SENATE
STATE OF MINNESOTA
SPECIAL SESSION

S.F. No. 2

(SENATE AUTHORS: KIFFMEYER)

DATE	D-PG	OFFICIAL STATUS
06/14/2021	5	Introduction and first reading
		Referred to Finance
06/24/2021	554a	Comm report: To pass as amended
	605	Second reading
06/25/2021	609a	Special Order: Amended
	613	Third reading Passed
06/29/2021	1243	Returned from House with amendment
	1244	Senate concurred and repassed bill
	1244	Third reading
		Presentment date 06/30/2021
	1276	Governor's action Approval 06/30/2021
		Secretary of State Chapter 12 06/30/2021
		Effective date Various Dates

A bill for an act

relating to state government operation; appropriating money for certain constitutional offices, legislature, certain state agencies, offices, departments, boards, commissions, certain retirement accounts, general contingent accounts, tort claims, state lottery, Minnesota Historical Society, Minnesota Humanities Center, and military and veterans affairs; canceling certain fiscal year appropriations; making changes to policy provisions in state government operations; changing military and veterans affairs policy provisions; modifying election policy provisions; establishing provisions for federal funds; amending Minnesota Statutes 2020, sections 10.578; 14.389, subdivision 5; 15.057, as amended; 16A.06, by adding a subdivision; 16B.24, by adding a subdivision; 138.38; 155A.23, subdivision 16; 190.07; 197.791, subdivisions 4, 5, 5a, 5b; 198.006; 198.03, subdivision 2; 201.071, subdivision 2; 201.121, subdivision 3; 203B.08, subdivisions 1, 3; 203B.121, subdivision 1; 204B.14, subdivision 3; 204B.16, subdivision 1; 204B.18, subdivision 1; 204B.40; 204C.13, subdivision 3; 204C.35, subdivision 3, by adding a subdivision; 240.01, subdivision 18; 240.06, subdivision 7; 240.11; 240.131, subdivision 7; 240.24, subdivisions 2a, 3; 240.30, subdivision 5; 270C.21; 477A.03, subdivision 2b; 609.095; 645.071; Laws 2019, First Special Session chapter 10, article 1, section 40; Laws 2020, chapter 77, section 3, subdivision 6; Laws 2020, Fifth Special Session chapter 3, article 9, section 13; proposing coding for new law in Minnesota Statutes, chapters 3; 10; 16A; 16B; 43A; 196; 198; 203B; 609.

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

ARTICLE 1
APPROPRIATIONS

Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.

"The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

	APPROPRIATIONS Available for the Year Ending June 30	
	2022	**2023**
Sec. 2. **LEGISLATURE**		
Subdivision 1. **Total Appropriation**	**$ 98,819,000**	**$ 99,738,000**
The amounts that may be spent for each purpose are specified in the following subdivisions.		
Subd. 2. **Senate**	37,430,000	37,545,000
Subd. 3. **House of Representatives**	39,932,000	40,431,000
Subd. 4. **Legislative Coordinating Commission**	21,457,000	21,762,000

The base for this appropriation in fiscal year 2024 and each year thereafter is $21,737,000.

From its funds, $10,000 each year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern.

Legislative Auditor. $7,689,000 the first year and $7,817,000 the second year are for the Office of the Legislative Auditor.

The legislative auditor may use any unspent amounts appropriated under Laws 2017, First Special Session chapter 6, article 18, section 2, subdivision 3, paragraph (b), and subdivision 5, paragraph (b); and Laws 2019, First Special Session chapter 9, article 14, section 2, subdivision 3, paragraphs (i) and (j), to conduct audits required by Minnesota

Statutes, section 3.972, subdivision 2a, in fiscal years 2022 and 2023.

Revisor of Statutes. $7,298,000 the first year and $7,419,000 the second year are for the Office of the Revisor of Statutes.

Legislative Reference Library. $1,793,000 the first year and $1,822,000 the second year are for the Legislative Reference Library.

Legislative Budget Office. $1,536,000 the first year and $1,570,000 the second year are for the Legislative Budget Office.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR**	**$**	**3,622,000**	**$**	**3,622,000**

(a) This appropriation is to fund the Office of the Governor and Lieutenant Governor.

(b) $19,000 each year is for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(c) By September 1 of each year, the commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance any personnel costs incurred by the Offices of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs and ranking minority members of the committees before initiating any interagency agreements.

Sec. 4. **STATE AUDITOR**	**$**	**11,955,000**	**$**	**12,051,000**

The base for this appropriation in fiscal year 2024 is $12,061,000. The base for this

appropriation in fiscal year 2025 and each year thereafter is $12,067,000.

Of these amounts, $743,000 the first year and $744,000 the second year are for a school finance accountability team in the audit practice division to allow for the audits of school districts that have volunteered with and been selected by the state auditor to have their annual audit performed by the state auditor at no cost to the district. The state auditor must establish a selection process. Notwithstanding Minnesota Statutes, section 6.56, the state auditor may not bill a school district for any work conducted by the school finance accountability team prior to July 1, 2025.

Sec. 5. **ATTORNEY GENERAL** **$ 31,614,000 $ 29,104,000**

Appropriations by Fund

	2022	2023
General	28,698,0000	26,188,000
State Government Special Revenue	2,521,000	2,521,000
Environmental	145,000	145,000
Remediation	250,000	250,000

Sec. 6. **SECRETARY OF STATE** **$ 9,684,000 $ 9,152,000**

$750,000 each year is for transfer to the voting equipment grant account under Minnesota Statutes, section 206.95.

$1,000,000 each year is for grants to local units of government to implement the provisions of Minnesota Statutes, section 203B.082.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **$ 1,145,000 $ 1,167,000**

Sec. 8. **STATE BOARD OF INVESTMENT** **$ 139,000 $ 139,000**

Sec. 9. **ADMINISTRATIVE HEARINGS** **$ 8,236,000 $ 8,240,000**

Appropriations by Fund

	2022	2023
General	405,000	409,000
Workers' Compensation	7,831,000	7,831,000

$268,000 the first year and $272,000 the second year are for municipal boundary adjustments.

Sec. 10. **OFFICE OF MN.IT SERVICES** **$ 9,855,000 $ 9,882,000**

(a) $2,100,000 the first year and $2,050,000 the second year are to implement recommendations from the Governor's Blue Ribbon Council on Information Technology, established by Executive Order 19-02 and re-established by Executive Order 20-77. The base for this appropriation is $1,400,000 in fiscal years 2024 and 2025.

(b) The commissioner of management and budget is authorized to provide cash flow assistance of up to $50,000,000 from the special revenue fund or other statutory general funds as defined in Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Office of MN.IT Services for the purpose of managing revenue and expenditure differences. These funds shall be repaid with interest by the end of the fiscal year 2023 closing period.

(c) During the biennium ending June 30, 2023, the Office of MN.IT Services must not charge fees to a public noncommercial educational television broadcast station eligible for funding under Minnesota Statutes, chapter 129D, for access to the state broadcast infrastructure. If

the access fees not charged to public noncommercial educational television broadcast stations total more than $400,000 for the biennium, the office may charge for access fees in excess of these amounts.

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation**	**$ 26,285,000**	**$ 26,511,000**

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

Subd. 2. **Government and Citizen Services**	10,652,000	10,834,000

Council on Developmental Disabilities. $222,000 each year is for the Council on Developmental Disabilities.

State Agency Accommodation Reimbursement. $200,000 the first year and $200,000 the second year may be transferred to the accommodation account established in Minnesota Statutes, section 16B.4805.

Subd. 3. **Strategic Management Services**	2,174,000	2,218,000
Subd. 4. **Fiscal Agent**	13,459,000	13,459,000

The appropriations under this section are to the commissioner of administration for the purposes specified.

In Lieu of Rent. $10,515,000 each year is for space costs of the legislature and veterans organizations, ceremonial space, and statutorily free space.

Public Television. (a) $1,550,000 each year is for matching grants for public television.

(b) $250,000 each year is for public television equipment grants under Minnesota Statutes, section 129D.13.

(c) The commissioner of administration must consider the recommendations of the Minnesota Public Television Association before allocating the amounts appropriated in paragraphs (a) and (b) for equipment or matching grants.

Public Radio. (a) $492,000 each year is for community service grants to public educational radio stations. This appropriation may be used to disseminate emergency information in foreign languages.

(b) $142,000 each year is for equipment grants to public educational radio stations. This appropriation may be used for the repair, rental, and purchase of equipment including equipment under $500.

(c) $510,000 each year is for equipment grants to Minnesota Public Radio, Inc., including upgrades to Minnesota's Emergency Alert and AMBER Alert Systems.

(d) The appropriations in paragraphs (a) to (c) may not be used for indirect costs claimed by an institution or governing body.

(e) The commissioner of administration must consider the recommendations of the Association of Minnesota Public Educational Radio Stations before awarding grants under Minnesota Statutes, section 129D.14, using the appropriations in paragraphs (a) and (b). No grantee is eligible for a grant unless they are a member of the Association of Minnesota

Public Educational Radio Stations on or before July 1, 2021.

(f) Any unencumbered balance remaining the first year for grants to public television or public radio stations does not cancel and is available for the second year.

Sec. 12. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD** **$ 386,000 $ 365,000**

Sec. 13. **MINNESOTA MANAGEMENT AND BUDGET** **$ 29,270,000 $ 29,691,000**

Sec. 14. **REVENUE**

Subdivision 1. **Total Appropriation** **$ 174,647,000 $ 177,569,000**

Appropriations by Fund

	2022	2023
General	170,387,000	173,309,000
Health Care Access	1,760,000	1,760,000
Highway User Tax Distribution	2,195,000	2,195,000
Environmental	305,000	305,000

Subd. 2. **Tax System Management** 144,774,000 147,179,000

Appropriations by Fund

	2022	2023
General	140,514,000	142,919,000
Health Care Access	1,760,000	1,760,000
Highway User Tax Distribution	2,195,000	2,195,000
Environmental	305,000	305,000

Taxpayer Assistance. (a) $700,000 the first year and $750,000 the second year are for the commissioner of revenue to make grants to one or more eligible organizations, qualifying under section 7526A(e)(2)(B) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The

unencumbered balance in the first year does not cancel but is available for the second year.

(b) For purposes of this section, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income, elderly, and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and to provide personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. **Debt Collection Management**	29,873,000	30,390,000

Sec. 15. **GAMBLING CONTROL**	**$ 5,728,000**	**$ 5,123,000**

These appropriations are from the lawful gambling regulation account in the special revenue fund. The base for this appropriation in fiscal year 2024 is $5,093,000. The base for this appropriation in fiscal year 2025 and each year thereafter is $4,923,000.

$865,000 the first year and $260,000 the second year are to create an information system and to update the board's website. The base for this appropriation in fiscal year 2024 is $230,000. The base for this appropriation in fiscal year 2025 and each year thereafter is $60,000.

Sec. 16. **RACING COMMISSION**	**$ 913,000**	**$ 913,000**

These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

Sec. 17. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the State Lottery's

operating budget must not exceed $36,500,000 in fiscal year 2022 and $36,500,000 in fiscal year 2023.

Sec. 18. **AMATEUR SPORTS COMMISSION**	**$**	**311,000**	**$**	**317,000**
Sec. 19. **COUNCIL FOR MINNESOTANS OF AFRICAN HERITAGE**	**$**	**544,000**	**$**	**552,000**
Sec. 20. **COUNCIL ON LATINO AFFAIRS**	**$**	**534,000**	**$**	**544,000**
Sec. 21. **COUNCIL ON ASIAN-PACIFIC MINNESOTANS**	**$**	**525,000**	**$**	**534,000**
Sec. 22. **INDIAN AFFAIRS COUNCIL**	**$**	**855,000**	**$**	**864,000**
Sec. 23. **MINNESOTA HISTORICAL SOCIETY**				
Subdivision 1. **Total Appropriation**	**$**	**23,968,000**	**$**	**23,918,000**

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

Subd. 2. **Operations and Programs**	23,397,000	23,597,000

Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

Subd. 3. **Fiscal Agent**

(a) Global Minnesota	39,000	39,000
(b) Minnesota Air National Guard Museum	17,000	17,000
(c) Hockey Hall of Fame	100,000	100,000
(d) Farmamerica	365,000	115,000

$250,000 the first year is for site improvements, including classroom, upgrades, visitor center remodeling, and expanded agricultural literacy programming.

