec. 44. E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

174.13 The commissioner of the Minnesota Housing Finance Agency and the commissioner of
174.14 human services are encouraged to develop uniform e-signature options to be used in
174.15 applications for emergency general assistance, emergency assistance, and family homeless
174.16 prevention and assistance program assistance.

174.17 **Sec. 45. LANGUAGE ACCESS IN APPLICATIONS FOR RENTAL ASSISTANCE.**

174.18 The commissioner of the Minnesota Housing Finance Agency and the commissioner of
174.19 human services shall research state and federal laws and regulations to determine language
174.20 access standards applying to the organizations' emergency general assistance, emergency
174.21 assistance, and family homelessness prevention and assistance programs and shall ensure
174.22 compliance with all applicable language access requirements. The commissioners are
174.23 encouraged to identify specific languages into which program materials could be translated
174.24 to improve access to emergency general assistance, emergency assistance, and family
174.25 homeless prevention and assistance program assistance and shall translate the materials into
174.26 the identified languages. The commissioners are encouraged to develop and implement a
174.27 plan to translate any website applications for emergency general assistance, emergency
174.28 assistance, and family homeless prevention and assistance program assistance into
174.29 multilingual website applications.

174.30 **Sec. 46. VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

174.31 (a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
174.32 the commissioner of human services, is encouraged to consult with local officials to develop

175.1 recommendations aimed at simplifying the process of verifying the information in
175.2 applications for emergency general assistance, emergency assistance, and family homeless
175.3 prevention and assistance program assistance. In developing recommendations, the
175.4 commissioners must consider:

175.5 (1) allowing self-attestation of emergencies, assets, and income;

175.6 (2) allowing verbal authorization by applicants to allow emergency rental assistance
175.7 administrators to communicate with landlords and utility providers regarding applications
175.8 for assistance; and

175.9 (3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

175.10 (b) The commissioners are encouraged to:

175.11 (1) prepare recommendations by January 1, 2025; and

175.12 (2) report those recommendations to the chairs and ranking minority members of the
175.13 legislative committees having jurisdiction over housing.

175.14 Sec. 47. **HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**

175.15 Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance
175.16 Agency must establish and administer a grant program to support recapitalization of distressed
175.17 buildings.

175.18 Subd. 2. **Definitions.** For purposes of this section:

175.19 (1) "distressed building" means an existing rental housing building in which the units
175.20 are restricted to households at or below 60 percent of the area median income, and that:

175.21 (i) is in foreclosure proceedings;

175.22 (ii) has two or more years of negative net operating income;

175.23 (iii) has two or more years with a debt service coverage ratio of less than one; or

175.24 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
175.25 reserves available for those purposes; and

175.26 (2) "recapitalization" means financing for the physical and financial needs of a distressed
175.27 building, including restructuring and forgiveness of amortizing and deferred debt, principal
175.28 and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment
175.29 forbearance, deferred maintenance, security services, property insurance, capital
175.30 improvements, funding of reserves for supportive services, and property operations.

176.1 Subd. 3. **Grant program.** The commissioner must use a request for proposal process
176.2 to consider funding requests and award grants to finance recapitalization of distressed
176.3 buildings. In awarding grants, the commissioner must give priority to distressed buildings
176.4 most at risk of losing affordable housing.

176.5 Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall
176.6 submit a report to the chairs and ranking minority members of the legislative committees
176.7 having jurisdiction over housing and homelessness. The report must detail the number of
176.8 applications received, the amount of funding requested, the grants awarded, and the number
176.9 of affordable housing units preserved through awards under this section.

176.10 Sec. 48. **REVISOR INSTRUCTION.**

176.11 (a) If H.F. 3800 or another substantively similar bill that establishes a new cooperative
176.12 chapter coded as Minnesota Statutes, chapter 308C, is enacted during the 2024 legislative
176.13 session, the revisor of statutes must add "308C" to the list of chapters referenced in Minnesota
176.14 Statutes, section 462A.37, subdivision 2, paragraph (a), clause (10), as amended in this act.

176.15 (b) The revisor of statutes shall renumber Minnesota Statutes, section 462A.37,
176.16 subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall
176.17 also make necessary cross-reference changes in Minnesota Statutes.

176.18 **ARTICLE 15**

176.19 **DISCRIMINATION; CIC; WORKING GROUP**

176.20 Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

176.21 (a) A landlord must not discriminate against a tenant based on the tenant's use of federal,
176.22 state, or local government rental assistance; a housing choice voucher program; or another
176.23 form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because
176.24 the landlord may be responsible for meeting the terms and conditions of a public assistance
176.25 program. A landlord must not deny a tenant or prospective tenant a viewing or application
176.26 for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant
176.27 or prospective tenant who uses rental assistance or a housing choice voucher. A landlord
176.28 cannot advertise that they will not rent to a tenant who uses rental assistance or a housing
176.29 choice voucher program.

176.30 (b) A violation of this section is an unfair discriminatory practice under section 363A.09,
176.31 and an individual has all the rights and remedies available under chapter 363A.

