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State of Minnesota

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HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETY-THIRD SESSION

S. F. No. **4942**

- 05/06/2024 Companion to House File No. 4975. (Authors:Acomb, Stephenson, Kraft and Vang)
Read First Time and Sent for Comparison
- 05/07/2024 Substituted for H. F. No. 4975
Read for the Second Time
- 05/09/2024 Calendar for the Day, Amended
Read Third Time as Amended
- 05/13/2024 Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
Refused to concur and a Conference Committee was appointed

1.1 A bill for an act

1.2 relating to state government operations and finance; modifying fees assessed by

1.3 the Department of Commerce; modifying appropriations to the Office of Cannabis

1.4 Management; modifying provisions governing cannabis and health responsibilities;

1.5 requiring a request for a federal waiver to implement a public option; modifying

1.6 insurance assessments and fees; giving various rights to consumers regarding

1.7 personal data; placing obligations on certain businesses regarding consumer data;

1.8 providing for enforcement by the attorney general; authorizing supplemental

1.9 agriculture appropriations; modifying appropriations; providing broadband

1.10 appropriation transfer authority; making policy and technical changes to agriculture

1.11 provisions; establishing and modifying agriculture programs; requiring an

1.12 application for federal broadband aid; establishing a supplemental budget for

1.13 energy, transmission, and renewable energy purposes; adding and modifying

1.14 provisions governing geothermal energy, electric transmission, solar energy, and

1.15 other energy policy; establishing programs; requiring reports; appropriating money;

1.16 making technical changes; amending Minnesota Statutes 2022, sections 3.7371,

1.17 subdivisions 2, 3, by adding subdivisions; 17.133, subdivision 1; 18B.01, by adding

1.18 a subdivision; 18B.26, subdivision 6; 18B.28, by adding a subdivision; 18B.305,

1.19 subdivision 2; 18B.32, subdivisions 1, 3, 4, 5; 18B.33, subdivisions 1, 5, 6; 18B.34,

1.20 subdivisions 1, 4; 18B.35, subdivision 1; 18B.36, subdivisions 1, 2; 18B.37,

1.21 subdivisions 2, 3; 18C.005, subdivision 33, by adding subdivisions; 18C.115,

1.22 subdivision 2; 18C.215, subdivision 1; 18C.221; 18C.70, subdivision 5; 18C.71,

1.23 subdivision 4; 18C.80, subdivision 2; 18D.301, subdivision 1; 28A.10; 28A.21,

1.24 subdivision 6; 31.74; 31.94; 32D.30; 41B.039, subdivision 2; 41B.04, subdivision

1.25 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2;

1.26 41B.047, subdivision 1; 45.0135, subdivision 7; 62K.10, subdivision 1; 62Q.73,

1.27 subdivision 3; 116J.396, by adding a subdivision; 216B.16, subdivisions 6c, 7b;

1.28 216B.2402, subdivisions 4, 10, by adding a subdivision; 216B.2403, subdivisions

1.29 2, 3, 5, 8; 216B.241, subdivisions 1c, 2, 11, 12; 216B.2421, subdivision 2;

1.30 216B.2425, subdivisions 1, 2, by adding a subdivision; 216B.2427, subdivision

1.31 1, by adding a subdivision; 216B.243, subdivisions 3, 9; 216B.246, subdivision

1.32 3; 216C.10; 216C.435, subdivisions 3a, 3b, 4, 10, by adding subdivisions;

1.33 216C.436, subdivisions 1, 4, 7, 8, 10; 216E.03, as amended; 216E.04, as amended;

1.34 216F.02; 223.17, subdivision 6; 232.21, subdivisions 3, 7, 11, 12, 13; Minnesota

1.35 Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3;

1.36 17.134, by adding a subdivision; 18C.421, subdivision 1; 18C.425, subdivision 6;

1.37 18K.06; 41A.19; 116C.779, subdivision 1; 144.197; 216B.243, subdivision 8;

1.38 216C.08; 216C.09; 216C.331, subdivision 1; 216C.435, subdivision 8; 216C.436,

2.1 subdivisions 1b, 2; 216E.10, subdivision 3; 342.15, by adding a subdivision;
 2.2 342.72; Laws 2023, chapter 43, article 1, sections 2; 4; Laws 2023, chapter 63,
 2.3 article 9, sections 10; 19; 20; Laws 2023, chapter 70, article 20, section 2,
 2.4 subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 13;
 2.5 18B; 18C; 84; 116; 216C; 216E; proposing coding for new law as Minnesota
 2.6 Statutes, chapter 325O; repealing Minnesota Statutes 2022, sections 3.7371,
 2.7 subdivision 7; 34.07; 216E.08, subdivisions 1, 4; 216F.01, subdivision 1; 216F.012;
 2.8 216F.015; 216F.03; Minnesota Statutes 2023 Supplement, section 216F.04;
 2.9 Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030;
 2.10 1506.0035; 1506.0040; 7850.2400; 7850.3600.

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

2.12 **ARTICLE 1**

2.13 **APPROPRIATIONS**

2.14 Section 1. **APPROPRIATIONS.**

2.15 The sums shown in the columns marked "Appropriations" are added to or, if shown in
 2.16 parentheses, subtracted from the appropriations in Laws 2023, chapter 63, article 9, to the
 2.17 agencies and for the purposes specified in this article. The appropriations are from the
 2.18 general fund, or another named fund, and are available for the fiscal years indicated for
 2.19 each purpose. The figures "2024" and "2025" used in this article mean that the addition to
 2.20 or subtraction from the appropriation listed under them is available for the fiscal year ending
 2.21 June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The
 2.22 second year" is fiscal year 2025. Supplemental appropriations and reductions to
 2.23 appropriations for the fiscal year ending June 30, 2024, are effective the day following final
 2.24 enactment.

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

2.25
 2.26
 2.27
 2.28
 2.29 **Sec. 2. OFFICE OF CANNABIS**
 2.30 **MANAGEMENT**

<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>2,727,000</u>
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2.31 **(a) Enforcement of Temporary Regulations**

2.32 \$1,107,000 in fiscal year 2025 is for regulation
 2.33 of products subject to the requirements of
 2.34 Minnesota Statutes, section 151.72. This is a
 2.35 onetime appropriation.

2.36 **(b) Product Testing**

2.37 \$771,000 in fiscal year 2025 is for testing
 2.38 products regulated under Minnesota Statutes,

3.1 section 151.72, and chapter 342. The base for
 3.2 this appropriation is \$690,000 in fiscal year
 3.3 2026 and each year thereafter.

3.4 **(c) Reference Laboratory**

3.5 \$849,000 in fiscal year 2025 is to operate a
 3.6 state reference laboratory. The base for this
 3.7 appropriation is \$632,000 in fiscal year 2026
 3.8 and \$696,000 in fiscal year 2027.

3.9	Sec. 3. <u>DEPARTMENT OF HEALTH</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>5,500,000</u>
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3.10 \$5,500,000 in fiscal year 2025 is for the
 3.11 purposes outlined in Minnesota Statutes,
 3.12 section 342.72.

3.13 Sec. 4. **ATTORNEY GENERAL.**

3.14 The general fund appropriation base for the attorney general is increased by \$988,000
 3.15 in fiscal year 2026 and \$748,000 in fiscal year 2027 for staffing and other costs related to
 3.16 potential violations, compliance monitoring, and enforcement of the Minnesota Consumer
 3.17 Data Privacy Act.

3.18 Sec. 5. Laws 2023, chapter 63, article 9, section 10, is amended to read:

3.19 Sec. 10. **HEALTH**

3.20				<u>20,252,000</u>	
3.21	Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>3,300,000</u>	<u>\$</u>	<u>17,525,000</u>

3.22 The base for this appropriation is \$19,064,000
 3.23 \$17,742,000 in fiscal year 2026 and ~~each fiscal~~
 3.24 ~~year thereafter~~ \$17,678,000 in fiscal year
 3.25 2027.

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

3.29	Subd. 2. <u>Youth Prevention and Education</u>			<u>5,000,000</u>
3.30	<u>Program</u>		<u>-0-</u>	<u>4,363,000</u>

3.31 For administration and grants under Minnesota
 3.32 Statutes, section 144.197, subdivision 1. Of

4.1 the amount appropriated, \$2,863,000 is for
 4.2 program operations and administration and
 4.3 \$1,500,000 is for grants. The base for this
 4.4 appropriation is \$4,534,000 in fiscal year 2026
 4.5 and \$4,470,000 in fiscal year 2027.

4.6	Subd. 3. <u>Prevention and Education Grants for</u>		<u>2,000,000</u>
4.7	<u>Pregnant or Breastfeeding Individuals</u>	-0-	<u>1,788,000</u>

4.8 For ~~grants under~~ a coordinated prevention and
 4.9 education program for pregnant and
 4.10 breastfeeding individuals under Minnesota
 4.11 Statutes, section 144.197, subdivision 2. The
 4.12 base for this appropriation is \$1,834,000
 4.13 beginning in fiscal year 2026.

4.14	Subd. 4. <u>Local and Tribal Health Departments</u>	-0-	10,000,000
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4.15 For administration and grants under Minnesota
 4.16 Statutes, section 144.197, subdivision 4. Of
 4.17 the amount appropriated, \$1,094,000 is for
 4.18 administration and \$8,906,000 is for grants.