(e) Minnesota Military Museum	50,000	50,000

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Sec. 24. **BOARD OF THE ARTS**

Subdivision 1. **Total Appropriation**	**$**	**7,541,000**	**$**	**7,541,000**

The base for this appropriation in fiscal year 2024 and each year thereafter is $7,561,000. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Operations and Services**	602,000	602,000

The base for this appropriation in fiscal year 2024 and each year thereafter is $622,000.

Subd. 3. **Grants Program**	4,800,000	4,800,000
Subd. 4. **Regional Arts Councils**	2,139,000	2,139,000

Any unencumbered balance remaining in this section the first year does not cancel, but is available for the second year.

Money appropriated in this section and distributed as grants may only be spent on projects located in Minnesota. A recipient of a grant funded by an appropriation in this section must not use more than ten percent of the total grant for costs related to travel outside the state of Minnesota.

Sec. 25. **MINNESOTA HUMANITIES CENTER**	**$**	**700,000**	**$**	**700,000**

$325,000 each year is for grants under Minnesota Statutes, section 138.912. No more than three percent of the appropriation may be used for the nonprofit administration of the program.

Sec. 26. **BOARD OF ACCOUNTANCY** $ **688,000** $ **698,000**

Sec. 27. **BOARD OF ARCHITECTURE ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN** $ **863,000** $ **874,000**

Sec. 28. **BOARD OF COSMETOLOGIST EXAMINERS** $ **2,923,000** $ **2,923,000**

Sec. 29. **BOARD OF BARBER EXAMINERS** $ **348,000** $ **353,000**

Sec. 30. **GENERAL CONTINGENT ACCOUNTS** $ **1,000,000** $ **500,000**

Appropriations by Fund

	2022	2023
General	500,000	-0-
State Government Special Revenue	400,000	400,000
Workers' Compensation	100,000	100,000

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. **TORT CLAIMS** $ **161,000** $ **161,000**

These appropriations are to be spent by the commissioner of management and budget according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 32. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation**	**$**	**14,886,000**	**$**	**14,878,000**

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

Subd. 2. **Combined Legislators and Constitutional Officers Retirement Plan**	8,886,000	8,878,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. **Judges Retirement Plan**	6,000,000	6,000,000

For transfer to the judges retirement fund under Minnesota Statutes, section 490.123. This transfer continues each fiscal year until the judges retirement plan reaches 100 percent funding as determined by an actuarial valuation prepared according to Minnesota Statutes, section 356.214.

Sec. 33. **PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**	**$**	**25,000,000**	**$**	**25,000,000**

(a) $9,000,000 in each year is for direct state aid to the public employees police and fire retirement plan authorized under Minnesota Statutes, section 353.65, subdivision 3b.

(b) State payments from the general fund to the Public Employees Retirement Association on behalf of the former MERF division account are $16,000,000 on September 15, 2021, and $16,000,000 on September 15, 2022. These amounts are estimated to be

needed under Minnesota Statutes, section 353.505.

Sec. 34. **TEACHERS RETIREMENT ASSOCIATION**	**$**	**29,831,000**	**$**	**29,831,000**

The amounts estimated to be needed are as follows:

Special Direct State Aid. $27,331,000 each year is for special direct state aid authorized under Minnesota Statutes, section 354.436.

Special Direct State Matching Aid. $2,500,000 each year is for special direct state matching aid authorized under Minnesota Statutes, section 354.435.

Sec. 35. **ST. PAUL TEACHERS RETIREMENT FUND**	**$**	**14,827,000**	**$**	**14,827,000**

The amounts estimated to be needed for special direct state aid to the first class city teachers retirement fund association authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 36. **MILITARY AFFAIRS**

Subdivision 1. **Total Appropriation**	**$**	**24,393,000**	**$**	**24,589,000**

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

Subd. 2. **Maintenance of Training Facilities**	9,772,000	9,842,000
Subd. 3. **General Support**	3,507,000	3,633,000
Subd. 4. **Enlistment Incentives**	11,114,000	11,114,000

The appropriations in this subdivision are available until June 30, 2025, except that any unspent amounts allocated to a program otherwise supported by this appropriation are canceled to the general fund upon receipt of

federal funds in the same amount to support administration of that program.

If the amount for fiscal year 2022 is insufficient, the amount for 2023 is available in fiscal year 2022.

Sec. 37. **VETERANS AFFAIRS**

Subdivision 1. **Total Appropriation**	**$ 89,530,000**	**$ 93,186,000**

The amounts that may be spent for each purpose are specified in the following subdivisions. The base for this appropriation in fiscal year 2024 and each year thereafter is $90,185,000.

Subd. 2. **Veterans Programs and Services**	27,073,000	22,153,000

(a) **CORE Program.** $750,000 each year is for the Counseling and Case Management Outreach Referral and Education (CORE) program.

(b) **Veterans Service Organizations.** $353,000 each year is for grants to the following congressionally chartered veterans service organizations as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

(c) **Minnesota Assistance Council for Veterans.** $750,000 each year is for a grant to the Minnesota Assistance Council for Veterans to provide assistance throughout Minnesota to veterans and their families who

are homeless or in danger of homelessness, including assistance with the following:

(1) utilities;

(2) employment; and

(3) legal issues.

The assistance authorized under this paragraph must be made only to veterans who have resided in Minnesota for 30 days prior to application for assistance and according to other guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance is coordinated with all other available programs for veterans.

(d) **State's Veterans Cemeteries.** $6,172,000 the first year and $1,672,000 the second year are for the state's veterans cemeteries. Of these amounts, $4,500,000 the first year is to construct and equip the new veterans cemetery in Redwood Falls.

(e) **Honor Guards.** $200,000 each year is for compensation for honor guards at the funerals of veterans under Minnesota Statutes, section 197.231.

(f) **Minnesota GI Bill.** $200,000 each year is for the costs of administering the Minnesota GI Bill postsecondary educational benefits, on-the-job training, and apprenticeship program under Minnesota Statutes, section 197.791.

(g) **Gold Star Program.** $100,000 each year is for administering the Gold Star Program for

surviving family members of deceased veterans.

(h) **County Veterans Service Office.** $1,100,000 each year is for funding the County Veterans Service Office grant program under Minnesota Statutes, section 197.608.

(i) **Veteran Homelessness Initiative.** $3,165,000 each year is for an initiative to prevent and end veteran homelessness. The commissioner of veterans affairs may provide housing vouchers and other services to alleviate homelessness among veterans and former service members in Minnesota. The commissioner may contract for program administration and may establish a vacancy reserve fund. The base for this appropriation in fiscal year 2024 and each year thereafter is $1,311,000.

(j) **Camp Bliss.** $75,000 each year is for a grant to Independent Lifestyles, Inc. for expenses related to retreats for veterans at Camp Bliss in Walker, Minnesota, including therapy, transportation, and activities customized for veterans.

(k) **Veterans On The Lake.** $50,000 in the first year is for a grant to Veterans on the Lake for expenses related to retreats for veterans, including therapy, transportation, and activities customized for veterans.

(l) **Veterans Resilience Project.** $400,000 each year is for a grant to the veterans resilience project. Grant funds must be used to make eye movement desensitization and reprocessing therapy available to veterans and

current military service members who are suffering from posttraumatic stress disorder and trauma. The base for this appropriation in fiscal year 2024 and each year thereafter is $200,000.

The veterans resilience project must report to the commissioner of veterans affairs and the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance by January 15 of each year on the program. The report must include an overview of the program's budget, a detailed explanation of program expenditures, the number of veterans and service members served by the program, and a list and explanation of the services provided to program participants.

(m) **9/11 Task Force.** $500,000 the first year is for the Advisory Task Force on 9/11 and Global War on Terrorism Remembrance. The task force must collect, memorialize, and publish stories of Minnesotans' service in the Global War on Terrorism and impacts on their dependents. The task force must host a remembrance program in September 2021. This is a onetime appropriation.

Subd. 3. **Veterans Health Care**	62,457,000	71,033,000

The base for this appropriation in fiscal year 2024 and each year thereafter is $70,086,000.

(a) $61,457,000 the first year and $70,383,000 the second year may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to

Minnesota Statutes, section 198.34, and are appropriated to the commissioner of veterans affairs for the operation of veterans homes facilities and programs. The base for this transfer in fiscal year 2024 and each year thereafter is $69,536,000.

Of the amounts transferred under this paragraph, $337,000 the first year and $8,347,000 the second year are for the operation of the new veterans homes in Bemidji, Montevideo, and Preston.

The department shall seek opportunities to maximize federal reimbursements of Medicare-eligible expenses and provide annual reports to the commissioner of management and budget on the federal Medicare reimbursements received. Contingent upon future federal Medicare receipts, reductions to the homes' general fund appropriation may be made.

(b) $1,000,000 the first year and $650,000 the second year are to address the problem of death by suicide among veterans in Minnesota. The commissioner of veterans affairs may use funds for personnel, training, research, marketing, and professional or technical contracts. The base for this appropriation in fiscal year 2024 and each year thereafter is $550,000.

Sec. 38. **CANCELLATIONS; FISCAL YEAR 2021.**

(a) $379,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 10, is canceled.

(b) $300,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 11, subdivision 1, is canceled. This amount is from the fiscal year 2021 appropriation for government and citizen services.

(c) $1,367,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 13, is canceled.

(d) $8,274,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 10, article 1, section 14, subdivision 1, is canceled. Of this amount, $7,305,000 is from the fiscal year 2021 appropriation for tax system management and $969,000 is from the fiscal year 2021 appropriation for debt collection management.

(e) $86,000 of the fiscal year 2021 general fund appropriation for moving and relocation expenses under Laws 2019, First Special Session chapter 10, article 1, section 24, subdivision 2, as amended by Laws 2020, chapter 104, article 2, section 4, is canceled.

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

Sec. 39. **CANCELLATIONS; ITA ACCOUNT.**

(a) $179,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the general fund.

(b) $14,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the workers' compensation fund.

(c) $5,000 from the information and telecommunications technology systems and services account established under Minnesota Statutes, section 16E.21, is canceled to the state government special revenue fund.

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

Sec. 40. **CANCELLATION; DATA SECURITY ACCOUNT.**

On July 1, 2023, $1,200,000 from the data security account established under Minnesota Statutes, section 3.9741, subdivision 5, is canceled to the general fund.

Sec. 41. **HELP AMERICA VOTE ACT ACCOUNT; LOCAL GOVERNMENT GRANTS.**

$3,000,000 of the total amount appropriated to the secretary of state by Laws 2019, First Special Session chapter 10, article 1, section 40, and Laws 2020, chapter 77, section 3, must be distributed as grants to political subdivisions for activities authorized by those laws.

Sec. 42. Laws 2019, First Special Session chapter 10, article 1, section 40, is amended to read:

Sec. 40. **HELP AMERICA VOTE ACT TRANSFERS AND APPROPRIATIONS; SECRETARY OF STATE.**

(a) $6,595,610 is appropriated in fiscal year 2019 from the HAVA account established in Minnesota Statutes, section 5.30, to the secretary of state for the purposes of improving the administration and security of elections as authorized by federal law. Use of the appropriation is limited to the following activities:

(1) modernizing, securing, and updating the statewide voter registration system and for cybersecurity upgrades as authorized by federal law;

(2) improving accessibility;

(3) preparing training materials and training local election officials; and

(4) implementing security improvements for election systems.

(b) Any amount earned in interest on the amount appropriated under paragraph (a) is appropriated from the HAVA account to the secretary of state for purposes of improving the administration and security of elections as authorized by federal law.

(c) The appropriations under paragraphs (a) and (b) are onetime and available until March 23, ~~2023~~ 2027.

(d) $167,000 expended by the secretary of state in fiscal years 2018 and 2019 for increasing secure access to the statewide voter registration system is deemed:

(1) to be money used for carrying out the purposes authorized under the Omnibus Appropriations Act of 2018, Public Law 115-1410, and the Help America Vote Act of 2002, Public Law 107-252, section 101; and

(2) to be credited toward any match required by those laws.

Sec. 43. Laws 2020, chapter 77, section 3, subdivision 6, is amended to read:

Subd. 6. **Availability of appropriations.** The appropriations provided in this section are onetime and available until December 21, ~~2024~~ 2028.