177.1 Sec. 2. Laws 2023, chapter 52, article 19, section 120, is amended to read:

177.2 Sec. 120. **EFFECTIVE DATE.**

177.3 Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January
177.4 1, 2024, and applies to cases filed before, on, or after that date.

177.5 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

177.6 Sec. 3. **WORKING GROUP ON COMMON INTEREST COMMUNITIES AND**
177.7 **HOMEOWNERS ASSOCIATIONS.**

177.8 **Subdivision 1. Creation; duties.** (a) A working group is created to study the prevalence
177.9 and impact of common interest communities (CICs) and homeowners associations (HOAs)
177.10 in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and
177.11 tenants access safe and affordable housing. The working group shall study:

177.12 (1) how many CICs and HOAs exist, how many people may reside in those housing
177.13 units, and where they are located in the state;

177.14 (2) the governing documents commonly used by CICs and HOAs and whether the
177.15 governing documents or common practices create barriers for participation by homeowners
177.16 in the board of directors for CICs or HOAs;

177.17 (3) the fees and costs commonly associated with CICs and HOAs and how those fees
177.18 have increased, including the cost of outside management, accounting, and attorney fees
177.19 that are assessed to owners and residents;

177.20 (4) whether there should be uniform, statutory standards regarding fees, fines, and costs
177.21 assessed to residents;

177.22 (5) how the organization and management of CICs and HOAs, including boards and
177.23 management companies, impact the affordability of CICs and HOAs;

177.24 (6) the impact of CICs and HOAs on the housing market and housing costs;

177.25 (7) the racial disparity in homeownership as it relates to CICs and HOAs;

177.26 (8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

177.27 (9) how other states regulate CICs and HOAs and best practices related to board
177.28 transparency, dispute resolution, and foreclosures; and

177.29 (10) how the current laws governing CICs and HOAs may be consolidated and reformed
177.30 for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

178.1 (b) The focus and duties of the working group shall be to recommend legislative reforms
178.2 or other methods to regulate CICs and HOAs, including the consolidation or recodification
178.3 of existing chapters regulating CICs and HOAs.

178.4 Subd. 2. **Membership.** The working group shall consist of the following:

178.5 (1) two members of the house of representatives, one appointed by the speaker of the
178.6 house and one appointed by the minority leader;

178.7 (2) two members of the senate, one appointed by the senate majority leader and one
178.8 appointed by the senate minority leader;

178.9 (3) one member from the Minnesota Homeownership Center;

178.10 (4) one member from the Community Associations Institute;

178.11 (5) one member from a business association that supports, educates, or provides services
178.12 to CICs and HOAs in Minnesota designated by the commissioner of commerce;

178.13 (6) one member from a legal aid association familiar with housing laws and representing
178.14 low-income clients;

178.15 (7) one member from the Minnesota Association of Realtors;

178.16 (8) one member who is an attorney who regularly works advising homeowners or
178.17 residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the
178.18 State Bar Association;

178.19 (9) one member who is an attorney who regularly works advising CIC and HOA boards
178.20 designated by the State Bar Association;

178.21 (10) one member from a metropolitan area government who is familiar with issues
178.22 homeowners and tenants face while living in CICs and HOAs in the metropolitan area;

178.23 (11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's
178.24 designee;

178.25 (12) one member from the attorney general's office designated by the attorney general;

178.26 (13) two members who are currently, or have within the last five years, served on a CIC
178.27 or HOA board and have knowledge about the management of CIC and HOA boards; and

178.28 (14) four members who are current or recent owners of a residence that is part of a CIC
178.29 or HOA.

178.30 Subd. 3. **Facilitation; organization; meetings.** (a) The Management Analysis Division
178.31 of Minnesota Management and Budget shall facilitate the working group, provide

179.1 administrative assistance, and convene the first meeting by July 15, 2024. Members of the
179.2 working group may receive compensation and reimbursement for expenses as authorized
179.3 by Minnesota Statutes, section 15.059, subdivision 3.

179.4 (b) The working group must meet at regular intervals as often as necessary to accomplish
179.5 the goals enumerated under subdivision 1. Meetings of the working group are subject to the
179.6 Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

179.7 Subd. 4. **External consultation.** The working group shall consult with other individuals
179.8 and organizations that have expertise and experience that may assist the working group in
179.9 fulfilling its responsibilities, including entities engaging in additional external stakeholder
179.10 input from those with experience living in CICs and HOAs as well as working with the
179.11 board of directors for CICs and HOAs.

179.12 Subd. 5. **Report required.** The working group shall submit a final report by February
179.13 1, 2025, to the chairs and ranking minority members of the legislative committees with
179.14 jurisdiction over housing finance and policy, commerce, and real property. The report shall
179.15 include recommendations and draft legislation based on the duties and focus for the working
179.16 group provided in subdivision 1.

179.17 Subd. 6. **Expiration.** The working group expires upon submission of the final report in
179.18 subdivision 5, or February 28, 2025, whichever is later.