4.19	Subd. 5. <u>Cannabis Data Collection and Biennial</u>		
4.20	<u>Reports</u>	493,000	493,000

4.21 For reports under Minnesota Statutes, section
 4.22 144.196.

4.23	Subd. 6. <u>Administration for Expungement</u>		
4.24	<u>Orders</u>	71,000	71,000

4.25 For administration related to orders issued by
 4.26 the Cannabis Expungement Board. The base
 4.27 for this appropriation is \$71,000 in fiscal year
 4.28 2026, \$71,000 in fiscal year 2027, \$71,000 in
 4.29 fiscal year 2028, \$71,000 in fiscal year 2029,
 4.30 and \$0 in fiscal year 2030.

4.31	Subd. 7. <u>Grants to the Minnesota Poison Control</u>		
4.32	<u>System</u>	910,000	810,000

4.33 For administration and grants under Minnesota
 4.34 Statutes, section 145.93. Of the amount

5.1 appropriated in fiscal year 2025, \$15,000 is
5.2 for administration and \$795,000 is for grants.

5.3	Subd. 8. Temporary Regulation of Edible		1,107,000
5.4	Products Extracted from Hemp	1,107,000	<u>-0-</u>

5.5 For temporary regulation under the health
5.6 enforcement consolidation act of edible
5.7 products extracted from hemp. The
5.8 commissioner may transfer encumbrances and
5.9 unobligated amounts to the Office of Cannabis
5.10 Management for this purpose. This is a
5.11 onetime appropriation.

5.12			771,000
5.13	Subd. 9. Testing:	719,000	<u>-0-</u>

5.14 For testing of edible cannabinoid products.
5.15 ~~The base for this appropriation is \$690,000 in~~
5.16 ~~fiscal year 2026 and each fiscal year thereafter.~~
5.17 The commissioner may transfer encumbrances
5.18 and unobligated amounts to the Office of
5.19 Cannabis Management for this purpose.

5.20 Sec. 6. Laws 2023, chapter 63, article 9, section 19, is amended to read:

5.21 **Sec. 19. APPROPRIATION AND BASE REDUCTIONS.**

5.22 ~~(a)~~ The commissioner of management and budget must reduce general fund appropriations
5.23 to the commissioner of corrections by \$165,000 in fiscal year 2024 and \$368,000 in fiscal
5.24 year 2025. The commissioner must reduce the base for general fund appropriations to the
5.25 commissioner of corrections by \$460,000 in fiscal year 2026 and \$503,000 in fiscal year
5.26 2027.

5.27 ~~(b)~~ ~~The commissioner of management and budget must reduce general fund appropriations~~
5.28 ~~to the commissioner of health by \$260,000 in fiscal year 2025 for the administration of the~~
5.29 ~~medical cannabis program. The commissioner must reduce the base for general fund~~
5.30 ~~appropriations to the commissioner of health by \$781,000 in fiscal year 2026 and each fiscal~~
5.31 ~~year thereafter.~~

5.32 ~~(c)~~ ~~The commissioner of management and budget must reduce state government special~~
5.33 ~~revenue fund appropriations to the commissioner of health by \$1,141,000 in fiscal year~~

6.1 ~~2025 for the administration of the medical cannabis program. The commissioner must reduce~~
6.2 ~~the base for state government special revenue fund appropriations to the commissioner of~~
6.3 ~~health by \$3,424,000 in fiscal year 2026 and each fiscal year thereafter.~~

6.4 Sec. 7. Laws 2023, chapter 63, article 9, section 20, is amended to read:

6.5 Sec. 20. **TRANSFERS.**

6.6 (a) \$1,000,000 in fiscal year 2024 and \$1,000,000 in fiscal year 2025 are transferred
6.7 from the general fund to the dual training account in the special revenue fund under
6.8 Minnesota Statutes, section 136A.246, subdivision 10, for grants to employers in the legal
6.9 cannabis industry. The base for this transfer is \$1,000,000 in fiscal year 2026 and each fiscal
6.10 year thereafter. The commissioner may use up to six percent of the amount transferred for
6.11 administrative costs. The commissioner shall give priority to applications from employers
6.12 who are, or who are training employees who are, eligible to be social equity applicants
6.13 under Minnesota Statutes, section 342.17. After June 30, 2025, any unencumbered balance
6.14 from this transfer may be used for grants to any eligible employer under Minnesota Statutes,
6.15 section 136A.246.

6.16 (b) ~~\$5,500,000 in fiscal year 2024 and \$5,500,000 in fiscal year 2025 are transferred~~
6.17 ~~from the general fund to the substance use treatment, recovery, and prevention grant account~~
6.18 ~~established under Minnesota Statutes, section 342.72. The base for this transfer is \$5,500,000~~
6.19 ~~in fiscal year 2026 and each fiscal year thereafter.~~

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

6.21 **ARTICLE 2**

6.22 **CANNABIS AND HEALTH-RELATED RESPONSIBILITIES**

6.23 Section 1. Minnesota Statutes 2022, section 62K.10, subdivision 1, is amended to read:

6.24 Subdivision 1. **Applicability.** (a) This section applies to: (1) all health carriers that either
6.25 require an enrollee to use or that create incentives, including financial incentives, for an
6.26 enrollee to use, health care providers that are managed, owned, under contract with, or
6.27 employed by the health carrier; and (2) the MinnesotaCare public option. A health carrier
6.28 that does not manage, own, or contract directly with providers in Minnesota is exempt from
6.29 this section, unless it is part of a holding company as defined in section 60D.15 that in
6.30 aggregate exceeds ten percent in either the individual or small group market in Minnesota.

7.1 (b) Health carriers renting provider networks from other entities must submit the rental
7.2 agreement or contract to the commissioner of health for approval. In reviewing the
7.3 agreements or contracts, the commissioner shall review the agreement or contract to ensure
7.4 that the entity contracting with health care providers accepts responsibility to meet the
7.5 requirements in this section.

7.6 Sec. 2. Minnesota Statutes 2023 Supplement, section 144.197, is amended to read:

7.7 **144.197 CANNABIS AND SUBSTANCE MISUSE PREVENTION AND**
7.8 **EDUCATION PROGRAMS.**

7.9 Subdivision 1. **Youth prevention and education program.** The commissioner of health,
7.10 in consultation with the commissioners of human services and education and in collaboration
7.11 with local health departments and Tribal health departments, shall conduct a long-term,
7.12 coordinated ~~education~~ program to raise public awareness about ~~and address the top three~~
7.13 substance misuse prevention, treatment options, and recovery options. The program must
7.14 address adverse health effects, as determined by the commissioner, associated with the use
7.15 of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived
7.16 consumer products by persons under age 25. In conducting this education program, the
7.17 commissioner shall engage and consult with youth around the state on program content and
7.18 on methods to effectively disseminate program information to youth around the state.

7.19 Subd. 2. **Prevention and education program for pregnant and breastfeeding**
7.20 **individuals; and individuals who may become pregnant.** The commissioner of health,
7.21 in consultation with the commissioners of human services and education, shall conduct a
7.22 long-term, coordinated prevention program to educate focused on (1) preventing substance
7.23 use by pregnant individuals, breastfeeding individuals, and individuals who may become
7.24 pregnant, and (2) raising public awareness of the risks of substance use while pregnant or
7.25 breastfeeding. The program must include education on the adverse health effects of prenatal
7.26 exposure to cannabis flower, cannabis products, lower-potency hemp edibles, or
7.27 hemp-derived consumer products and on the adverse health effects experienced by infants
7.28 and children who are exposed to cannabis flower, cannabis products, lower-potency hemp
7.29 edibles, or hemp-derived consumer products in breast milk, from secondhand smoke, or by
7.30 ingesting cannabinoid products. ~~This~~ The prevention and education program must also
7.31 educate individuals on what constitutes a substance use disorder, signs of a substance use
7.32 disorder, and treatment options for persons with a substance use disorder. The prevention
7.33 and education program must also provide resources, including training resources, technical

8.1 assistance, or educational materials, to local public health home visiting programs, Tribal
8.2 home visiting programs, and child welfare workers.

8.3 ~~Subd. 3. **Home visiting programs.** The commissioner of health shall provide training,~~
8.4 ~~technical assistance, and education materials to local public health home visiting programs~~
8.5 ~~and Tribal home visiting programs and child welfare workers regarding the safe and unsafe~~
8.6 ~~use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived~~
8.7 ~~consumer products in homes with infants and young children. Training, technical assistance,~~
8.8 ~~and education materials shall address substance use, the signs of a substance use disorder,~~
8.9 ~~treatment options for persons with a substance use disorder, the dangers of driving under~~
8.10 ~~the influence of cannabis flower, cannabis products, lower-potency hemp edibles, or~~
8.11 ~~hemp-derived consumer products, how to safely consume cannabis flower, cannabis products,~~
8.12 ~~lower-potency hemp edibles, or hemp-derived consumer products in homes with infants~~
8.13 ~~and young children, and how to prevent infants and young children from being exposed to~~
8.14 ~~cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer~~
8.15 ~~products by ingesting cannabinoid products or through secondhand smoke.~~

8.16 Subd. 4. **Local and Tribal health departments.** The commissioner of health shall
8.17 distribute grants to local health departments and Tribal health departments for ~~these~~ the
8.18 departments to create and disseminate educational materials on cannabis flower, cannabis
8.19 products, lower-potency hemp edibles, and hemp-derived consumer products and to provide
8.20 safe use and prevention training, education, technical assistance, and community engagement
8.21 regarding cannabis flower, cannabis products, lower-potency hemp edibles, and hemp-derived
8.22 ~~consumer products.~~ prevention, education, and recovery programs focusing on substance
8.23 misuse prevention and treatment options. The programs may include specific cannabis-related
8.24 initiatives.