ARTICLE 2
STATE GOVERNMENT OPERATIONS

Section 1. **[3.888] LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **Membership.** The Legislative Commission on Cybersecurity consists of the following eight members:

(1) four senators, including two senators appointed by the senate majority leader and two senators appointed by the senate minority leader; and

(2) four members of the house of representatives, including two members appointed by the speaker of the house and two members appointed by the minority leader of the house.

Subd. 2. **Terms; vacancies.** Members of the commission serve for a two-year term beginning on appointment and expiring on appointment of a successor after the opening of the next regular session of the legislature in the odd-numbered year. A vacancy in the membership of the commission must be filled for the unexpired term in a manner that will preserve the representation established by this section.

Subd. 3. **Duties.** The commission shall provide oversight of the state's cybersecurity measures. The commission shall review the policies and practices of state agencies with regard to cybersecurity and may recommend changes in policy to adequately protect the state from cybersecurity threats. The commission may develop recommendations and draft legislation to support and strengthen the state's cybersecurity infrastructure.

Subd. 4. **Chair.** The commission shall elect a chair by a majority vote of members present. If the commission is unable to elect a chair by a majority vote at its first meeting of a biennium, the ranking member of the majority party shall serve as chair. The officers shall alternate between a member of the senate and a member of the house of representatives. A chair shall serve a two-year term expiring upon election of a new chair after the opening of the next regular session of the legislature in the odd-numbered year.

Subd. 5. **Meetings.** The commission must meet at least three times per calendar year. The meetings of the commission are subject to section 3.055, except that the commission may close a meeting when necessary to safeguard the state's cybersecurity. The minutes, recordings, and documents from a closed meeting under this subdivision shall be maintained

by the Legislative Coordinating Commission and shall not be made available to the public until eight years after the date of the meeting.

Subd. 6. **Administration.** The Legislative Coordinating Commission shall provide administrative services for the commission.

Subd. 7. **Expiration.** The commission expires December 31, 2028.

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

Sec. 2. **[10.551] INDIA DAY.**

(a) August 15 of each year is designated India Day to commemorate and celebrate the diverse culture, heritage, traditions, and contributions of Minnesotans of Indian ancestry.

(b) The diverse culture, traditions, and values of this community have contributed to the vitality of Minnesota. Each year, the governor shall issue a proclamation honoring the observance of India Day and shall encourage Minnesotans to take the opportunity to learn about and appreciate the community and its contributions.

Sec. 3. Minnesota Statutes 2020, section 14.389, subdivision 5, is amended to read:

Subd. 5. **Option.** A law authorizing or requiring rules to be adopted under this section may refer specifically to this subdivision. If the law contains a specific reference to this subdivision, as opposed to a general reference to this section:

(1) the notice required in subdivision 2 must include a statement that a public hearing will be held if ~~100~~ 50 or more people request a hearing. The request must be in the manner specified in section 14.25; and

(2) if ~~100~~ 50 or more people submit a written request for a public hearing, the agency may adopt the rule only after complying with all of the requirements of chapter 14 for rules adopted after a public hearing.

EFFECTIVE DATE. This section is effective July 1, 2021, and applies to rules proposed on or after that date.

Sec. 4. Minnesota Statutes 2020, section 16A.06, is amended by adding a subdivision to read:

Subd. 12. **Audit of state's use of federal funds.** The commissioner shall contract with a qualified auditor to conduct the annual audit required by the Single Audit Act of 1984, Public Law 98-502; the Single Audit Act Amendments of 1996, Public Law 104-156; and

Code of Federal Regulations, title 2, part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The cost of the audit shall be billed to the agencies audited during the subsequent fiscal year. Amounts paid by state agencies shall be deposited in the general fund.

Sec. 5. **[16A.401] VIRTUAL PAYMENTS AUTHORIZED.**

Subdivision 1. **Virtual payments.** The commissioner may establish a program to issue virtual payments from the state treasury. Any rebate to the state generated by the program must be deposited in the general fund unless retained under subdivision 3.

Subd. 2. **Rebates.** Notwithstanding subdivision 1, rebates attributable to expenditures in funds established in the state constitution or protected by federal law must be returned to the account from which the expenditure originated.

Subd. 3. **Rebates retained.** The commissioner may retain a portion of rebates for the administration of this section. Money retained under this subdivision must be deposited in an account in the special revenue fund and is appropriated to the commissioner for the purposes of this section.

Sec. 6. Minnesota Statutes 2020, section 16B.24, is amended by adding a subdivision to read:

Subd. 13. **Electric vehicle charging.** The commissioner shall require that a user of a charging station located on the State Capitol complex used to charge a private electric vehicle pay an electric service fee. The commissioner shall set the electric service fee rate to cover electricity costs for charging an electric vehicle and for the administrative costs associated with providing electric charging stations.

Sec. 7. **[16B.2406] CAPITOL AREA BUILDING ACCOUNT TO ADDRESS HEALTH, LIFE SAFETY, AND SECURITY NEEDS.**

Subdivision 1. **Account established; appropriations and use of funds.** (a) A Capitol Area building account is established in the state treasury. The commissioner of management and budget shall deposit the proceeds from the lease revenue bonds or certificates of participation received under subdivision 2 to the account. Net income from investment of the proceeds, as estimated by the commissioner of management and budget, must be credited to the appropriate accounts in the Capitol Area building account.

(b) Funds in the Capitol Area building account are appropriated to the commissioner of administration for capital expenditures that address identified critical health, life safety, and

security needs of buildings located on the State Capitol complex that were constructed before 1940 and for expenditures to ensure the continued operations of affected tenants while those needs are being addressed. The funds may be used for predesign, design, construction, equipping, and hazardous materials abatement activities related to these authorized uses including but not limited to addressing necessary accessibility, infrastructure, function, and building systems changes. This appropriation may only be used for renovation or rehabilitation of existing buildings in the State Capitol complex and to expand an existing building as part of a renovation or rehabilitation project funded under this section. This appropriation may not be used to demolish an existing building in its entirety.

(c) Amounts necessary for predesign, design, rent loss, and tenant relocation for projects authorized by this subdivision are appropriated from the general fund to the commissioner of administration. The predesign must include a needs assessment prepared by an independent contractor. To prepare the needs assessment, the contractor must consider the needs of all tenants of the building. The assessment should identify goals to be achieved by the renovation or rehabilitation project and must address needs for health, life safety, security, and function, including space and layout needs for each tenant. The commissioner must not prepare final plans and specifications until the program plan and cost estimates for all elements necessary to complete the project are approved by the affected building's primary tenant. The final plans and specifications must resolve the needs identified in the needs assessment.

(d) The commissioner of administration may not prepare final plans and specifications for any project authorized by this subdivision until at least 60 days after the commissioner has submitted the results of the needs assessment to the Capitol Area Architectural and Planning Board. Projects authorized by this section are exempt from the design competition requirement of section 15B.10.

Subd. 2. **Lease-purchase agreement authorization.** (a) The commissioner of administration may enter into a long-term lease-purchase agreement for a term of up to 25 years for activities authorized by subdivision 1. The commissioner of management and budget may issue by public or private sale lease revenue bonds or certificates of participation associated with the lease-purchase agreement. The lease-purchase agreements must not be terminated except for nonappropriation of money. The lease-purchase agreements must provide the state with a unilateral right to purchase the leased equipment or premises at specified times for specified amounts. The lease-purchase agreements are exempt from section 16B.24, subdivisions 6 and 6a.

(b) The amount needed to make lease payments with respect to a lease-purchase agreement entered into under this section is appropriated each fiscal year from the general

fund to the commissioner of administration subject to repeal, unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 4. By January 1 in each odd-numbered year, the commissioner of administration must certify to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over state government finance the amount of appropriations received by the commissioner under this paragraph during each fiscal year of the fiscal biennium ending June 30 of that year and specify the amount of appropriations anticipated to be received under this paragraph for each year of the fiscal biennium beginning July 1 of that year.

(c) The commissioner of administration may enter into a ground lease for state-owned property on the State Capitol complex in conjunction with the execution of a lease-purchase agreement entered into under this section for any improvements constructed on that site. Notwithstanding the requirements of section 16A.695, subdivision 2, paragraph (b), the ground lease must be for a term equal to the term of the lease-purchase agreement and must include an option to purchase the land at its then fair market value, if the improvements are not purchased by the state at the end of the term of the lease-purchase agreement or at any earlier time that the lease-purchase agreement is terminated.

(d) Certificates of participation or lease revenue bonds may be issued in one or more series on the terms and conditions the commissioner of management and budget determines to be in the best interests of the state, shall be dated and bear interest at a fixed or variable rate, may be includable in or excludable from the gross income of the owners for federal income tax purposes, and may be sold at any price or percentage of par value. Any bid received may be rejected.

(e) At the time of, or in anticipation of, issuing the lease revenue bonds or certificates of participation, and at any time thereafter, so long as the bonds or certificates are outstanding, the commissioner of management and budget may enter into agreements and ancillary arrangements relating to the bonds or certificates, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner of management and budget included in an interest exchange agreement that the agreement relates to a certificate or bond shall be conclusive.

(f) The commissioner of management and budget may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with or facilitate the issuance of the lease-purchase agreement and the related lease revenue bonds or certificates of participation in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of certificates or bonds set forth in the order or resolution authorizing the issuance of the certificates or bonds or in a separate document authorized by the order or resolution.

Subd. 3. **Lease-purchase not public debt.** A lease-purchase agreement does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for payments or obligations under such agreement. Payments due under a lease-purchase agreement during a current lease term for which money has been appropriated is a current expense of the state. A lease-purchase agreement and the related lease revenue bonds or certificates of participation shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate money sufficient to make lease payments with respect to the lease-purchase agreement in any fiscal year. The lease-purchase agreement and the related lease revenue bonds or certificates of participation shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for lease payments, or (2) the date of final payment of the principal of and interest on the bonds or certificates.

Subd. 4. **Refunding certificates.** The commissioner of administration from time to time may enter into a new lease-purchase agreement and the commissioner of management and budget may issue and sell lease revenue bonds or certificates of participation for the purpose of refunding any lease-purchase agreement and related lease revenue bonds or certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date and costs related to the issuance and sale of such refunding bonds or certificates. The proceeds of any refunding bonds or certificates may, in the discretion of the commissioner of management and budget, be applied to the purchase or payment at maturity of the bonds or certificates to be refunded, to the redemption of outstanding lease-purchase agreements and bonds or certificates on any redemption date, or to pay interest on the refunding lease-purchase agreements and bonds or certificates and may, pending such application, be placed in escrow to be applied to such

purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and bonds or certificates to be refunded, to interest or premiums on the refunded bonds or certificates, or to pay interest on the refunding lease-purchase agreements and bonds or certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund, or, if applicable, the Capitol Area building account, for use in a lawful manner. All refunding lease-purchase agreements and bonds or certificates issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and bonds or certificates to be refunded.

Subd. 5. **Waiver of immunity.** The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to lease revenue bonds or certificates of participation issued under this section and any ancillary contracts to which the commissioner is a party.

Subd. 6. **Collection of rent.** Notwithstanding section 16B.24, subdivision 5, paragraph (d), the commissioner of administration shall not collect rent to recover bond interest costs or building depreciation costs for any projects funded from the Capitol Area building account.

Subd. 7. **Repair and replacement accounts.** Money collected as rent to fund future building repairs must be credited to a segregated account for each building in the special revenue fund and is appropriated to the commissioner to make the repairs. When the lease revenue bonds are paid in full, the account for that building must be abolished and any balance remaining in the account must be transferred to the appropriate asset preservation and replacement account created under section 16B.24, subdivision 5, paragraph (d).

Subd. 8. **Schedule of activities; legislative report.** (a) Consistent with existing requirements of law related to construction and improvement of state buildings, the commissioner must take steps to ensure improvements to address identified critical needs are completed in a timely manner.

(b) The commissioner must submit a report to the speaker of the house, the president of the senate, and the minority leaders of the house of representatives and senate no later than January 1, 2022, detailing the estimated costs and the expected timeline for design, construction, and completion of necessary work to address identified needs.

Subd. 9. **Expiration.** The authority to issue lease revenue bonds or certificates of participation, under subdivision 2, paragraph (a), expires December 31, 2023.