179.19 **EFFECTIVE DATE.** This section is effective the day following final enactment and
179.20 expires March 1, 2025.

116J.398 BROADBAND PREVAILING WAGE EXEMPTION.

Notwithstanding any other law to the contrary, section 116J.871 does not apply to a project receiving a grant under section 116J.395 for the construction, installation, remodeling, and repair of last-mile infrastructure, as defined under section 116J.394, paragraph (e).

168.1297 SPECIAL "ROTARY MEMBER" PLATES.

Subdivision 1. **General requirements and procedures.** The commissioner shall issue special "Rotary member" plates to an applicant who:

- (1) is a registered owner of a passenger automobile;
- (2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) submits proof to the commissioner that the applicant is a member of Rotary International; and
- (6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** A special plate under this section consists of a plate as described in section 168.1291 with a unique emblem that is the recognized emblem of Rotary International.

Subd. 3. **Compliance with other law.** The commissioner shall take no action under this section unless the commissioner determines that Rotary International, or one or more districts of Rotary International, has complied with section 168.1293, subdivision 2, paragraph (a). Issuance and renewal of plates under this section are subject to section 168.1293, subdivisions 3 to 6.

179.81 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179.81 to 179.85, the terms defined in this section have the meanings given them.

Subd. 2. **Area labor-management committee or committee.** "Area labor-management committee" or "committee" means a committee formed by and composed of multiple employers and multiple labor organizations within a geographic area or statewide employment sector, for the purpose of improving labor-management relations and enhancing economic development within a given geographic jurisdiction or sector through labor-management cooperation.

Subd. 3. **Bureau.** "Bureau" means the Bureau of Mediation Services.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Bureau of Mediation Services.

179.82 GRANT PROGRAM CREATED; APPLICATIONS.

Subdivision 1. **Creation.** An area labor-management committee grant program is created within the bureau to be administered by the commissioner.

Subd. 2. **Rules.** Applications for area/statewide industry labor-management committee grants must be submitted to the bureau under rules adopted by the commissioner.

179.83 ACTION ON APPLICATION.

Subdivision 1. **Standard for approval.** Following an established calendar, the commissioner shall review the applications. Grants must be awarded on a competitive basis based on the appropriateness of the proposal, the attainability of the goals, the evidence of interest in the proposal among representatives of labor and management in the area within the committee's jurisdiction, and the thoroughness of the financial plan presented. Successful applicants shall be notified of the award no later than December 1 of each year.

179.84 GENERAL CONDITIONS AND TERMS OF GRANTS.

Subdivision 1. **Requirements.** For each grant awarded the commissioner shall:

- (1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures; and

APPENDIX
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(2) annually review the operating performance of each area labor-management committee receiving state money under this program.

179.85 FUNDING LIMITATIONS.

A new or existing area labor-management committee may apply for a maximum grant of \$75,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in the following ratio of state and nonstate money: in the first year, 90 percent state and ten percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year and beyond, 50 percent state and 50 percent nonstate.

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. [Repealed, 15 SR 2267]

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 3. [Repealed, 15 SR 2267]

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.).

	Percent Nonstate Revenues	Percent State Revenues
Year 1	10	90
Year 2	20	80
Year 3 & Beyond	50	50

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

- A. consistency of the proposal's purpose with the public policy objectives of the grant program;
- B. the extent and history of labor-management activity within the area to be served by the proposed grant;
- C. other past or present cooperative labor-management activities within the designated area;
- D. the need for public funding of the endeavor; and
- E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

- A. ability of the applicant to articulate quantifiable and meaningful goals and activities;
- B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;
- C. prior success of the applicant in achieving previous program goals;
- D. other labor-management activities in the area; and
- E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. [Repealed, 15 SR 2267]

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

- A. result in changes in the scope or objectives of the program in the approved application;
- B. result in more grant money available than is necessary to meet the needs of the program;
- C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or
- D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

- A. Period covered: January 1 to March 31, date due: April 20;
- B. Period covered: April 1 to June 30, date due: July 20;
- C. Period covered: July 1 to September 30, date due: October 20; and
- D. Period covered: October 1 to December 31, date due: January 20.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

- A. the financial operations have been conducted properly;
- B. financial and other reports submitted as a part of the program have been presented fairly and accurately;
- C. the grantee has complied with applicable laws, regulations, and policies;
- D. resources are used and managed in an economic and efficient manner; and
- E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

- A. a statement of the standards used in the performance of the audit;
- B. financial statements and audit comments on the statements for the period;
- C. audit comments regarding compliance and internal control; and
- D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants shall be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants shall also be suspended, terminated, or withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and

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the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

7410.6180 COMMERCIAL MOTOR VEHICLE TESTING PROGRAM.

A public, postsecondary educational institution or school as described in part 7410.6100 applying to be a third-party testing program for commercial motor vehicles shall offer a training course for commercial motor vehicle operation that consists of at least 180 hours of training.