8.25 Sec. 3. Minnesota Statutes 2023 Supplement, section 342.15, is amended by adding a
8.26 subdivision to read:

8.27 Subd. 1a. **Transmission of fees.** A cannabis business background check account is
8.28 established as a separate account in the special revenue fund. All fees received by the office
8.29 under subdivision 1 must be deposited in the account and are appropriated to the office to
8.30 pay for the criminal records checks conducted by the Bureau of Criminal Apprehension and
8.31 Federal Bureau of Investigation.

9.1 Sec. 4. Minnesota Statutes 2023 Supplement, section 342.72, is amended to read:

9.2 **342.72 SUBSTANCE USE TREATMENT, RECOVERY, AND PREVENTION**
9.3 **GRANTS.**

9.4 Subdivision 1. ~~Account Grant program established; appropriation.~~ A substance use

9.5 treatment, recovery, and prevention grant ~~account program is created in the special revenue~~

9.6 ~~fund established and must be administered by the commissioner of health. Money in the~~

9.7 ~~account, including interest earned, is appropriated to the office for the purposes specified~~

9.8 ~~in this section. Of the amount transferred from the general fund to the account, the office~~

9.9 ~~may use up to five percent for administrative expenses.~~

9.10 ~~Subd. 2. **Acceptance of gifts and grants.** Notwithstanding sections 16A.013 to 16A.016,~~

9.11 ~~the office may accept money contributed by individuals and may apply for grants from~~

9.12 ~~charitable foundations to be used for the purposes identified in this section. The money~~

9.13 ~~accepted under this section must be deposited in the substance use treatment, recovery, and~~

9.14 ~~prevention grant account created under subdivision 1.~~

9.15 Subd. 3. **Disposition of money; grants.** (a) ~~Money in the Substance use treatment,~~

9.16 ~~recovery, and prevention grant account grants must be distributed as follows:~~

9.17 (1) at least 75 percent of the money is for grants for substance use disorder and mental

9.18 health recovery and prevention programs. Funds must be used for recovery and prevention

9.19 activities, including substance use prevention for youth, and supplies that assist individuals

9.20 and families to initiate, stabilize, and maintain long-term recovery from substance use

9.21 disorders and co-occurring mental health conditions. Recovery and prevention activities

9.22 may include prevention education, school-linked behavioral health, school-based peer

9.23 programs, peer supports, self-care and wellness, culturally specific healing, community

9.24 public awareness, mutual aid networks, telephone recovery checkups, mental health

9.25 warmlines, harm reduction, recovery community organization development, first episode

9.26 psychosis programs, and recovery housing; and

9.27 (2) up to 25 percent of the money is for substance use disorder treatment programs as

9.28 defined in chapter 245G and may be used to implement, strengthen, or expand supportive

9.29 services and activities that are not covered by medical assistance under chapter 256B,

9.30 MinnesotaCare under chapter 256L, or the behavioral health fund under chapter 254B.

9.31 Services and activities may include adoption or expansion of evidence-based practices;

9.32 competency-based training; continuing education; culturally specific and culturally responsive

9.33 services; sober recreational activities; developing referral relationships; family preservation

9.34 and healing; and start-up or capacity funding for programs that specialize in adolescent,

10.1 culturally specific, culturally responsive, disability-specific, co-occurring disorder, or family
10.2 treatment services.

10.3 (b) The ~~office~~ commissioner of health shall consult with the Governor's Advisory Council
10.4 on Opioids, Substance Use, and Addiction; the commissioner of human services; and ~~the~~
10.5 ~~commissioner of health~~ the Office of Cannabis Management to develop an appropriate
10.6 application process, establish grant requirements, determine what organizations are eligible
10.7 to receive grants, and establish reporting requirements for grant recipients.

10.8 Subd. 4. **Reports to the legislature.** By January 15, 2024, and each January 15 thereafter
10.9 year, the ~~office~~ commissioner of health must submit a report to the chairs and ranking
10.10 minority members of the committees of the house of representatives and the senate having
10.11 jurisdiction over health and human services policy and finance that details ~~grants awarded~~
10.12 ~~from~~ the substance use treatment, recovery, and prevention ~~grant account~~ grants awarded,
10.13 including the total amount awarded, total number of recipients, and geographic distribution
10.14 of those recipients. Notwithstanding section 144.05, subdivision 7, the reporting requirement
10.15 under this subdivision does not expire.

10.16 Sec. 5. Laws 2023, chapter 70, article 20, section 2, subdivision 5, is amended to read:

10.17 Subd. 5. **Central Office; Health Care**

10.18	Appropriations by Fund		
10.19	General	35,807,000	31,349,000
10.20	Health Care Access	30,668,000	50,168,000

10.21 (a) **Medical assistance and MinnesotaCare**
10.22 **accessibility improvements.** \$4,000,000 in
10.23 fiscal year 2024 is from the general fund for
10.24 interactive voice response upgrades and
10.25 translation services for medical assistance and
10.26 MinnesotaCare enrollees with limited English
10.27 proficiency. This appropriation is available
10.28 until June 30, 2025.

10.29 (b) **Transforming service delivery.** \$155,000
10.30 in fiscal year 2024 and \$180,000 in fiscal year
10.31 2025 are from the general fund for
10.32 transforming service delivery projects.

11.1 **(c) Improving the Minnesota eligibility**
11.2 **technology system functionality.** \$1,604,000
11.3 in fiscal year 2024 and \$711,000 in fiscal year
11.4 2025 are from the general fund for improving
11.5 the Minnesota eligibility technology system
11.6 functionality. The base for this appropriation
11.7 is \$1,421,000 in fiscal year 2026 and \$0 in
11.8 fiscal year 2027.

11.9 **(d) Actuarial and economic analyses.**
11.10 \$2,500,000 is from the health care access fund
11.11 for actuarial and economic analyses and to
11.12 prepare and submit a state innovation waiver
11.13 under section 1332 of the federal Affordable
11.14 Care Act for a Minnesota public option health
11.15 care plan. This is a onetime appropriation and
11.16 is available until June 30, 2025.

11.17 **(e) Contingent appropriation for Minnesota**
11.18 **public option health care plan.** \$22,000,000
11.19 in fiscal year 2025 is from the health care
11.20 access fund for agency initiatives related to
11.21 requesting a federal waiver for ~~implement~~ a
11.22 Minnesota public option health care plan. The
11.23 commissioner of human services, in fiscal year
11.24 2025, shall transfer from this appropriation to
11.25 the commissioner of commerce an amount
11.26 sufficient for the commissioner of commerce
11.27 to continue actuarial and economic analyses
11.28 and develop and submit to the federal
11.29 government a section 1332 waiver request to
11.30 implement a Minnesota public option health
11.31 care plan. The actuarial and economic analyses
11.32 must examine the uninsurance rates for
11.33 2026-2027 and contemplate policies, including
11.34 state reinsurance programs, premium
11.35 subsidies, and out-of-pocket subsidies, that

12.1 can mitigate any increase. This is a onetime
12.2 appropriation and ~~is available upon approval~~
12.3 ~~of a state innovation waiver under section~~
12.4 ~~1332 of the federal Affordable Care Act.~~ This
12.5 ~~appropriation~~ is available until June 30, 2027.

12.6 **(f) Carryforward authority.** Notwithstanding
12.7 Minnesota Statutes, section 16A.28,
12.8 subdivision 3, \$2,367,000 of the appropriation
12.9 in fiscal year 2024 is available until June 30,
12.10 2027.

12.11 **(g) Base level adjustment.** The general fund
12.12 base is \$32,315,000 in fiscal year 2026 and
12.13 \$27,536,000 in fiscal year 2027. The health
12.14 care access fund base is \$28,168,000 in fiscal
12.15 year 2026 and \$28,168,000 in fiscal year 2027.

12.16 Sec. 6. **REQUEST FOR FEDERAL WAIVER TO IMPLEMENT A PUBLIC**
12.17 **OPTION.**

12.18 Subdivision 1. Waiver submittal. (a) The commissioner of commerce shall submit a
12.19 section 1332 waiver request pursuant to United States Code, title 42, section 18052, to the
12.20 Secretary of Health and Human Services to obtain federal approval to implement a public
12.21 option. The commissioner (1) may contract for any analyses, certification, data, or other
12.22 information required to complete the section 1332 waiver application in accordance with
12.23 Code of Federal Regulations, title 33, part 108; Code of Federal Regulations, title 155, part
12.24 1308; and any other applicable federal law, and (2) is not subject to contract requirements
12.25 under Minnesota Statutes, chapter 16C. The commissioner shall provide written notice to
12.26 the chairs and ranking minority members of the legislative committees with jurisdiction
12.27 over health care policy and finance and health insurance, upon submission of the waiver to
12.28 the federal government.