Sec. 8. **[43A.231] PROCUREMENT OF A PHARMACY BENEFIT MANAGER AND A PLATFORM TECHNOLOGY VENDOR.**

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

(b) "Market check" means a technology-driven evaluation of prescription drug pricing based on benchmarks derived from reverse auction processes conducted in the United States over the immediately preceding 12 months.

(c) "Pharmacy benefit management services" means:

(1) the procurement of prescription drugs at a negotiated rate for dispensation within the State Employees Group Insurance Program (SEGIP) to enrollees;

(2) the administration and management of the prescription drug benefit under SEGIP; and

(3) any services defined in section 62W.02, subdivisions 8, 12, and 15, paragraph (a).

(d) "Pharmacy benefit manager" has the meaning given in section 62W.02, subdivision 15, paragraph (a).

(e) "Price" means the projected cost of a bid for providing pharmacy benefit management services over the duration of the contract.

(f) "Reverse auction" means an automated bidding process conducted online that starts with an opening price and allows qualified bidders to counteroffer a lower price for multiple rounds of bidding.

(g) "SEGIP" means the State Employees Group Insurance Program under sections 43A.22 to 43A.31.

Subd. 2. **Purpose.** The purpose of this section is to optimize prescription drug savings in SEGIP through:

(1) contracting with a pharmacy benefit manager to manage and administer the prescription drug benefit for SEGIP;

(2) the adoption of a reverse auction process for the selection of a pharmacy benefit manager;

(3) providing a process for the electronic review and validation of pharmacy benefit manager claims invoices for the purpose of reconciling pharmacy bills;

(4) market checks of the pharmacy benefit manager's prescription drug pricing; and

(5) limiting independent pharmacies from unsustainable reimbursement practices.

Subd. 3. **Procurement of a pharmacy benefit manager.** (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services, effective January 1, 2023.

(b) For the contract effective January 1, 2023, the commissioner shall conduct a reverse auction as described in this section to select the pharmacy benefit manager and use a reverse auction for procurement of subsequent pharmacy benefit manager contracts as provided in subdivision 5, paragraph (b).

(c) In consultation with the technology platform vendor selected under subdivision 4, the commissioner shall specify the terms of a participant bidding agreement that all bidders must accept as a prerequisite for participation in the reverse auction process, including:

(1) common definitions;

(2) prescription drug classifications;

(3) retail pricing rules, including maximum allowable cost price lists and dispensing fees; and

(4) any other contract terms the commissioner deems necessary to further the purpose of this section as specified under subdivision 2.

(d) A pharmacy benefit manager who submits a bid under this subdivision must provide the commissioner access to complete pharmacy claims data necessary for the commissioner to conduct the reverse auction and to carry out administrative and management duties.

(e) The terms of a contract entered into under this subdivision shall not be modified by the pharmacy benefit manager except with the approval of the commissioner.

(f) The commissioner may structure the contract awarded under this subdivision to pay the cost of the technology platform and the associated professional services contracted for under this subdivision by assessing a fee per prescription to be paid directly by the pharmacy benefit manager to the technology platform vendor.

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A

market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

(h) The commissioner shall make regular, periodic payment of invoices within the time periods specified in the contract based on the automated adjudication of invoiced claims using the technology platform to validate that claims payments comply with the terms of the contract.

(i) The joint labor-management committee on health plans shall assist in the process through which the commissioner conducts the reverse auction, evaluation, and comparison of the competing pharmacy benefit manager bids for award of the contract.

Subd. 4. **Technology platform.** (a) At least three months before the reverse auction process is scheduled to be completed, the commissioner shall procure through a competitive bidding process a contract with a professional services vendor for a technology platform and any associated professional services necessary to operate the platform to:

(1) evaluate the qualifications of prospective pharmacy benefit manager bidders for the pharmacy benefit manager procurement;

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

(b) The platform procured under paragraph (a) must have the following capabilities to ensure optimal performance of the reverse auction and security of data:

(1) host and conduct an online automated reverse auction:

(i) using a software application and high-performance data infrastructure to intake, cleanse, and normalize pharmacy benefit manager data; and

(ii) with development methods and information security standards that have been validated by receiving Service Organization Control 2 (SOC 2) and National Institute of Standards and Technology certification;

(2) automate repricing of diverse and complex pharmacy benefit manager prescription drug pricing proposals to enable direct comparisons of the price of bids using all annual claims data available for the program using code-based classification or prescription drugs from nationally accepted drug sources;

(3) simultaneously evaluate, within six hours, diverse and complex multiple proposals from full-service pharmacy benefit managers that shall include at least guaranteed net cost,

Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing models, as well as proposals from pharmacy benefit administrators and specialty drug and rebate carve-out services providers;

(4) produce an automated report and analysis of bids, including ranking of bids on the comparative costs and qualitative aspects of the costs within six hours after the close of each round of reverse auction bidding; and

(5) after the close of the reverse auction process, perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims within six hours of receipt that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction.

(c) The commissioner may require additional capabilities or more rigorous standards than those specified in paragraph (b).

(d) The commissioner shall not award the platform technology vendor contract under this subdivision to:

(1) a pharmacy benefit manager;

(2) a subsidiary or affiliate of a pharmacy benefit manager; or

(3) a vendor who is managed by a pharmacy benefit manager or who receives, directly or indirectly, remuneration from a pharmacy benefit manager for aggregating clients into a contractual relationship with a pharmacy benefit manager.

(e) The vendor who is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).

Subd. 5. **Report; savings determination; process for selecting successor pharmacy benefit manager.** (a) The commissioner of management and budget, with the assistance of an actuarial consultant, shall compare the following: (1) actual, electronically adjudicated prescription drug costs under the first two years of the contract that begins on January 1, 2023, with a pharmacy benefit manager that was selected by the reverse auction; and (2) a projection of what prescription drug costs would have been for those same two years under the pharmacy benefit manager contract in effect from 2018 to 2022, with appropriate adjustment for any adopted formulary or beneficiary utilization changes. The projection must use industry-recognized data sources. The commissioner of management and budget shall report the results of the comparison to the legislative auditor and to the chairs and

ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy by March 1, 2025.

(b) The commissioner of management and budget must require the actuarial consultant to take appropriate measures to ensure that the consultant's work is not compromised by a conflict of interest.

(c) By April 1, 2025, the legislative auditor shall provide a report to the commissioner of management and budget and to the chairs and ranking minority members of the committees in the senate and house of representatives with jurisdiction over state government finance and policy. The legislative auditor's report must make a determination as to whether the commissioner's report accurately performs the comparison required under paragraph (a).

(d) The technology platform vendor shall provide to the commissioner of management and budget and to the legislative auditor the electronically adjudicated prescription drug data and any other support or assistance required by the commissioner of management and budget to prepare a report and for the legislative auditor to validate the accuracy of the commissioner's results of the comparison, by deadlines established by the commissioner of management and budget and the legislative auditor. Individual-identifying data received from the technology platform vendor is private data on individuals, as defined by section 13.02, subdivision 12.

(e) If the commissioner of management and budget determines that savings on prescription drug costs were not achieved, based on the comparison required under paragraph (a), with appropriate adjustment for any adopted formulary or beneficiary utilization changes, the commissioner may forego the use of a reverse auction for procurement of a successor pharmacy benefit manager contract. If the commissioner of management and budget determines that savings have been achieved, the commissioner must select the successor pharmacy benefit manager contract using the reverse auction process described in this section. If the commissioner's comparison in paragraph (a) finds that savings are not achieved, the commissioner's report under paragraph (a) must include the commissioner's findings that support a determination that savings were not achieved, analysis of the factors that caused a failure to achieve savings, and recommendations for how savings could be achieved in the next contract with a pharmacy benefit manager.

Subd. 6. **Data protections.** The commissioner of management and budget may only enter into an agreement with a technology platform vendor if the agreement provides privacy protections for data collected and maintained by the technology platform vendor, including:

(1) procedures for the prevention of unauthorized access or use;

(2) a prohibition on the sale of data collected and maintained as provided in the agreement; and

(3) a prohibition on dissemination of data unless authorized by state or federal law or the agreement.

Sec. 9. Minnesota Statutes 2020, section 138.38, is amended to read:

138.38 REPORTS OF STATE ARCHAEOLOGIST.

The state archaeologist shall consult with and keep the Indian Affairs Council ~~and~~, the director of the historical society, and the State Historic Preservation Office informed as to significant field archaeology, projected or in progress, and as to significant discoveries made. Annually, and also upon leaving office, the state archaeologist shall file with the commissioner a full report of the office's activities including a summary of the activities of licensees, from the date of the last full report of the state archaeologist. Copies of the report must be sent upon completion to the Minnesota Historical Society ~~and~~, the Indian Affairs Council, and the State Historic Preservation Office, and made available to other interested parties.

Sec. 10. Minnesota Statutes 2020, section 155A.23, subdivision 16, is amended to read:

Subd. 16. **School manager.** A "school manager" is ~~a cosmetologist who is~~ a salon manager ~~and~~ who has a school manager license. A school manager must maintain an active salon manager's license.

Sec. 11. Minnesota Statutes 2020, section 240.01, subdivision 18, is amended to read:

Subd. 18. **Racing meeting.** "Racing meeting" is a series of days in which racing days are not separated by more than five nonracing days unless approved in advance by the commission.

Sec. 12. Minnesota Statutes 2020, section 240.06, subdivision 7, is amended to read:

Subd. 7. **License suspension and revocation.** The commission:

(1) may revoke a class A license for (i) a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application, or (ii) a willful failure to pay any money required to be paid by Laws 1983, chapter 214;

(2) may revoke a class A license for failure to perform material covenants or representations made in a license application; and

(3) shall revoke a class A license if live racing has not been conducted on at least 50 racing days assigned by the commission during any period of 12 consecutive months, unless the commission authorizes a shorter period because of circumstances beyond the licensee's control pursuant to section 240.30, subdivision 5.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, shareholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (4).

A license revocation or suspension under this subdivision is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 13. Minnesota Statutes 2020, section 240.11, is amended to read:

240.11 LICENSES NONTRANSFERABLE.

(a) Except as provided in paragraph (b), a license issued under this chapter may not be transferred.

(b) A class A, class B, class C, or class D license to provide advance deposit wagering may be transferred with prior approval by the commission.

Sec. 14. Minnesota Statutes 2020, section 240.131, subdivision 7, is amended to read:

Subd. 7. **Payments to state.** (a) A regulatory fee is imposed at the rate of two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs incurred by the commission as described in section 240.30, subdivision 9, or the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

(b) A breeders fund fee is imposed in the amount of one-quarter of one percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota.

Sec. 15. Minnesota Statutes 2020, section 240.24, subdivision 2a, is amended to read:

Subd. 2a. **Reimbursement.** Increased expenses related to the use of upgraded drug testing technologies and procedures are deemed to be necessary costs within the meaning of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from receipts from card playing activities regulated by the commission.

Sec. 16. Minnesota Statutes 2020, section 240.24, subdivision 3, is amended to read:

Subd. 3. **Fees.** The commission shall establish by rule a fee or schedule of fees that may be used to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall cover the cost of the medical testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the racing reimbursement account.

Sec. 17. Minnesota Statutes 2020, section 240.30, subdivision 5, is amended to read:

Subd. 5. **Limitation.** (a) The commission shall not authorize a licensee to operate a card club if the licensee has not conducted at least 50 days of live racing at a class A facility within the past 12 months or during the preceding calendar year unless the commission authorizes a shorter period ~~because of~~ as a result of an epidemic, natural disaster, flood, war, or other circumstances beyond the licensee's control that made conducting 50 days of live racing untenable for either public or equine health, welfare, or safety.

(b) Any authorization by the commission for a shorter period under paragraph (a), must be approved in writing by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months.

Sec. 18. Minnesota Statutes 2020, section 270C.21, is amended to read:

270C.21 TAXPAYER ASSISTANCE GRANTS.

Subdivision 1. **Taxpayer assistance.** When the commissioner awards grants to ~~nonprofit~~ eligible organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services, the commissioner must provide public notice of the grants in a timely manner so that the grant process is completed and grants are awarded by October 1, in order for recipient eligible organizations to adequately plan expenditures for the filing season. At the time the commissioner provides public notice, the commissioner must also notify ~~nonprofit~~ eligible organizations that received grants in the previous biennium.