12.29 (b) The commissioner of commerce shall also seek, as part of the waiver request, federal
12.30 approval for the state to:

12.31 (1) continue receiving federal Medicaid payments for Medicaid-eligible individuals and
12.32 federal basic health program payments for basic health program-eligible MinnesotaCare
12.33 individuals; and

13.1 (2) receive federal pass-through funding equal to the value of premium tax credits and
13.2 cost-sharing reductions that MinnesotaCare public option enrollees with household incomes
13.3 greater than 200 percent of the federal poverty guidelines would otherwise have received.

13.4 (c) In developing the waiver request, the commissioner of commerce shall consult
13.5 regularly with the commissioner of human services and the MNsure board.

13.6 (d) The waiver request must require coverage under the public option to meet the
13.7 requirements that apply to state-regulated markets under Minnesota Statutes, chapters 62A
13.8 and 62Q.

13.9 (e) The commissioner of commerce must certify that the waiver will not negatively
13.10 impact access to health care services, or the provision of health care services in each rating
13.11 area established in compliance with the Affordable Care Act.

13.12 (f) The commissioner of commerce must certify that the waiver will not increase the
13.13 premium rates for nonpublic option enrollees, including those enrolled in plans collectively
13.14 bargained under the Taft-Hartley Act and those enrolled in plans on the individual market.

13.15 (g) In developing the waiver request, the commissioner of commerce must not rely on
13.16 any new or increased taxes, fees, or assessments.

13.17 (h) The commissioner of commerce must certify that the waiver will not add to or result
13.18 in a state budget deficit.

13.19 (i) The commissioner of commerce must certify that the waiver will reduce premiums
13.20 for public option enrollees and those not enrolled in a public option.

13.21 (j) The commissioner of commerce must estimate the difference between expected
13.22 payments to providers under the public option and the amount that would have been paid
13.23 under commercial contracts. The waiver shall not be submitted unless the commissioner
13.24 certifies that this will not result in decreased access to care or increased costs for those with
13.25 commercial insurance.

13.26 (k) The commissioner of commerce must certify that the waiver will increase access to
13.27 care for public option enrollees and those not enrolled in a public option.

13.28 (l) The commissioner of commerce must certify that the waiver will improve market
13.29 stability for public option enrollees and those not enrolled in a public option.

13.30 (m) The commissioner of commerce must include, as part of the waiver request, an
13.31 analysis of the impact the continuation of reinsurance, and the expiration of reinsurance,
13.32 would have on the public option.

14.1 (n) The commissioner of commerce may not implement, or take any action toward
14.2 implementing, a public option without explicit legislative authority to do so.

14.3 Subd. 2. **Public option requirements; waiver development; reports to legislature.** (a)
14.4 The public option proposal submitted for waiver approval to the federal government must
14.5 be consistent with, but need not be identical to, the public option framework specified in
14.6 this section.

14.7 (b) The commissioner of commerce, in developing the public option proposal, may
14.8 modify the public option framework specified in this section based on consultation with the
14.9 commissioner of human services and the MNsure board and any analyses, certification,
14.10 data, or other information provided as part of the waiver development process. The
14.11 commissioner of commerce shall incorporate into the public option proposal any
14.12 recommendations made by the commissioner of human services regarding the provisions
14.13 of Minnesota Statutes, chapter 256L, that would apply to the public option.

14.14 (c) The commissioner of commerce shall present to the chairs and ranking minority
14.15 members of the legislative committees with jurisdiction over health care finance and policy
14.16 and health insurance an interim report on the public option proposal and waiver process by
14.17 December 15, 2024, and a final report by April 15, 2025. The interim and final reports must
14.18 include a description of and rationale for:

14.19 (1) any significant changes from the public option framework specified in this section;
14.20 and

14.21 (2) any features of the public option included in the waiver request but not addressed
14.22 by this framework.

14.23 The final report must also include a copy of the waiver request submitted to the federal
14.24 government and any supporting material.

14.25 Subd. 3. **Access through MNsure.** (a) The commissioner of human services shall offer
14.26 the public option through the MNsure website. The MNsure website must (1) ensure simple,
14.27 convenient, and understandable access to enrollment in the public option, and (2) allow
14.28 individuals to compare public option coverage with other coverage options. The MNsure
14.29 board must extend the special enrollment period provisions that apply to qualified health
14.30 plan enrollment to individuals who are eligible to enroll in the public option.

14.31 (b) The MNsure board shall provide administrative functions to facilitate the offering
14.32 of the public option by the commissioner of human services. These functions include but
14.33 are not limited to: marketing, call center operations, certification of insurance producers,

15.1 and making payments to navigators for the successful enrollment of applicants in the public
15.2 option. The MNsure board may provide additional administrative functions as requested
15.3 by the commissioner of human services.

15.4 (c) An individual must be able to apply for and, if eligible, enroll in the public option
15.5 by completing the application for a qualified health plan with premium tax credits or
15.6 cost-sharing reductions. Enrollment in the public option must not require an applicant to
15.7 provide additional information or complete an action not required for an applicant to enroll
15.8 in a qualified health plan with premium tax credits or cost-sharing reductions. An individual
15.9 must provide information needed to confirm the individual is not eligible for medical
15.10 assistance under Minnesota Statutes, chapter 256B, or MinnesotaCare under Minnesota
15.11 Statutes, chapter 256L.

15.12 (d) The MNsure board shall process all public option applications and make all eligibility
15.13 determinations for the public option. Eligibility decisions for the public option shall be
15.14 appealable to the MNsure board.

15.15 Subd. 4. **Insurance producers.** (a) The MNsure board may establish certification
15.16 requirements that must be met by insurance producers in order to assist individuals with
15.17 enrolling in the public option.

15.18 (b) For each applicant an insurance producer successfully enrolls in the public option,
15.19 a health carrier shall offer the same compensation or other incentives that it offers for
15.20 enrollment in other qualified health plans available through MNsure.

15.21 (c) An insurance producer assisting an individual with enrollment in the public option
15.22 must disclose to that individual, orally and in writing at the time of first solicitation, that
15.23 the producer may receive compensation from the health carrier for enrolling the individual
15.24 in the public option.

15.25 Subd. 5. **Eligibility for the public option.** (a) Families and individuals with income
15.26 above the maximum income eligibility limit specified in Minnesota Statutes, section 256L.04,
15.27 subdivision 1 or 7, who meet all other MinnesotaCare eligibility requirements are eligible
15.28 for the MinnesotaCare public option, subject to the income limit phase-in and additional
15.29 requirements specified in this section. Families and individuals enrolled in the public option
15.30 shall be considered MinnesotaCare enrollees and all provisions of Minnesota Statutes,
15.31 chapter 256L, applying generally to MinnesotaCare enrollees shall apply to public option
15.32 enrollees, unless specified otherwise in this section and unless the commissioner of human
15.33 services determines that departures from the MinnesotaCare provisions are necessary to

16.1 obtain federal funding and communicates the decision to the commissioner of commerce
16.2 as part of the waiver development process.

16.3 (b) Eligibility for the public option is subject to the following limits on household income:

16.4 (1) 400 percent of the federal poverty guidelines for the first plan year;

16.5 (2) 550 percent of the federal poverty guidelines for the second plan year; and

16.6 (3) no household income limit for the third and subsequent plan years.

16.7 (c) Families and individuals may enroll in the MinnesotaCare public option only during
16.8 an annual open enrollment period or special enrollment period, as designated by the MNsure
16.9 board in compliance with Code of Federal Regulations, title 45, sections 155.410 and
16.10 155.420.

16.11 Subd. 6. Premium scale. Public option enrollees shall pay premiums for individual or
16.12 family coverage, as applicable, according to the following premium scale:

<u>Household Income as</u> <u>Percentage of Federal Poverty</u> <u>Guidelines</u>		
<u>Greater Than or</u> <u>Equal to</u>	<u>Not Exceeding</u>	<u>Required Premium Contribution</u> <u>as Percentage of Household Income</u>
<u>201%</u>	<u>250%</u>	<u>4.88%</u>
<u>251%</u>	<u>300%</u>	<u>6.38%</u>
<u>301%</u>	<u>400%</u>	<u>7.88%</u>
<u>401%</u>	<u>500%</u>	<u>8.5%</u>
<u>501%</u>	<u>550%</u>	<u>9.01%</u>
<u>551% and over</u>	<u>No maximum</u>	<u>10%</u>

16.24 Subd. 7. Cost-sharing. (a) Public option enrollees are subject to the MinnesotaCare
16.25 cost-sharing requirements established under Minnesota Statutes, section 256L.03, subdivision
16.26 5, except that:

16.27 (1) cost-sharing applies to all public option enrollees and there are no exemptions;

16.28 (2) the deductibles specified in paragraph (b) apply;

16.29 (3) the commissioner of human services shall set cost-sharing for public option enrollees
16.30 at an actuarial value of 94 percent, except that the actuarial value for public option enrollees
16.31 with household incomes above 400 percent of the federal poverty guidelines may be lower
16.32 than 94 percent to reflect the deductibles required under paragraph (b); and

16.33 (4) out-of-pocket maximums for public option enrollees must not exceed the out-of-pocket
16.34 maximums outlined in Code of Federal Regulations, title 45, section 156.130.