Subd. 2. **Eligible organization.** "Eligible organization" means an organization that meets the definition of eligible organization provided in section 7526A(e)(2)(B) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective for grants awarded after June 30, 2021.

Sec. 19. Minnesota Statutes 2020, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2018 and 2019, the total aid payable under section 477A.0124, subdivision 3, is $103,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2020, the total aid payable under section 477A.0124, subdivision 3, is $116,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2021 through 2024, the total aid payable under section 477A.0124, subdivision 3, is $118,795,000, of which $3,000,000 shall be allocated as required under Laws 2014, chapter 150, article 4, section 6. For aids payable in 2025 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is $115,795,000. Each calendar year, $500,000 of this appropriation shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2018 and 2019, the total aid under section 477A.0124, subdivision 4, is $130,873,444. For aids payable in 2020, the total aid under section 477A.0124, subdivision 4, is $143,873,444. For aids payable in 2021 and thereafter, the total aid under

section 477A.0124, subdivision 4, is $145,873,444. The commissioner of revenue shall transfer to the ~~commissioner of management and budget~~ Legislative Budget Office $207,000 annually for the cost of preparation of local impact notes as required by section 3.987, and other local government activities. The commissioner of revenue shall transfer to the commissioner of education $7,000 annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts transferred under this paragraph from the appropriation under this paragraph. The amounts transferred are appropriated to the ~~commissioner of management and budget~~ Legislative Coordinating Commission and the commissioner of education respectively.

EFFECTIVE DATE. This section is effective June 30, 2021.

Sec. 20. Minnesota Statutes 2020, section 645.071, is amended to read:

645.071 STANDARD OF TIME.

Every mention of, or reference to, any hour or time in any law, during any period of the year, is to be construed with reference to and in accordance with the ~~standard time or~~ advanced standard time provided by federal law. No department of the state government and no county, city or town shall employ, during any period of the year, any other time, or adopt any ordinance or order providing for the use, during any period of the year, of any other time than the federal ~~standard time or~~ advanced standard time.

EFFECTIVE DATE. This section is effective upon the first commencement of advanced standard time, also known as daylight saving time, following enactment of an amendment to United States Code, title 15, section 260a, or another applicable law, which authorizes states to observe advanced standard time year-round.

Sec. 21. **LEGISLATIVE AUDITOR; COMPREHENSIVE REVIEW OF COVID-19 RESPONSE.**

The legislative auditor is requested to conduct a special review of the state's response to the infectious disease known as COVID-19. If conducted, the review must be designed as a comprehensive analysis of all major aspects of the state's response, including programs to provide testing, vaccination, and public outreach; contracting and other state purchasing necessary to facilitate the response or to provide public services; and the methodology used in modeling and forecasting the course of the outbreak. For each program, service, or activity, the review must consider whether it was efficiently and successfully implemented to achieve its intended outcome. If a program, service, or activity was not efficiently or successfully

implemented, the review may make recommendations for process improvements to facilitate the state's response to future infectious disease outbreaks.

Sec. 22. **FIRST APPOINTMENTS AND FIRST MEETING OF LEGISLATIVE COMMISSION ON CYBERSECURITY.**

Subdivision 1. **First appointments.** Appointing authorities must make initial appointments to the Legislative Commission on Cybersecurity within 60 days after final enactment. These members serve a term that expires on appointment of a successor after the start of the next regular session of the legislature in 2023.

Subd. 2. **First meeting.** The majority leader of the senate shall designate one senate member of the Legislative Commission on Cybersecurity under Minnesota Statutes, section 3.888, to convene the first meeting within 105 days after final enactment. The commission must select a chair from among the senate members at the first meeting.

Subd. 3. **Meetings in 2021.** Notwithstanding Minnesota Statutes, section 3.888, subdivision 5, the commission must meet at least twice in 2021.

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

Sec. 23. **TERMINATION OF PEACETIME EMERGENCY.**

Effective July 1, 2021, at 11:59 p.m., and consistent with Minnesota Statutes, section 12.31, subdivision 2, paragraph (b), the peacetime emergency declared by Executive Order 20-01 issued March 13, 2020, is terminated.

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

ARTICLE 3
MILITARY AND VETERANS POLICY

Section 1. Minnesota Statutes 2020, section 10.578, is amended to read:

10.578 VETERANS SUICIDE PREVENTION AND AWARENESS DAY.

The first Saturday of every October is designated Veterans Suicide Prevention and Awareness Day. Each year, the governor shall issue a proclamation honoring this observance. Each year in conjunction with this observance, the commissioner of veterans affairs shall coordinate activities that raise awareness of, and promote the prevention of, veteran suicides.

Sec. 2. Minnesota Statutes 2020, section 15.057, as amended by Laws 2021, chapter 28, section 2, is amended to read:

15.057 PUBLICITY REPRESENTATIVES.

No state department, bureau, or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the Department of Veterans Affairs, the Department of Transportation, the Department of Employment and Economic Development, the Department of Agriculture, the Game and Fish Division, State Agricultural Society, and Explore Minnesota Tourism shall use any of such funds for the payment of the salary or expenses of a publicity representative. The publicity representative for the Department of Agriculture must not be an elected official or candidate for public office. The head of any such department, bureau, or division shall be personally liable for funds used contrary to this provision. This section shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or other publicity required by any state law or necessary for the satisfactory conduct of the business for which such department, bureau, or division was created.

Sec. 3. Minnesota Statutes 2020, section 190.07, is amended to read:

190.07 APPOINTMENT; QUALIFICATIONS; RANK; TERM; VACANCY.

Subdivision 1. **Qualifications.** There shall be an adjutant general of the state who shall be appointed by the governor within 120 days of a vacancy of the position. The adjutant general shall be a staff officer, who at the time of appointment shall be a commissioned officer of the National Guard ~~of this state, with not less than ten years military service in the National Guard of this state or the armed forces of the United States, at least three of which shall have been commissioned~~ and who shall have reached, at a minimum, the ~~grade of a field officer~~ rank of colonel (O-6).

Subd. 2. **Rank.** The adjutant general shall be promoted, if necessary, directly to and shall hold ~~at least~~ the rank of major general ~~and may be promoted to and including the highest rank authorized under federal law. However, the adjutant general may not be promoted to the rank of major general without having at least 20 years service in the Minnesota National Guard, at least one of which has been in the rank of brigadier general~~. If not already a major general, the adjutant general's promotion is effective beginning on the date the governor appoints the adjutant general. At the time of appointment and in accordance with the authorities governing federal recognition of officers, the adjutant general is authorized to wear the rank of major general.

Subd. 3. **Term.** The term of the adjutant general is for a single term of seven years from the date of appointment. ~~Section 15.06, subdivisions 3, 4, and 5, governs filling of vacancies in the Office of Adjutant General.~~ The adjutant general shall not be removed from office during a term except upon withdrawal of federal recognition or as otherwise provided by the military laws of this state.

Subd. 4. **Vacancy; acting or temporary adjutant general.** In the event of a vacancy of the adjutant general, the governor may appoint a person qualified under subdivision 1 as an acting adjutant general. If the governor does not appoint an acting adjutant general, the deputy adjutant general as defined in section 190.09, subdivision 1, shall become temporary adjutant general without further official action. Upon taking office, the acting or temporary adjutant general shall have all the powers and emoluments and perform all the duties of the office of adjutant general until a permanent adjutant general is appointed.

Sec. 4. **[196.081] VETERANS STABLE HOUSING INITIATIVE; DATA.**

(a) The commissioner may establish a veterans stable housing initiative. If the commissioner establishes a veterans stable housing initiative under this section, the commissioner must provide resources and support to assist veterans experiencing homelessness in obtaining or maintaining stable housing.

(b) Data on individuals maintained by the commissioner in the Homeless Veteran Registry for purposes of the veterans stable housing initiative is private data on individuals as defined in section 13.02, subdivision 12, and must not be disclosed or shared except for coordinating homelessness prevention efforts with:

(1) members of the Minnesota Interagency Council on Homelessness; and

(2) Homeless Veteran Registry partners to address a veteran's episode of homelessness or maintain a veteran's housing plan through Department of Veterans Affairs funded programs.

(c) For purposes of this section, "homelessness" means that a veteran lacks a fixed, nighttime residence.

Sec. 5. Minnesota Statutes 2020, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under ~~subdivisions~~ subdivision 5 ~~and 5a~~ if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(iv) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; and

(2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers;

correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 6. Minnesota Statutes 2020, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Educational assistance ~~amount~~.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as

a veteran, except veterans disability payments from the United States Department of Veterans ~~Administration and payments made under the Veterans Retraining Assistance Program (VRAP)~~ Affairs.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

(1) $3,000 per state fiscal year; and

(2) $10,000 in a lifetime.

(d) For a part-time student, the amount of educational assistance must not exceed $500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is $50 per term.

Sec. 7. Minnesota Statutes 2020, section 197.791, subdivision 5a, is amended to read:

Subd. 5a. **Apprenticeship and on-the-job training.** (a) The commissioner, in consultation with the commissioners of employment and economic development and labor and industry, shall develop and implement an apprenticeship and on-the-job training program to administer a portion of the Minnesota GI Bill program to pay benefit amounts to eligible persons, as provided in this subdivision.

(b) An "eligible employer" means an employer operating a qualifying apprenticeship or on-the-job training program that has been approved by the commissioner.

~~(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person meets the criteria established under subdivision 4, paragraph (a). The commissioner may determine eligibility as provided in subdivision 4, paragraph (c), and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:~~

(c) A person is eligible for apprenticeship and on-the-job training assistance under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(d) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following:

(1) $3,000 per fiscal year for apprenticeship expenses;

(2) $3,000 per fiscal year for on-the-job training;

(3) $1,000 for a job placement credit payable to an eligible employer upon hiring and completion of six consecutive months' employment of a person receiving assistance under this subdivision; and

(4) $1,000 for a job placement credit payable to an eligible employer after a person receiving assistance under this subdivision has been employed by the eligible employer for at least 12 consecutive months as a full-time employee.

(e) No more than $5,000 in aggregate benefits under this ~~paragraph~~ subdivision may be paid to or on behalf of an individual in one fiscal year~~, and not more than $10,000 in aggregate benefits under this paragraph may be paid to or on behalf of an individual over any period of time~~.

(f) If an eligible person receives benefits under subdivision 5 or 5b, the eligible person's aggregate benefits under this subdivision, subdivisions 5, and 5b, must not exceed $10,000 in the eligible person's lifetime.

~~(d)~~ (g) Assistance for apprenticeship expenses and on-the-job training is available for qualifying programs, which must, at a minimum, meet the following criteria:

(1) the training must be with an eligible employer;

(2) the training must be documented and reported;

(3) the training must reasonably be expected to lead to an entry-level position; and

(4) the position must require at least six months of training to become fully trained.

Sec. 8. Minnesota Statutes 2020, section 197.791, subdivision 5b, is amended to read:

Subd. 5b. **Additional professional or educational benefits.** (a) The commissioner shall develop and implement a program to administer a portion of the Minnesota GI Bill program to pay additional benefit amounts to eligible persons as provided under this subdivision.

~~(b) A person is eligible for additional benefits under this subdivision if the person meets the criteria established under subdivision 4, paragraph (a), clause (1). The commissioner may determine eligibility as provided in subdivision 4, paragraph (c), and may deny or terminate benefits as prescribed under subdivision 4, paragraphs (d) and (e). The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:~~

(b) A person is eligible for additional benefits under this subdivision if the person is:

(1) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time;

(2) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(3) the surviving spouse or child of a person who has served in the military and who has died as a direct result of that military service, only if the surviving spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended; or

(4) the spouse or child of a person who has served in the military at any time and who has a total and permanent service-connected disability as rated by the United States Veterans Administration, only if the spouse or child is eligible to receive federal education benefits under United States Code, title 38, chapter 33, as amended, or United States Code, title 38, chapter 35, as amended.

(c) The amount of assistance paid to or on behalf of an eligible individual under this subdivision must not exceed the following amounts:

(1) $3,000 per state fiscal year; and

(2) $10,000 in a lifetime.

(d) If an eligible person receives benefits under subdivision 5 or 5a, the eligible person's aggregate benefits under this subdivision, subdivisions 5, and 5a, must not exceed $10,000 in the eligible person's lifetime.

~~(c)~~ (e) A person eligible under this subdivision may use the benefit amounts for the following purposes:

(1) licensing or certification tests, the successful completion of which demonstrates an individual's possession of the knowledge or skill required to enter into, maintain, or advance in employment in a predetermined and identified vocation or profession, provided that the tests and the licensing or credentialing organizations or entities that offer the tests are approved by the commissioner;

(2) tests for admission to institutions of higher learning or graduate schools;

(3) national tests providing an opportunity for course credit at institutions of higher learning;

(4) a preparatory course for a test that is required or used for admission to an institution of higher education or a graduate program; and

(5) any fee associated with the pursuit of a professional or educational objective specified in clauses (1) to (4).

~~(d) If an eligible person receives benefits under subdivision 5, the eligible person's aggregate benefits under this subdivision and subdivision 5 must not exceed $10,000 in the eligible person's lifetime.~~

~~(e) If an eligible person receives benefits under subdivision 5a, the eligible person's aggregate benefits under this subdivision and subdivision 5a must not exceed $10,000 in the eligible person's lifetime.~~

Sec. 9. Minnesota Statutes 2020, section 198.006, is amended to read:

198.006 SUPPLEMENTAL PROGRAMS.

(a) The commissioner ~~shall~~ must work with federal, state, local, and private agencies to develop alternative institutional and noninstitutional care programs for veterans to supplement the mission of the homes. Veterans shall be afforded the least restrictive, most appropriate level of care available.

(b) The commissioner may work with federal, state, local, and private entities to make available appropriate dental services for veterans homes residents. The commissioner may engage with the United States Department of Veterans Affairs to support the dental benefits program authorized under this paragraph.

(c) The commissioner may provide adult day care center programs that offer therapeutic and rehabilitation health care services to veterans and support services for caregivers of veterans. If the commissioner provides adult day care center programs, the commissioner may collect fees from program participants. The commissioner is authorized to apply for and accept federal funding for purposes of this paragraph.

Sec. 10. Minnesota Statutes 2020, section 198.03, subdivision 2, is amended to read:

Subd. 2. **Cost of care.** (a) The commissioner shall set out in rules the method of calculating the average cost of care for the domiciliary and nursing care residents. The cost must be determined yearly based upon the average cost per resident taking into account, but not limited to, administrative cost of the homes, the cost of service available to the resident, and food and lodging costs. These average costs must be calculated separately for domiciliary and nursing care residents. The amount charged each resident for maintenance, if anything, must be based on the appropriate average cost of care calculation and the assets and income of the resident but must not exceed the appropriate average cost of care.

(b) Beginning July 1, 2021, the Personal Needs Allowance (PNA) for domiciliary residents must be based on the Minnesota Department of Human Services' (DHS) most recent General Assistance program PNA and is in effect the same date as the DHS PNA is in effect. Thereafter, the PNA for domiciliary residents must be adjusted and put into effect each year or each time DHS adjusts the General Assistance program PNA.

Sec. 11. **[198.45] REPORT ON VETERANS HOMES.**

No later than January 15, 2022, and biennially on January 15 thereafter, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs and state government finance on reserve amounts maintained in the veterans homes special revenue account. The report must detail current and historical amounts maintained as a reserve and uses of those amounts. The report must also include data on the use of existing veterans homes, including current and historical bed capacity and usage, staffing levels and staff vacancy rates, and staff-to-resident ratios.

Sec. 12. Minnesota Statutes 2020, section 609.095, is amended to read:

609.095 LIMITS OF SENTENCES.

(a) The legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. No other or different sentence or punishment shall be imposed for the commission of a crime than is authorized by this chapter or other applicable law.

(b) Except as provided in section 152.18 ~~or~~, 609.1056, 609.375, or upon agreement of the parties, a court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea in accordance with Minnesota Rules of Criminal Procedure, rule 15, or who has been found guilty by a court or jury following a trial. A decision by the court to issue a stay of adjudication under this paragraph for a charge of violating section 243.166, 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 609.3453, must be justified in writing and on the record.

(c) Paragraph (b) does not supersede Minnesota Rules of Criminal Procedure, rule 26.04.

Sec. 13. **[609.1056] MILITARY VETERANS; CRIMES COMMITTED BECAUSE OF CONDITIONS RESULTING FROM SERVICE; DISCHARGE AND DISMISSAL.**

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given:

(1) "applicable condition" means sexual trauma, traumatic brain injury, posttraumatic stress disorder, substance abuse, or a mental health condition;

(2) "eligible offense" means any misdemeanor or gross misdemeanor, and any felony that is ranked at severity level 7 or lower or D7 or lower on the Sentencing Guidelines grid; and

(3) "veterans treatment court program" means a program that has the following essential characteristics:

(i) the integration of services in the processing of cases in the judicial system;

(ii) the use of a nonadversarial approach involving prosecutors and defense attorneys to promote public safety and to protect the due process rights of program participants;

(iii) early identification and prompt placement of eligible participants in the program;

(iv) access to a continuum of alcohol, controlled substance, mental health, and other related treatment and rehabilitative services;

(v) careful monitoring of treatment and services provided to program participants;

(vi) a coordinated strategy to govern program responses to participants' compliance;

(vii) ongoing judicial interaction with program participants;

(viii) monitoring and evaluation of program goals and effectiveness;

(ix) continuing interdisciplinary education to promote effective program planning, implementation, and operations;

(x) development of partnerships with public agencies and community organizations, including the United States Department of Veterans Affairs; and

(xi) inclusion of a participant's family members who agree to be involved in the treatment and services provided to the participant under the program.

Subd. 2. **Deferred prosecution.** (a) The court shall defer prosecution for an eligible offense committed by a defendant who was, or currently is, a member of the United States military as provided in this subdivision. The court shall defer prosecution at the request of the defendant upon a finding of guilty after trial or upon a guilty plea.

(b) A defendant who requests to be sentenced under this section shall release or authorize access to military service reports and records relating to an alleged applicable condition stemming from service in the United States military. The court must file the records as confidential, and the records must remain sealed, except as provided in this paragraph. The defendant, through existing records or licensed professional evaluation, shall establish the diagnosis of the applicable condition and its connection to military service. The court, on its motion or the prosecutor's motion with notice to defense counsel, may order the defendant to furnish to the court for in-camera review or to the prosecutor copies of all medical and military service reports and records previously or subsequently made concerning the defendant's condition and its connection to service.

(c) Based on the record, the court shall determine, by clear and convincing evidence, whether the defendant suffers from an applicable condition, whether that condition stems from service in the United States military, and whether the offense was committed as a result of the applicable condition. Within 15 days of the court's findings, either party may file a challenge to the findings and demand a hearing on the defendant's eligibility under this section.

(d) If the court makes the determination described in paragraph (c), the court shall, without entering a judgment of guilty, defer further proceedings and place the defendant on probation upon such reasonable conditions as it may require and for a period not to

exceed the maximum period provided by law. A court may extend a defendant's term of probation pursuant to section 609.135, subdivision 2, paragraphs (g) and (h). Conditions ordered by the court must include treatment, services, rehabilitation, and education sufficient so that if completed, the defendant would be eligible for discharge and dismissal under subdivision 3. If the court determines that a defendant suffers from a substance use disorder, the court shall order a Rule 25 assessment under Minnesota Rules, part 9530.6615, and order the defendant to follow the recommendations contained in the assessment. If the court determines that a defendant suffers from posttraumatic stress disorder, sexual trauma, traumatic brain injury, or other mental health conditions, the court shall order a mental health assessment conducted by a licensed mental health professional and follow the recommendations contained in the examiner's report.

(e) If the court determines that the defendant is eligible for a deferred sentence but the defendant has previously received a deferred sentence for a felony offense under this subdivision, the court may, but is not required to, impose a deferred sentence. If the court does not impose a deferred sentence, the court may sentence the defendant as otherwise provided in law, including as provided in subdivision 4.

(f) Upon violation of a condition of probation, the court may enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

(g) As a condition of probation, the court may order the defendant to attend a local, state, federal, or private nonprofit treatment program for a period not to exceed the maximum period for which the defendant could have been incarcerated.

(h) The court, when issuing an order under this subdivision that a defendant attend an established treatment program, shall give preference to a treatment program that has a history of successfully treating veterans who suffer from applicable conditions caused by military service, including but not limited to programs operated by the United States Department of Defense or Veterans Affairs.

(i) The court and any assigned treatment program shall collaborate with, when available, the county veterans service officer and the United States Department of Veterans Affairs to maximize benefits and services provided to the defendant. If an appropriate treatment provider is not available in the defendant's county of residence or public funding is not available, the Minnesota Department of Veterans Affairs shall coordinate with the United States Department of Veterans Affairs to locate an appropriate treatment program and sources to fund the cost of the defendant's participation in the program.

(j) If available in the county or judicial district having jurisdiction over the case, the defendant may be supervised by a veterans treatment court program under subdivision 5. If there is a veterans treatment court that meets the requirements of subdivision 5 in the county in which the defendant resides or works, supervision of the defendant may be transferred to that county or judicial district veterans treatment court program. Upon the defendant's successful or unsuccessful completion of the program, the veterans treatment court program shall communicate this information to the court of original jurisdiction for further action.

(k) Sentencing pursuant to this subdivision waives any right to administrative review pursuant to section 169A.53, subdivision 1, or judicial review pursuant to section 169A.53, subdivision 2, for a license revocation or cancellation imposed pursuant to section 169A.52, and also waives any right to administrative review pursuant to section 171.177, subdivision 10, or judicial review pursuant to section 171.177, subdivision 11, for a license revocation or cancellation imposed pursuant to section 171.177, if that license revocation or cancellation is the result of the same incident for which the defendant is being sentenced.

Subd. 3. **Discharge and dismissal.** (a) Upon the expiration of the period of the defendant's probation, the court shall hold a hearing to discharge the defendant from probation and determine whether to dismiss the proceedings against a defendant who received a deferred sentence under subdivision 2. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of dismissal. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the hearing. The defendant must be present at the hearing unless excused under Minnesota Rules of Criminal Procedure, rule 26.03, subdivision 1, clause (3).

(b) The court shall provide notice to any identifiable victim of the offense at least 15 days before the hearing is held. Notice to victims of the offense under this subdivision must specifically inform the victim of the right to submit an oral or written statement to the court at the time of the hearing describing the harm suffered by the victim as a result of the crime and the victim's recommendation on whether dismissal should be granted or denied. The judge shall consider the victim's statement when making a decision. If a victim notifies the prosecutor of an objection to dismissal and is not present at the hearing, the prosecutor shall make the objections known to the court.

(c) The court shall dismiss proceedings against a defendant if the court finds by clear and convincing evidence that the defendant:

(1) is in compliance with the conditions of probation;

(2) has successfully completed court-ordered treatment and services to address the applicable condition caused by military service;

(3) does not represent a danger to the health or safety of victims or others; and

(4) has demonstrated significant benefit from court-ordered education, treatment, or rehabilitation to clearly show that a discharge and dismissal under this subdivision is in the interests of justice.

(d) In determining the interests of justice, the court shall consider, among other factors, all of the following:

(1) the defendant's completion and degree of participation in education, treatment, and rehabilitation as ordered by the court;

(2) the defendant's progress in formal education;

(3) the defendant's development of career potential;

(4) the defendant's leadership and personal responsibility efforts;

(5) the defendant's contribution of service in support of the community;

(6) the level of harm to the community from the offense;

(7) the level of harm to the victim from the offense with the court's determination of harm guided by the factors for evaluating injury and loss contained in the applicable victim's rights provisions of chapter 611A; and

(8) the statement of the victim, if any.

(e) If the court finds that the defendant does not qualify for discharge and dismissal under paragraph (c), the court shall enter an adjudication of guilt and proceed as otherwise provided in law, including as provided in subdivision 4.

(f) Discharge and dismissal under this subdivision shall be without court adjudication of guilt, but a not public record of the discharge and dismissal shall be retained by the Bureau of Criminal Apprehension for the purpose of use by the courts in determining the merits of subsequent proceedings against the defendant. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the bureau shall notify the requesting party of the existence of the not public record and the right to seek a court order to open the not public record under this paragraph. The court shall forward a

record of any discharge and dismissal under this subdivision to the bureau, which shall make and maintain the not public record of the discharge and dismissal. The discharge and dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose. For purposes of this paragraph, "not public" has the meaning given in section 13.02, subdivision 8a.