17.1 (b) Public option enrollees shall be subject to the following annual deductibles:

17.2 (1) for household incomes 401 percent to 500 percent of federal poverty guidelines,
17.3 \$500;

17.4 (2) for household incomes 501 percent to 600 percent of federal poverty guidelines,
17.5 \$1,000; and

17.6 (3) for household incomes 601 percent of federal poverty guidelines or above, \$1,500.

17.7 (c) No annual deductible shall apply to public option enrollees with household incomes
17.8 not exceeding 400 percent of the federal poverty guidelines.

17.9 Subd. 8. **Provider reimbursement.** (a) The commissioner of human services shall
17.10 require managed care plans and county-based purchasing plans to reimburse health care
17.11 providers for services provided to MinnesotaCare public option enrollees at payment rates
17.12 equal to or greater than the fee-for-service Medicare payment rate for the same service or
17.13 for a similar service if the specific service is not reimbursed under Medicare.

17.14 (b) Minnesota Statutes, section 256L.11, subdivision 1, shall not apply to provider
17.15 reimbursement for services delivered to MinnesotaCare public option enrollees.

17.16 Subd. 9. **Contracting and service delivery.** (a) The commissioner of human services
17.17 (1) shall contract with managed care and county-based purchasing plans for the delivery of
17.18 services to public option enrollees, and (2) may use a procurement process that is separate
17.19 and unique from that used to contract for the delivery of services to MinnesotaCare enrollees
17.20 who are not public option enrollees.

17.21 (b) The commissioner of human services shall establish public option participation
17.22 requirements for managed care and county-based purchasing plans and health care providers.
17.23 Public option enrollees are not considered MinnesotaCare enrollees for the purpose of the
17.24 participation requirement specified in Minnesota Statutes, section 256B.0644.

17.25 Subd. 10. **Geographic accessibility; provider network adequacy.** The public enrollment
17.26 option must meet the same requirements under section 62K.10 regarding geographic
17.27 accessibility and provider network adequacy as are required of other health carriers.

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

17.29 Sec. 7. **REPORT BY THE COMMISSIONER OF COMMERCE.**

17.30 By January 30, 2025, the commissioner of commerce must report to the chairs and
17.31 ranking minority members of the legislative committees with jurisdiction over commerce,
17.32 health, and human services, regarding the balance of the premium security plan account

18.1 under Minnesota Statutes, section 62E.25, subdivision 1, the estimated cost to continue the
 18.2 premium security plan, and the plan's future interactions with public health programs. The
 18.3 report must include an assessment of potential alternatives that would be available upon
 18.4 expiration of the current waiver.

18.5 **ARTICLE 3**

18.6 **INSURANCE ASSESSMENTS AND FEES**

18.7 Section 1. Minnesota Statutes 2022, section 45.0135, subdivision 7, is amended to read:

18.8 Subd. 7. **Assessment.** Each insurer authorized to sell insurance in the state of Minnesota,
 18.9 including surplus lines carriers, and having Minnesota earned premium the previous calendar
 18.10 year shall remit an assessment to the commissioner for deposit in the insurance fraud
 18.11 prevention account on or before June 1 of each year. The amount of the assessment shall
 18.12 be based on the insurer's total assets and on the insurer's total written Minnesota premium,
 18.13 for the preceding fiscal year, as reported pursuant to section 60A.13. ~~The assessment is~~
 18.14 ~~calculated to be an amount up to the following~~ Beginning with the payment due on or before
 18.15 June 1, 2024, the assessment amount is:

Total Assets	Assessment
	200
Less than \$100,000,000	\$ <u>400</u>
	750
\$100,000,000 to \$1,000,000,000	\$ <u>1,500</u>
	2,000
Over \$1,000,000,000	\$ <u>4,000</u>
Minnesota Written Premium	Assessment
	200
Less than \$10,000,000	\$ <u>400</u>
	750
\$10,000,000 to \$100,000,000	\$ <u>1,500</u>
	2,000
Over \$100,000,000	\$ <u>4,000</u>

18.30 For purposes of this subdivision, the following entities are not considered to be insurers
 18.31 authorized to sell insurance in the state of Minnesota: risk retention groups; or township
 18.32 mutuals organized under chapter 67A.

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

19.1 Sec. 2. Minnesota Statutes 2022, section 62Q.73, subdivision 3, is amended to read:

19.2 Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an
19.3 enrollee who has received an adverse determination may submit a written request for an
19.4 external review of the adverse determination, if applicable under section 62Q.68, subdivision
19.5 1, or 62M.06, to the commissioner of health if the request involves a health plan company
19.6 regulated by that commissioner or to the commissioner of commerce if the request involves
19.7 a health plan company regulated by that commissioner. Notification of the enrollee's right
19.8 to external review must accompany the denial issued by the insurer. ~~The written request
19.9 must be accompanied by a filing fee of \$25. The fee may be waived by the commissioner
19.10 of health or commerce in cases of financial hardship and must be refunded if the adverse
19.11 determination is completely reversed. No enrollee may be subject to filing fees totaling
19.12 more than \$75 during a plan year for group coverage or policy year for individual coverage.~~

19.13 (b) Nothing in this section requires the commissioner of health or commerce to
19.14 independently investigate an adverse determination referred for independent external review.

19.15 (c) If an enrollee requests an external review, the health plan company must participate
19.16 in the external review. The cost of the external review ~~in excess of the filing fee described
19.17 in paragraph (a) shall~~ must be borne by the health plan company.

19.18 (d) The enrollee must request external review within six months from the date of the
19.19 adverse determination.

19.20 ARTICLE 4

19.21 CONSUMER DATA PRIVACY

19.22 Section 1. [13.6505] ATTORNEY GENERAL DATA CODED ELSEWHERE.

19.23 Subdivision 1. **Scope.** The section referred to in this section is codified outside this
19.24 chapter. Those sections classify attorney general data as other than public, place restrictions
19.25 on access to government data, or involve data sharing.

19.26 Subd. 2. **Data privacy and protection assessments.** A data privacy and protection
19.27 assessment collected or maintained by the attorney general is classified under section
19.28 3250.08.

19.29 Sec. 2. [3250.01] CITATION.

19.30 This chapter may be cited as the "Minnesota Consumer Data Privacy Act."

20.1 Sec. 3. [325O.02] DEFINITIONS.

20.2 (a) For purposes of this chapter, the following terms have the meanings given.

20.3 (b) "Affiliate" means a legal entity that controls, is controlled by, or is under common
20.4 control with another legal entity. For purposes of this paragraph, "control" or "controlled"
20.5 means: ownership of or the power to vote more than 50 percent of the outstanding shares
20.6 of any class of voting security of a company; control in any manner over the election of a
20.7 majority of the directors or of individuals exercising similar functions; or the power to
20.8 exercise a controlling influence over the management of a company.

20.9 (c) "Authenticate" means to use reasonable means to determine that a request to exercise
20.10 any of the rights under section 325O.05, subdivision 1, paragraphs (b) to (h), is being made
20.11 by or rightfully on behalf of the consumer who is entitled to exercise the rights with respect
20.12 to the personal data at issue.

20.13 (d) "Biometric data" means data generated by automatic measurements of an individual's
20.14 biological characteristics, including a fingerprint, a voiceprint, eye retinas, irises, or other
20.15 unique biological patterns or characteristics that are used to identify a specific individual.
20.16 Biometric data does not include:

20.17 (1) a digital or physical photograph;

20.18 (2) an audio or video recording; or

20.19 (3) any data generated from a digital or physical photograph, or an audio or video
20.20 recording, unless the data is generated to identify a specific individual.

20.21 (e) "Child" has the meaning given in United States Code, title 15, section 6501.

20.22 (f) "Consent" means any freely given, specific, informed, and unambiguous indication
20.23 of the consumer's wishes by which the consumer signifies agreement to the processing of
20.24 personal data relating to the consumer. Acceptance of a general or broad terms of use or
20.25 similar document that contains descriptions of personal data processing along with other,
20.26 unrelated information does not constitute consent. Hovering over, muting, pausing, or closing
20.27 a given piece of content does not constitute consent. A consent is not valid when the
20.28 consumer's indication has been obtained by a dark pattern. A consumer may revoke consent
20.29 previously given, consistent with this chapter.

20.30 (g) "Consumer" means a natural person who is a Minnesota resident acting only in an
20.31 individual or household context. Consumer does not include a natural person acting in a
20.32 commercial or employment context.

21.1 (h) "Controller" means the natural or legal person who, alone or jointly with others,
21.2 determines the purposes and means of the processing of personal data.

21.3 (i) "Decisions that produce legal or similarly significant effects concerning the consumer"
21.4 means decisions made by the controller that result in the provision or denial by the controller
21.5 of financial or lending services, housing, insurance, education enrollment or opportunity,
21.6 criminal justice, employment opportunities, health care services, or access to essential goods
21.7 or services.

21.8 (j) "Dark pattern" means a user interface designed or manipulated with the substantial
21.9 effect of subverting or impairing user autonomy, decision making, or choice.