Subd. 4. **Sentencing departure; waiver of mandatory sentence.** (a) This subdivision applies to defendants who plead or are found guilty of any criminal offense except one for which registration is required under section 243.166, subdivision 1b.

(b) Prior to sentencing, a defendant described in paragraph (a) may present proof to the court that the defendant has, since the commission of the offense, engaged in rehabilitative efforts consistent with those described in this section. If the court determines that the defendant has engaged in substantial rehabilitative efforts and the defendant establishes by clear and convincing evidence that:

(1) the defendant suffered from an applicable condition at the time of the offense;

(2) the applicable condition was caused by service in the United States military; and

(3) the offense was committed as a result of the applicable condition;

the court may determine that the defendant is particularly amenable to probation and order a mitigated durational or dispositional sentencing departure or a waiver of any statutory mandatory minimum sentence applicable to the defendant.

Subd. 5. **Optional veterans treatment court program; procedures for eligible defendants.** A county or judicial district may supervise probation under this section through a veterans treatment court using county veterans service officers appointed under sections 197.60 to 197.606, United States Department of Veterans Affairs veterans justice outreach specialists, probation agents, and any other rehabilitative resources available to the court.

Subd. 6. **Creation of county and city diversion programs; authorization.** Any county or city may establish and operate a veterans pretrial diversion program for defendants eligible under subdivision 1 without penalty under section 477A.0175. "Pretrial diversion" means the decision of a prosecutor to refer a defendant to a diversion program on the condition that the criminal charges against the defendant shall be dismissed after a specified period of time or the case shall not be charged, if the defendant successfully completes the program of treatment recommended by the United States Department of Veterans Affairs or a local, state, federal, or private nonprofit treatment program.

Subd. 7. **Exception.** This section does not apply to a person charged with an offense for which registration is required under section 243.166, subdivision 1b.

EFFECTIVE DATE. This section is effective August 1, 2021.

Sec. 14. **COST OF CARE; TEMPORARY SUSPENSION OF RULE.**

Notwithstanding Minnesota Rules, part 9050.0500, subparts 1, 2 and 3, the commissioner of veterans affairs is not required to perform the annual calculation of costs of care for veterans homes in fiscal year 2022. For fiscal year 2022, the commissioner may apply the cost of care established for fiscal year 2021. The commissioner may only suspend application of Minnesota Rules, part 9050.0500, subparts 1, 2, and 3, in fiscal year 2022. This section expires on June 30, 2022.

EFFECTIVE DATE. This section is effective July 1, 2021.

Sec. 15. **REVISOR INSTRUCTION.**

The revisor of statutes must renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor must also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

Column A	Column B
197.791, subdivision 5a	197.791, subdivision 6
197.791, subdivision 5b	197.791, subdivision 7
197.791, subdivision 6	197.791, subdivision 8

ARTICLE 4
ELECTIONS

Section 1. Minnesota Statutes 2020, section 201.071, subdivision 2, is amended to read:

Subd. 2. **Instructions.** (a) A registration application shall be accompanied by instructions specifying the manner and method of registration, the qualifications for voting, the penalties for false registration, and the availability of registration and voting assistance for elderly and disabled individuals and residents of health care facilities and hospitals.

(b) The instructions must indicate that ~~if~~ the voter ~~does not have~~ must provide a valid Minnesota driver's license or identification card number, or the last four digits of the voter's Social Security number ~~must be provided, unless the voter does not have a Social Security number~~, unless the voter has not been issued one of those numbers.

(c) If, prior to election day, a person requests the instructions in Braille, audio format, or in a version printed in 16-point bold type with 24-point leading, the county auditor shall provide them in the form requested. The secretary of state shall prepare Braille and audio copies and make them available.

Sec. 2. Minnesota Statutes 2020, section 201.121, subdivision 3, is amended to read:

Subd. 3. **Postelection sampling.** (a) Within ten days after an election, the county auditor shall send the notice required by subdivision 2 to a random sampling of the individuals registered on election day. The random sampling shall be determined in accordance with the rules of the secretary of state. As soon as practicable after the election, the county auditor shall mail the notice required by subdivision 2 to all other individuals registered on election day. If a notice is returned as not deliverable, the county auditor shall attempt to determine the reason for the return. A county auditor who does not receive or obtain satisfactory proof of an individual's eligibility to vote shall immediately notify the county attorney of all of the relevant information. ~~The~~ By February 15 of each year, the county auditor must notify the secretary of state of the following information for each election held in the previous year by each precinct:

(1) the total number of all notices that were returned as nondeliverable;

(2) the total number of nondeliverable notices that the county auditor was able to determine the reason for the return along with the reason for each return; and

(3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

(b) By March 1 of every ~~odd-numbered~~ year, the secretary of state shall report to the chair and ranking minority members of the legislative committees with jurisdiction over elections the following information for each election held in the previous year by each precinct and each county:

(1) the total number of all notices that were returned as nondeliverable;

(2) the total number of nondeliverable notices that a county auditor was able to determine the reason for the return along with the reason for each return; and

(3) the total number of individuals for whom the county auditor does not receive or obtain satisfactory proof of an individual's eligibility to vote.

Sec. 3. Minnesota Statutes 2020, section 203B.08, subdivision 1, is amended to read:

Subdivision 1. **Marking and return by voter.** (a) An eligible voter who receives absentee ballots as provided in this chapter shall mark them in the manner specified in the directions for casting the absentee ballots. The return envelope containing marked ballots may be mailed as provided in the directions for casting the absentee ballots ~~or~~, may be left with the county auditor or municipal clerk who transmitted the absentee ballots to the voter, or may be left in a drop box as provided in section 203B.082. If delivered in person, the return envelope must be submitted to the county auditor or municipal clerk by 3:00 p.m. on election day.

(b) The voter may designate an agent to deliver in person the sealed absentee ballot return envelope to the county auditor or municipal clerk or to deposit the return envelope in the mail. An agent may deliver or mail the return envelopes of not more than three voters in any election. Any person designated as an agent who tampers with either the return envelope or the voted ballots or does not immediately mail or deliver the return envelope to the county auditor or municipal clerk is guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 2020, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope and place it in a ~~secure location~~ locked ballot container or other secured and locked space with other return envelopes received by that office. Within five days after receipt, the county auditor or municipal clerk shall deliver to the ballot board all ballots received, except that during the 14 days immediately preceding an election, the county auditor or municipal clerk shall deliver all ballots received to the ballot board within three days. Ballots received on election day either (1) after 3:00 p.m., if delivered in person; or (2) after 8:00 p.m., if delivered by mail or a package delivery service, shall be marked as received late by the county auditor or municipal clerk, and must not be delivered to the ballot board.

Sec. 5. **[203B.082] ABSENTEE BALLOT DROP BOXES; SECURITY AND INTEGRITY.**

Subdivision 1. **Definition.** As used in this section, "drop box" means a secure receptacle or container established to receive completed absentee ballots 24 hours per day. Drop box does not include a receptacle or container maintained by the United States Postal Service, or a location at which a voter or an agent may return a completed absentee ballot by providing it directly to an employee of the county auditor or municipal clerk.

Subd. 2. **Minimum security and integrity standards.** The county auditor or municipal clerk may provide locations at which a voter may deposit a completed absentee ballot enclosed in the completed signature envelope in a secure drop box, consistent with the following security and integrity standards:

(1) each drop box must be continually recorded during the absentee voting period;

(2) each drop box must be designed to prevent an unauthorized person from moving, removing, or tampering with the drop box;

(3) each drop box placed in an outdoor location must be fastened to a building, bolted to a concrete pad, or otherwise attached to a similarly secure structure;

(4) ballots deposited in a drop box must be secured against access by any unauthorized person, and in the case of a drop box located in an outdoor location, the drop box must be secured against damage due to weather or other natural conditions;

(5) each drop box must contain signage or markings that:

(i) clearly identifies the drop box as an official absentee ballot return location; and

(ii) include the location and hours where an agent may return an absentee ballot;

(6) deposited ballots must be collected at least once per business day during the absentee voting period by the county auditor, municipal clerk, or an elections official trained by the county auditor or municipal clerk in the proper maintenance and handling of absentee ballots and absentee ballot drop boxes, and in the security measures used to protect absentee ballots; and

(7) ballots collected from each drop box must be properly date-stamped and stored in a locked ballot container or other secured and locked space consistent with any applicable laws governing the collection and storage of absentee ballots.

Subd. 3. **Publication of locations required.** (a) The county auditor or municipal clerk must provide a list of designated absentee ballot drop box locations to the secretary of state no later than 40 days prior to the start of the absentee voting period at every regularly scheduled primary or general election. The list must be published on the website of the county or municipality and on the website of the secretary of state at least 35 days prior to the start of the absentee voting period.

(b) The county auditor or municipal clerk must provide an updated list of designated absentee ballot drop box locations to the secretary of state no later than 20 days prior to the start of the absentee voting period at every regularly scheduled primary or general election,

if any locations have changed or been added since submission of the list under paragraph (a). The list must be published on the website of the county or municipality and on the website of the secretary of state at least 15 days prior to the start of the absentee voting period.

Subd. 4. **Electioneering prohibited.** Section 211B.11 applies to conduct within 100 feet of an absentee ballot drop box established under this section.

Sec. 6. Minnesota Statutes 2020, section 203B.121, subdivision 1, is amended to read:

Subdivision 1. **Establishment; applicable laws.** (a) The governing body of each county, municipality, and school district with responsibility to accept and reject absentee ballots must, by ordinance or resolution, establish a ballot board. The board must consist of a sufficient number of election judges ~~trained in the handling of absentee ballots and~~ appointed as provided in sections 204B.19 to 204B.22. The board may include deputy county auditors or deputy city clerks who have received training in the processing and counting of absentee ballots. Each member of the ballot board must be provided adequate training on the processing and counting of absentee ballots, including but not limited to instruction on accepting and rejecting absentee ballots, storage of absentee ballots, timelines and deadlines, the role of the ballot board, procedures for opening absentee ballot envelopes, procedures for counting absentee ballots, and procedures for reporting absentee ballot totals.

(b) Each jurisdiction must pay a reasonable compensation to each member of that jurisdiction's ballot board for services rendered during an election.

(c) Except as otherwise provided by this section, all provisions of the Minnesota Election Law apply to a ballot board.

Sec. 7. Minnesota Statutes 2020, section 204B.14, subdivision 3, is amended to read:

Subd. 3. **Boundary changes; prohibitions; exception.** (a) Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in zero to the time when the legislature has been redistricted in a year ending in one or two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.

~~(a)~~ (b) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.

~~(b)~~ (c) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.

~~(c)~~ (d) Precinct boundaries in a city of the first class electing council members by wards may be reestablished within four weeks of the adoption of ward boundaries in a year ending in one, as provided in section 204B.135, subdivision 1. If precinct boundaries are reestablished in a year ending in one, the city council must designate polling places for each election precinct pursuant to section 204B.16, subdivision 1, within 30 days establishing precinct boundaries. The polling place designations are effective for the year ending in one.

~~(d)~~ (e) Precinct boundaries must be reestablished within 60 days of the time when the legislature has been redistricted, or at least 19 weeks before the state primary election in a year ending in two, whichever comes first. The governing body of each municipality and of each county with precincts in unorganized territory must designate polling places for each election precinct pursuant to section 204B.16, subdivision 1, within 30 days of establishing precinct boundaries or at least 19 weeks before the state primary election in a year ending in two, whichever comes first. The adoption of reestablished precinct boundaries and polling places becomes effective on the date of the state primary election in the year ending in two.

(f) Precincts must be arranged so that no precinct lies in more than one legislative or congressional district.

Sec. 8. Minnesota Statutes 2020, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** By December 31 of each year, the governing body of each municipality and of each county with precincts in unorganized territory must designate by ordinance or resolution a polling place for each election precinct. The polling places designated in the ordinance or resolution are the polling places for the following calendar year, unless a change is made:

(1) pursuant to section 204B.175;

(2) because a polling place has become unavailable; ~~or~~

(3) because a township designates one location for all state and federal elections and one location for all township only elections; and

(4) pursuant to section 204B.14, subdivision 3.