21.10 (k) "Deidentified data" means data that cannot reasonably be used to infer information
21.11 about or otherwise be linked to an identified or identifiable natural person or a device linked
21.12 to an identified or identifiable natural person, provided that the controller that possesses the
21.13 data:

21.14 (1) takes reasonable measures to ensure that the data cannot be associated with a natural
21.15 person;

21.16 (2) publicly commits to process the data only in a deidentified fashion and not attempt
21.17 to reidentify the data; and

21.18 (3) contractually obligates any recipients of the information to comply with all provisions
21.19 of this paragraph.

21.20 (l) "Delete" means to remove or destroy information so that it is not maintained in human-
21.21 or machine-readable form and cannot be retrieved or utilized in the ordinary course of
21.22 business.

21.23 (m) "Genetic information" has the meaning given in section 13.386, subdivision 1.

21.24 (n) "Identified or identifiable natural person" means a person who can be readily
21.25 identified, directly or indirectly.

21.26 (o) "Known child" means a person under circumstances where a controller has actual
21.27 knowledge of, or willfully disregards, that the person is under 13 years of age.

21.28 (p) "Personal data" means any information that is linked or reasonably linkable to an
21.29 identified or identifiable natural person. Personal data does not include deidentified data or
21.30 publicly available information. For purposes of this paragraph, "publicly available
21.31 information" means information that (1) is lawfully made available from federal, state, or

22.1 local government records or widely distributed media, or (2) a controller has a reasonable
22.2 basis to believe has lawfully been made available to the general public.

22.3 (q) "Process" or "processing" means any operation or set of operations that are performed
22.4 on personal data or on sets of personal data, whether or not by automated means, including
22.5 but not limited to the collection, use, storage, disclosure, analysis, deletion, or modification
22.6 of personal data.

22.7 (r) "Processor" means a natural or legal person who processes personal data on behalf
22.8 of a controller.

22.9 (s) "Profiling" means any form of automated processing of personal data to evaluate,
22.10 analyze, or predict personal aspects related to an identified or identifiable natural person's
22.11 economic situation, health, personal preferences, interests, reliability, behavior, location,
22.12 or movements.

22.13 (t) "Pseudonymous data" means personal data that cannot be attributed to a specific
22.14 natural person without the use of additional information, provided that the additional
22.15 information is kept separately and is subject to appropriate technical and organizational
22.16 measures to ensure that the personal data are not attributed to an identified or identifiable
22.17 natural person.

22.18 (u) "Sale," "sell," or "sold" means the exchange of personal data for monetary or other
22.19 valuable consideration by the controller to a third party. Sale does not include the following:

22.20 (1) the disclosure of personal data to a processor who processes the personal data on
22.21 behalf of the controller;

22.22 (2) the disclosure of personal data to a third party for purposes of providing a product
22.23 or service requested by the consumer;

22.24 (3) the disclosure or transfer of personal data to an affiliate of the controller;

22.25 (4) the disclosure of information that the consumer intentionally made available to the
22.26 general public via a channel of mass media and did not restrict to a specific audience;

22.27 (5) the disclosure or transfer of personal data to a third party as an asset that is part of a
22.28 completed or proposed merger, acquisition, bankruptcy, or other transaction in which the
22.29 third party assumes control of all or part of the controller's assets; or

22.30 (6) the exchange of personal data between the producer of a good or service and
22.31 authorized agents of the producer who sell and service the goods and services, to enable

23.1 the cooperative provisioning of goods and services by both the producer and the producer's
23.2 agents.

23.3 (v) Sensitive data is a form of personal data. "Sensitive data" means:

23.4 (1) personal data revealing racial or ethnic origin, religious beliefs, mental or physical
23.5 health condition or diagnosis, sexual orientation, or citizenship or immigration status;

23.6 (2) the processing of biometric data or genetic information for the purpose of uniquely
23.7 identifying an individual;

23.8 (3) the personal data of a known child; or

23.9 (4) specific geolocation data.

23.10 (w) "Specific geolocation data" means information derived from technology, including
23.11 but not limited to global positioning system level latitude and longitude coordinates or other
23.12 mechanisms, that directly identifies the geographic coordinates of a consumer or a device
23.13 linked to a consumer with an accuracy of more than three decimal degrees of latitude and
23.14 longitude or the equivalent in an alternative geographic coordinate system, or a street address
23.15 derived from the coordinates. Specific geolocation data does not include the content of
23.16 communications, the contents of databases containing street address information which are
23.17 accessible to the public as authorized by law, or any data generated by or connected to
23.18 advanced utility metering infrastructure systems or other equipment for use by a public
23.19 utility.

23.20 (x) "Targeted advertising" means displaying advertisements to a consumer where the
23.21 advertisement is selected based on personal data obtained or inferred from the consumer's
23.22 activities over time and across nonaffiliated websites or online applications to predict the
23.23 consumer's preferences or interests. Targeted advertising does not include:

23.24 (1) advertising based on activities within a controller's own websites or online
23.25 applications;

23.26 (2) advertising based on the context of a consumer's current search query or visit to a
23.27 website or online application;

23.28 (3) advertising to a consumer in response to the consumer's request for information or
23.29 feedback; or

23.30 (4) processing personal data solely for measuring or reporting advertising performance,
23.31 reach, or frequency.

24.1 (y) "Third party" means a natural or legal person, public authority, agency, or body other
24.2 than the consumer, controller, processor, or an affiliate of the processor or the controller.

24.3 (z) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

24.4 Sec. 4. **[3250.03] SCOPE; EXCLUSIONS.**

24.5 Subdivision 1. **Scope.** (a) This chapter applies to legal entities that conduct business in
24.6 Minnesota or produce products or services that are targeted to residents of Minnesota, and
24.7 that satisfy one or more of the following thresholds:

24.8 (1) during a calendar year, controls or processes personal data of 100,000 consumers or
24.9 more, excluding personal data controlled or processed solely for the purpose of completing
24.10 a payment transaction; or

24.11 (2) derives over 25 percent of gross revenue from the sale of personal data and processes
24.12 or controls personal data of 25,000 consumers or more.

24.13 (b) A controller or processor acting as a technology provider under section 13.32 shall
24.14 comply with this chapter and section 13.32, except that when the provisions of section 13.32
24.15 conflict with this chapter, section 13.32 prevails.

24.16 Subd. 2. **Exclusions.** (a) This chapter does not apply to the following entities, activities,
24.17 or types of information:

24.18 (1) a government entity, as defined by section 13.02, subdivision 7a;

24.19 (2) a federally recognized Indian tribe;

24.20 (3) information that meets the definition of:

24.21 (i) protected health information, as defined by and for purposes of the Health Insurance
24.22 Portability and Accountability Act of 1996, Public Law 104-191, and related regulations;

24.23 (ii) health records, as defined in section 144.291, subdivision 2;

24.24 (iii) patient identifying information for purposes of Code of Federal Regulations, title
24.25 42, part 2, established pursuant to United States Code, title 42, section 290dd-2;

24.26 (iv) identifiable private information for purposes of the federal policy for the protection
24.27 of human subjects, Code of Federal Regulations, title 45, part 46; identifiable private
24.28 information that is otherwise information collected as part of human subjects research
24.29 pursuant to the good clinical practice guidelines issued by the International Council for
24.30 Harmonisation; the protection of human subjects under Code of Federal Regulations, title

- 25.1 21, parts 50 and 56; or personal data used or shared in research conducted in accordance
25.2 with one or more of the requirements set forth in this paragraph;
- 25.3 (v) information and documents created for purposes of the federal Health Care Quality
25.4 Improvement Act of 1986, Public Law 99-660, and related regulations; or
- 25.5 (vi) patient safety work product for purposes of Code of Federal Regulations, title 42,
25.6 part 3, established pursuant to United States Code, title 42, sections 299b-21 to 299b-26;
- 25.7 (4) information that is derived from any of the health care-related information listed in
25.8 clause (3), but that has been deidentified in accordance with the requirements for
25.9 deidentification set forth in Code of Federal Regulations, title 45, part 164;
- 25.10 (5) information originating from, and intermingled to be indistinguishable with, any of
25.11 the health care-related information listed in clause (3) that is maintained by:
- 25.12 (i) a covered entity or business associate, as defined by the Health Insurance Portability
25.13 and Accountability Act of 1996, Public Law 104-191, and related regulations;
- 25.14 (ii) a health care provider, as defined in section 144.291, subdivision 2; or
- 25.15 (iii) a program or a qualified service organization, as defined by Code of Federal
25.16 Regulations, title 42, part 2, established pursuant to United States Code, title 42, section
25.17 290dd-2;
- 25.18 (6) information that is:
- 25.19 (i) maintained by an entity that meets the definition of health care provider under Code
25.20 of Federal Regulations, title 45, section 160.103, to the extent that the entity maintains the
25.21 information in the manner required of covered entities with respect to protected health
25.22 information for purposes of the Health Insurance Portability and Accountability Act of
25.23 1996, Public Law 104-191, and related regulations;
- 25.24 (ii) included in a limited data set, as described under Code of Federal Regulations, title
25.25 45, part 164.514(e), to the extent that the information is used, disclosed, and maintained in
25.26 the manner specified by that part;
- 25.27 (iii) maintained by, or maintained to comply with the rules or orders of, a self-regulatory
25.28 organization as defined by United States Code, title 15, section 78c(a)(26); or
- 25.29 (iv) originated from, or intermingled with, information described in clause (9) and that
25.30 a licensed residential mortgage originator, as defined under section 58.02, subdivision 19,
25.31 or residential mortgage servicer, as defined under section 58.02, subdivision 20, collects,

26.1 processes, uses, or maintains in the same manner as required under the laws and regulations
26.2 specified in clause (9);

26.3 (7) information used only for public health activities and purposes, as described under
26.4 Code of Federal Regulations, title 45, part 164.512;

26.5 (8) an activity involving the collection, maintenance, disclosure, sale, communication,
26.6 or use of any personal data bearing on a consumer's credit worthiness, credit standing, credit
26.7 capacity, character, general reputation, personal characteristics, or mode of living by a
26.8 consumer reporting agency, as defined in United States Code, title 15, section 1681a(f), by
26.9 a furnisher of information, as set forth in United States Code, title 15, section 1681s-2, who
26.10 provides information for use in a consumer report, as defined in United States Code, title
26.11 15, section 1681a(d), and by a user of a consumer report, as set forth in United States Code,
26.12 title 15, section 1681b, except that information is only excluded under this paragraph to the
26.13 extent that the activity involving the collection, maintenance, disclosure, sale, communication,
26.14 or use of the information by the agency, furnisher, or user is subject to regulation under the
26.15 federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x, and
26.16 the information is not collected, maintained, used, communicated, disclosed, or sold except
26.17 as authorized by the Fair Credit Reporting Act;

26.18 (9) personal data collected, processed, sold, or disclosed pursuant to the federal
26.19 Gramm-Leach-Bliley Act, Public Law 106-102, and implementing regulations, if the
26.20 collection, processing, sale, or disclosure is in compliance with that law;

26.21 (10) personal data collected, processed, sold, or disclosed pursuant to the federal Driver's
26.22 Privacy Protection Act of 1994, United States Code, title 18, sections 2721 to 2725, if the
26.23 collection, processing, sale, or disclosure is in compliance with that law;

26.24 (11) personal data regulated by the federal Family Educational Rights and Privacy Act,
26.25 United States Code, title 20, section 1232g, and implementing regulations;

26.26 (12) personal data collected, processed, sold, or disclosed pursuant to the federal Farm
26.27 Credit Act of 1971, as amended, United States Code, title 12, sections 2001 to 2279cc, and
26.28 implementing regulations, Code of Federal Regulations, title 12, part 600, if the collection,
26.29 processing, sale, or disclosure is in compliance with that law;

26.30 (13) data collected or maintained:

26.31 (i) in the course of an individual acting as a job applicant to or an employee, owner,
26.32 director, officer, medical staff member, or contractor of a business if the data is collected
26.33 and used solely within the context of the role;

27.1 (ii) as the emergency contact information of an individual under item (i) if used solely
27.2 for emergency contact purposes; or

27.3 (iii) that is necessary for the business to retain to administer benefits for another individual
27.4 relating to the individual under item (i) if used solely for the purposes of administering those
27.5 benefits;

27.6 (14) personal data collected, processed, sold, or disclosed pursuant to the Minnesota
27.7 Insurance Fair Information Reporting Act in sections 72A.49 to 72A.505;

27.8 (15) data collected, processed, sold, or disclosed as part of a payment-only credit, check,
27.9 or cash transaction where no data about consumers, as defined in section 325O.02, are
27.10 retained;

27.11 (16) a state or federally chartered bank or credit union, or an affiliate or subsidiary that
27.12 is principally engaged in financial activities, as described in United States Code, title 12,
27.13 section 1843(k);

27.14 (17) information that originates from, or is intermingled so as to be indistinguishable
27.15 from, information described in clause (8) and that a person licensed under chapter 56 collects,
27.16 processes, uses, or maintains in the same manner as is required under the laws and regulations
27.17 specified in clause (8);

27.18 (18) an insurance company, as defined in section 60A.02, subdivision 4, an insurance
27.19 producer, as defined in section 60K.31, subdivision 6, a third-party administrator of
27.20 self-insurance, or an affiliate or subsidiary of any entity identified in this clause that is
27.21 principally engaged in financial activities, as described in United States Code, title 12,
27.22 section 1843(k), except that this clause does not apply to a person that, alone or in
27.23 combination with another person, establishes and maintains a self-insurance program that
27.24 does not otherwise engage in the business of entering into policies of insurance;

27.25 (19) a small business, as defined by the United States Small Business Administration
27.26 under Code of Federal Regulations, title 13, part 121, except that a small business identified
27.27 in this clause is subject to section 325O.075;

27.28 (20) a nonprofit organization that is established to detect and prevent fraudulent acts in
27.29 connection with insurance; and

27.30 (21) an air carrier subject to the federal Airline Deregulation Act, Public Law 95-504,
27.31 only to the extent that an air carrier collects personal data related to prices, routes, or services
27.32 and only to the extent that the provisions of the Airline Deregulation Act preempt the
27.33 requirements of this chapter.

28.1 (b) Controllers that are in compliance with the Children's Online Privacy Protection Act,
28.2 United States Code, title 15, sections 6501 to 6506, and implementing regulations, shall be
28.3 deemed compliant with any obligation to obtain parental consent under this chapter.

28.4 Sec. 5. [3250.04] RESPONSIBILITY ACCORDING TO ROLE.

28.5 (a) Controllers and processors are responsible for meeting the respective obligations
28.6 established under this chapter.

28.7 (b) Processors are responsible under this chapter for adhering to the instructions of the
28.8 controller and assisting the controller to meet the controller's obligations under this chapter.
28.9 Assistance under this paragraph shall include the following:

28.10 (1) taking into account the nature of the processing, the processor shall assist the controller
28.11 by appropriate technical and organizational measures, insofar as this is possible, for the
28.12 fulfillment of the controller's obligation to respond to consumer requests to exercise their
28.13 rights pursuant to section 3250.05; and

28.14 (2) taking into account the nature of processing and the information available to the
28.15 processor, the processor shall assist the controller in meeting the controller's obligations in
28.16 relation to the security of processing the personal data and in relation to the notification of
28.17 a breach of the security of the system pursuant to section 325E.61, and shall provide
28.18 information to the controller necessary to enable the controller to conduct and document
28.19 any data privacy and protection assessments required by section 3250.08.

28.20 (c) A contract between a controller and a processor shall govern the processor's data
28.21 processing procedures with respect to processing performed on behalf of the controller. The
28.22 contract shall be binding and clearly set forth instructions for processing data, the nature
28.23 and purpose of processing, the type of data subject to processing, the duration of processing,
28.24 and the rights and obligations of both parties. The contract shall also require that the
28.25 processor:

28.26 (1) ensure that each person processing the personal data is subject to a duty of
28.27 confidentiality with respect to the data; and

28.28 (2) engage a subcontractor only (i) after providing the controller with an opportunity to
28.29 object, and (ii) pursuant to a written contract in accordance with paragraph (e) that requires
28.30 the subcontractor to meet the obligations of the processor with respect to the personal data.

28.31 (d) Taking into account the context of processing, the controller and the processor shall
28.32 implement appropriate technical and organizational measures to ensure a level of security

29.1 appropriate to the risk and establish a clear allocation of the responsibilities between the
29.2 controller and the processor to implement the technical and organizational measures.

29.3 (e) Processing by a processor shall be governed by a contract between the controller and
29.4 the processor that is binding on both parties and that sets out the processing instructions to
29.5 which the processor is bound, including the nature and purpose of the processing, the type
29.6 of personal data subject to the processing, the duration of the processing, and the obligations
29.7 and rights of both parties. The contract shall include the requirements imposed by this
29.8 paragraph, paragraphs (c) and (d), as well as the following requirements:

29.9 (1) at the choice of the controller, the processor shall delete or return all personal data
29.10 to the controller as requested at the end of the provision of services, unless retention of the
29.11 personal data is required by law;

29.12 (2) upon a reasonable request from the controller, the processor shall make available to
29.13 the controller all information necessary to demonstrate compliance with the obligations in
29.14 this chapter; and

29.15 (3) the processor shall allow for, and contribute to, reasonable assessments and inspections
29.16 by the controller or the controller's designated assessor. Alternatively, the processor may
29.17 arrange for a qualified and independent assessor to conduct, at least annually and at the
29.18 processor's expense, an assessment of the processor's policies and technical and organizational
29.19 measures in support of the obligations under this chapter. The assessor must use an
29.20 appropriate and accepted control standard or framework and assessment procedure for
29.21 assessments as applicable, and shall provide a report of an assessment to the controller upon
29.22 request.

29.23 (f) In no event shall any contract relieve a controller or a processor from the liabilities
29.24 imposed on a controller or processor by virtue of the controller's or processor's roles in the
29.25 processing relationship under this chapter.

29.26 (g) Determining whether a person is acting as a controller or processor with respect to
29.27 a specific processing of data is a fact-based determination that depends upon the context in
29.28 which personal data are to be processed. A person that is not limited in the person's processing
29.29 of personal data pursuant to a controller's instructions, or that fails to adhere to a controller's
29.30 instructions, is a controller and not a processor with respect to a specific processing of data.
29.31 A processor that continues to adhere to a controller's instructions with respect to a specific
29.32 processing of personal data remains a processor. If a processor begins, alone or jointly with
29.33 others, determining the purposes and means of the processing of personal data, the processor
29.34 is a controller with respect to the processing.