(b) Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 9. Minnesota Statutes 2020, section 204B.18, subdivision 1, is amended to read:

Subdivision 1. **Booths; voting stations.** (a) Each polling place must contain a number of voting booths or voting stations in proportion to the number of individuals eligible to vote in the precinct. The booth or station shall permit the voter to vote privately and independently.

(b) Each polling place must have at least one accessible voting booth or other accessible voting station and beginning with federal and state elections held after December 31, 2005, and county, municipal, and school district elections held after December 31, 2007, one voting system that conforms to section 301(a)(3)(B) of the Help America Vote Act, Public Law 107-252.

(c) Local jurisdictions must make accessible voting stations purchased with funds provided from the Help America Vote Act account available to other local jurisdictions holding stand-alone elections. The jurisdiction providing the equipment may require the jurisdiction using the equipment to reimburse any direct actual costs incurred as a result of the equipment's use and any prorated indirect costs of maintaining and storing the equipment. A rental or other similar use fee may not be charged.

Any funds received under this paragraph for expenses incurred by that local jurisdiction as a direct result of making the equipment available that were not paid for in whole or in part with funds from the Help America Vote Act account are not program income under the Help America Vote Act, Public Law 107-252.

Any funds received by a local jurisdiction making the equipment available as reimbursement for expenses as defined as "operating costs" under Laws 2005, chapter 162, section 34, subdivision 1, paragraph (b), and paid for in whole or in part with funds from the Help America Vote Act account must be treated as program income and deposited into the jurisdiction's Help America Vote Act account in the direct proportion that funds from the Help America Vote Act account were used to pay for those "operating costs."

(d) All booths or stations must be constructed so that a voter is free from observation while marking ballots. During the hours of voting, the booths or stations must have instructions, a ~~pencil~~ pen or other marking device suitable for the voting system being used, and other supplies needed to mark the ballots. A chair must be provided for elderly voters and voters with disabilities to use while voting or waiting to vote. Stable flat writing surfaces must also be made available to voters who are completing election-related forms.

(e) All ballot boxes, voting booths, voting stations, and election judges must be in open public view in the polling place.

(f) The jurisdiction providing supplies must only provide pens or marking devices suitable for the voting system being used.

Sec. 10. Minnesota Statutes 2020, section 204B.40, is amended to read:

204B.40 BALLOTS; ELECTION RECORDS AND OTHER MATERIALS; DISPOSITION; INSPECTION OF BALLOTS.

The county auditors, municipal clerks, and school district clerks shall retain all election materials returned to them after any election for at least 22 months from the date of that election. All records and materials must be stored in a locked container or other secured and locked space. All election materials involved in a contested election must be retained for 22 months or until the contest has been finally determined, whichever is later. Abstracts filed by canvassing boards shall be retained permanently by any officer with whom those abstracts are filed. Election materials no longer required to be retained pursuant to this section shall be disposed of in accordance with sections 138.163 to 138.21. Sealed envelopes containing voted ballots must be retained unopened, except as provided in this section, in a secure location. The county auditor, municipal clerk, or school district clerk shall not permit any voted ballots to be tampered with or defaced.

After the time for filing a notice of contest for an election has passed, the secretary of state may, for the purpose of monitoring and evaluating election procedures: (1) open the sealed ballot envelopes and inspect the ballots for that election maintained by the county

auditors, municipal clerks, or school district clerks; (2) inspect the polling place rosters and completed voter registration applications; or (3) examine other forms required in the Minnesota election laws for use in the polling place. No inspected ballot or document may be marked or identified in any manner. After inspection, all ballots must be returned to the ballot envelope and the ballot envelope must be securely resealed. Any other election materials inspected or examined must be secured or resealed. No polling place roster may be inspected until the voting history for that precinct has been posted. No voter registration application may be inspected until the information on it has been entered into the statewide registration system.

Sec. 11. Minnesota Statutes 2020, section 204C.13, subdivision 3, is amended to read:

Subd. 3. **Marking ballots.** (a) The voter shall mark each ballot ~~in the following manner:~~ as provided in this subdivision.

~~(a)~~ (b) The voter shall fill in the oval or similar mark if a different target shape is used, opposite the printed name of each candidate for whom the individual desires to vote, and in the oval or other target shape before the "Yes" or "No" if the individual desires to vote for or against a question.

~~(b)~~ (c) The voter may write in other names on the lines provided under the printed names of the candidates, except that no names shall be written in on primary ballots.

~~(c)~~ (d) At a state primary an individual may vote for candidates of only one major political party on the partisan primary ballot. If a partisan primary ballot contains votes for the candidates of more than one major political party, the ballot is totally defective and no vote on the partisan section of the ballot shall be counted.

~~(d)~~ (e) An individual who spoils a ballot may return it to the election judges and receive another.

Sec. 12. Minnesota Statutes 2020, section 204C.35, is amended by adding a subdivision to read:

Subd. 2a. **Constitutional amendment recount.** In a state general election when the difference between the number of "yes" votes cast on ratification of a proposed constitutional amendment is within one-quarter percent of the number of all other ballots cast at the election, the canvassing board shall manually recount the votes on that question, including the number of "yes" or "no" votes on the question, and the number of ballots that did not

cast a vote on the question. The results of the recount must be certified by the canvassing board as soon as possible.

Sec. 13. Minnesota Statutes 2020, section 204C.35, subdivision 3, is amended to read:

Subd. 3. **Scope of recount.** A recount conducted as provided in this section is limited in scope to the determination of the number of votes validly cast for the office or question to be recounted. Only the ballots cast in the election and the summary statements certified by the election judges may be considered in the recount process. Original ballots that have been duplicated under section 206.86, subdivision 5, are not within the scope of a recount and must not be examined except as provided by a court in an election contest under chapter 209.

ARTICLE 5
FEDERAL FUNDS

Section 1. Laws 2020, Fifth Special Session chapter 3, article 9, section 13, is amended to read:

Sec. 13. **FUND MAXIMIZATION.**

On or after December 31, 2020, the commissioner of management and budget is authorized to use best efforts to maximize the use of federal CARES Act funding, consistent with applicable federal guidance~~, and to use any unobligated amounts to fund eligible state activities appropriated for~~. The commissioner may reduce general fund appropriations and transfers in Laws 2020, ~~chapters~~ chapter 66, 70, 71, 74, or 81, or Laws 2020, Seventh Special Session chapter 2, and corresponding funding amounts are appropriated from the federal coronavirus relief fund up to the unobligated balance of the fund.

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

Sec. 2. **COVID-19 FLEXIBLE RESPONSE ACCOUNT.**

Subdivision 1. **Account created.** The COVID-19 flexible response account is created within the state fiscal recovery federal fund in the state treasury to pay expenditures eligible under federal guidance for the state fiscal recovery federal fund. $425,000,000 is transferred from the state fiscal recovery federal fund to the COVID-19 flexible response account and is appropriated to the commissioner of management and budget. The commissioner may transfer funds appropriated under this subdivision to state agencies as necessary. This is a onetime appropriation. Any money in the account that remains unallocated on July 1, 2022,

cancels to the state fiscal recovery federal fund. Allocated funds are available until June 30, 2023.

Subd. 2. **Legislative COVID-19 Response Commission review.** (a) The Legislative COVID-19 Response Commission established under Laws 2020, chapter 71, article 1, section 7, will review proposed allocations from the COVID-19 flexible response account.

(b) The commissioner of management and budget must submit proposed single expenditures from the COVID-19 flexible response account that exceed $2,500,000 to the Legislative COVID-19 Response Commission for its review and recommendations. The submission must include the total amount of the proposed expenditure, the purpose of the proposed expenditure, the time period of the proposed expenditure, and any additional information the commissioner of management and budget determines necessary to properly document the proposed expenditure. Upon receiving a submission, the commission has three days after the request is submitted to review the proposed expenditures submitted under this subdivision.

(c) Commission members may make a positive recommendation, a negative recommendation, or no recommendation on a proposed expenditure. If a majority of the commission members from the senate and a majority of the commission members from the house of representatives make a negative recommendation on a proposed expenditure, the commissioner is prohibited from expending the money. If a majority of the commission members from the senate and a majority of the commission members from the house of representatives do not make a negative recommendation, or if the commission makes no recommendation, the commissioner may expend the money.

(d) The commission may hold a public meeting to approve or disapprove a proposed expenditure from the COVID-19 flexible response account. Notwithstanding Minnesota Statutes, section 3.055, the commission may conduct a public meeting remotely. The commission may approve or disapprove proposed expenditures without a public meeting. The commission members may approve or disapprove proposed expenditures via written communication sent to the commissioner of management and budget.

Subd. 3. **Monthly expenditure report.** The commissioner of management and budget must provide reports on the spending from the COVID-19 flexible response account to the Legislative COVID-19 Response Commission on the last day of each month. The report must include the total amount of each expenditure, the purpose of each expenditure, and any additional information the commissioner of management and budget determines is necessary to properly document each expenditure.

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

Sec. 3. **REVENUE REPLACEMENT; AMERICAN RESCUE PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.**

Subdivision 1. **Transfer.** $633,100,000 in fiscal year 2023 and $550,000,000 in fiscal year 2024 are transferred from the state fiscal recovery federal fund to the general fund for the provision of government services. The fiscal year 2024 transfer must occur prior to December 15, 2024. The transfers in this subdivision are onetime.

Subd. 2. **State appropriation alternative.** (a) If the commissioner of management and budget determines that the transfers in subdivision 1 are ineligible uses of the state fiscal recovery federal fund, the transfers in subdivision 1 are canceled, and $633,100,000 is appropriated from the state fiscal recovery federal fund in fiscal year 2022 to the commissioner of management and budget to replace eligible general fund appropriations in the biennium beginning July 1, 2021. Money appropriated to the commissioner of management and budget is available in either year of the biennium and may be disbursed or transferred to state agencies as necessary. The general fund appropriations being replaced are canceled. The commissioner of management and budget must determine eligible appropriations consistent with Public Law 117-2, and its corresponding guidance for use of the state fiscal recovery federal fund. For purposes of this subdivision, an ineligible use includes one that violates a maintenance of effort requirement.

(b) If the commissioner of management and budget implements the appropriations in paragraph (a), the commissioner must cancel $550,000,000 of the forecasted general fund appropriations in the biennium beginning July 1, 2023, that are eligible to be replaced with the state fiscal recovery federal fund, under Public Law 117-2, and its corresponding guidance consistent with the method used in paragraph (a). The commissioner must allocate $550,000,000 from the state fiscal recovery federal fund from the biennium beginning July 1, 2023, to replace the canceled general fund appropriations. The allocations made by the commissioner are appropriated in fiscal year 2024 from the state fiscal recovery federal fund and are available in either year of the biennium, but must be obligated by December 31, 2024. This is a onetime appropriation.

(c) Prior to implementing any appropriations or planning estimates under this subdivision, the commissioner of management and budget must submit the proposed appropriation and planning estimate changes to the Legislative Advisory Commission for review. Legislative Advisory Commission members have up to ten days to submit any recommendations regarding the appropriations to the commissioner.

Subd. 3. **General fund restoration.** If general fund appropriations in subdivisions 2 and 3 are reduced or replaced with state fiscal recovery federal fund appropriations, those state fiscal recovery federal fund appropriations are onetime for those years indicated, and the general fund appropriation base amounts are reinstated in subsequent fiscal years.

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

Sec. 4. **SUSPENSION OF STATUTORY APPROPRIATION; AMERICAN RESCUE PLAN ACT STATE FISCAL RECOVERY FEDERAL FUND.**

(a) Notwithstanding Minnesota Statutes, sections 3.3005 and 4.07, $1,150,000,000 of the federal funds received by the state of Minnesota from its state fiscal recovery federal fund allocation under Public Law 117-2, must not be spent except pursuant to a direct appropriation by law.

(b) If the funds in this section are not appropriated by the expiration of paragraph (a), the remaining funds in paragraph (a) are appropriated to the commissioner of management and budget. The commissioner of management and budget may transfer funds appropriated under this paragraph to state agencies as necessary. Before spending federal funds appropriated in this section, the commissioner of management and budget shall report allocations of funds appropriated under this section and their intended purpose to the Legislative Advisory Commission, consistent with the urgent federal funds request procedure under Minnesota Statutes, section 3.3005, subdivisions 4 and 5.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment and is retroactive to May 17, 2021. Paragraph (a) expires June 15, 2022. Paragraph (b) is effective the day following final enactment.