30.1 Sec. 6. [3250.05] CONSUMER PERSONAL DATA RIGHTS.

30.2 Subdivision 1. Consumer rights provided. (a) Except as provided in this chapter, a
30.3 controller must comply with a request to exercise the consumer rights provided in this
30.4 subdivision.

30.5 (b) A consumer has the right to confirm whether or not a controller is processing personal
30.6 data concerning the consumer and access the categories of personal data the controller is
30.7 processing.

30.8 (c) A consumer has the right to correct inaccurate personal data concerning the consumer,
30.9 taking into account the nature of the personal data and the purposes of the processing of the
30.10 personal data.

30.11 (d) A consumer has the right to delete personal data concerning the consumer.

30.12 (e) A consumer has the right to obtain personal data concerning the consumer, which
30.13 the consumer previously provided to the controller, in a portable and, to the extent technically
30.14 feasible, readily usable format that allows the consumer to transmit the data to another
30.15 controller without hindrance, where the processing is carried out by automated means.

30.16 (f) A consumer has the right to opt out of the processing of personal data concerning
30.17 the consumer for purposes of targeted advertising, the sale of personal data, or profiling in
30.18 furtherance of automated decisions that produce legal effects concerning a consumer or
30.19 similarly significant effects concerning a consumer.

30.20 (g) If a consumer's personal data is profiled in furtherance of decisions that produce
30.21 legal effects concerning a consumer or similarly significant effects concerning a consumer,
30.22 the consumer has the right to question the result of the profiling, to be informed of the reason
30.23 that the profiling resulted in the decision, and, if feasible, to be informed of what actions
30.24 the consumer might have taken to secure a different decision and the actions that the
30.25 consumer might take to secure a different decision in the future. The consumer has the right
30.26 to review the consumer's personal data used in the profiling. If the decision is determined
30.27 to have been based upon inaccurate personal data, taking into account the nature of the
30.28 personal data and the purposes of the processing of the personal data, the consumer has the
30.29 right to have the data corrected and the profiling decision reevaluated based upon the
30.30 corrected data.

30.31 (h) A consumer has a right to obtain a list of the specific third parties to which the
30.32 controller has disclosed the consumer's personal data. If the controller does not maintain

31.1 the information in a format specific to the consumer, a list of specific third parties to whom
31.2 the controller has disclosed any consumers' personal data may be provided instead.

31.3 Subd. 2. **Exercising consumer rights.** (a) A consumer may exercise the rights set forth
31.4 in this section by submitting a request, at any time, to a controller specifying which rights
31.5 the consumer wishes to exercise.

31.6 (b) In the case of processing personal data concerning a known child, the parent or legal
31.7 guardian of the known child may exercise the rights of this chapter on the child's behalf.

31.8 (c) In the case of processing personal data concerning a consumer legally subject to
31.9 guardianship or conservatorship under sections 524.5-101 to 524.5-502, the guardian or the
31.10 conservator of the consumer may exercise the rights of this chapter on the consumer's behalf.

31.11 (d) A consumer may designate another person as the consumer's authorized agent to
31.12 exercise the consumer's right to opt out of the processing of the consumer's personal data
31.13 for purposes of targeted advertising and sale under subdivision 1, paragraph (f), on the
31.14 consumer's behalf. A consumer may designate an authorized agent by way of, among other
31.15 things, a technology, including but not limited to an Internet link or a browser setting,
31.16 browser extension, or global device setting, indicating the consumer's intent to opt out of
31.17 the processing. A controller shall comply with an opt-out request received from an authorized
31.18 agent if the controller is able to verify, with commercially reasonable effort, the identity of
31.19 the consumer and the authorized agent's authority to act on the consumer's behalf.

31.20 Subd. 3. **Universal opt-out mechanisms.** (a) A controller must allow a consumer to opt
31.21 out of any processing of the consumer's personal data for the purposes of targeted advertising,
31.22 or any sale of the consumer's personal data through an opt-out preference signal sent, with
31.23 the consumer's consent, by a platform, technology, or mechanism to the controller indicating
31.24 the consumer's intent to opt out of the processing or sale. The platform, technology, or
31.25 mechanism must:

31.26 (1) not unfairly disadvantage another controller;

31.27 (2) not make use of a default setting, but require the consumer to make an affirmative,
31.28 freely given, and unambiguous choice to opt out of the processing of the consumer's personal
31.29 data;

31.30 (3) be consumer-friendly and easy to use by the average consumer;

31.31 (4) be as consistent as possible with any other similar platform, technology, or mechanism
31.32 required by any federal or state law or regulation; and

32.1 (5) enable the controller to accurately determine whether the consumer is a Minnesota
32.2 resident and whether the consumer has made a legitimate request to opt out of any sale of
32.3 the consumer's personal data or targeted advertising. For purposes of this paragraph, the
32.4 use of an Internet protocol address to estimate the consumer's location is sufficient to
32.5 determine the consumer's residence.

32.6 (b) If a consumer's opt-out request is exercised through the platform, technology, or
32.7 mechanism required under paragraph (a), and the request conflicts with the consumer's
32.8 existing controller-specific privacy setting or voluntary participation in a controller's bona
32.9 fide loyalty, rewards, premium features, discounts, or club card program, the controller
32.10 must comply with the consumer's opt-out preference signal but may also notify the consumer
32.11 of the conflict and provide the consumer a choice to confirm the controller-specific privacy
32.12 setting or participation in the controller's program.

32.13 (c) The platform, technology, or mechanism required under paragraph (a) is subject to
32.14 the requirements of subdivision 4.

32.15 (d) A controller that recognizes opt-out preference signals that have been approved by
32.16 other state laws or regulations is in compliance with this subdivision.

32.17 Subd. 4. **Controller response to consumer requests.** (a) Except as provided in this
32.18 chapter, a controller must comply with a request to exercise the rights pursuant to subdivision
32.19 1.

32.20 (b) A controller must provide one or more secure and reliable means for consumers to
32.21 submit a request to exercise the consumer's rights under this section. The means made
32.22 available must take into account the ways in which consumers interact with the controller
32.23 and the need for secure and reliable communication of the requests.

32.24 (c) A controller may not require a consumer to create a new account in order to exercise
32.25 a right, but a controller may require a consumer to use an existing account to exercise the
32.26 consumer's rights under this section.

32.27 (d) A controller must comply with a request to exercise the right in subdivision 1,
32.28 paragraph (f), as soon as feasibly possible, but no later than 45 days of receipt of the request.

32.29 (e) A controller must inform a consumer of any action taken on a request under
32.30 subdivision 1 without undue delay and in any event within 45 days of receipt of the request.
32.31 That period may be extended once by 45 additional days where reasonably necessary, taking
32.32 into account the complexity and number of the requests. The controller must inform the

33.1 consumer of any extension within 45 days of receipt of the request, together with the reasons
33.2 for the delay.

33.3 (f) If a controller does not take action on a consumer's request, the controller must inform
33.4 the consumer without undue delay and at the latest within 45 days of receipt of the request
33.5 of the reasons for not taking action and instructions for how to appeal the decision with the
33.6 controller as described in subdivision 5.

33.7 (g) Information provided under this section must be provided by the controller free of
33.8 charge up to twice annually to the consumer. Where requests from a consumer are manifestly
33.9 unfounded or excessive, in particular because of the repetitive character of the requests, the
33.10 controller may either charge a reasonable fee to cover the administrative costs of complying
33.11 with the request, or refuse to act on the request. The controller bears the burden of
33.12 demonstrating the manifestly unfounded or excessive character of the request.

33.13 (h) A controller is not required to comply with a request to exercise any of the rights
33.14 under subdivision 1, paragraphs (b) to (h), if the controller is unable to authenticate the
33.15 request using commercially reasonable efforts. In such cases, the controller may request
33.16 the provision of additional information reasonably necessary to authenticate the request. A
33.17 controller is not required to authenticate an opt-out request, but a controller may deny an
33.18 opt-out request if the controller has a good faith, reasonable, and documented belief that
33.19 the request is fraudulent. If a controller denies an opt-out request because the controller
33.20 believes a request is fraudulent, the controller must notify the person who made the request
33.21 that the request was denied due to the controller's belief that the request was fraudulent and
33.22 state the controller's basis for that belief.

33.23 (i) In response to a consumer request under subdivision 1, a controller must not disclose
33.24 the following information about a consumer, but must instead inform the consumer with
33.25 sufficient particularity that the controller has collected that type of information:

33.26 (1) Social Security number;

33.27 (2) driver's license number or other government-issued identification number;

33.28 (3) financial account number;

33.29 (4) health insurance account number or medical identification number;

33.30 (5) account password, security questions, or answers; or

33.31 (6) biometric data.

34.1 (j) In response to a consumer request under subdivision 1, a controller is not required
34.2 to reveal any trade secret.

34.3 (k) A controller that has obtained personal data about a consumer from a source other
34.4 than the consumer may comply with a consumer's request to delete the consumer's personal
34.5 data pursuant to subdivision 1, paragraph (d), by either:

34.6 (1) retaining a record of the deletion request, retaining the minimum data necessary for
34.7 the purpose of ensuring the consumer's personal data remains deleted from the business's
34.8 records, and not using the retained data for any other purpose pursuant to the provisions of
34.9 this chapter; or

34.10 (2) opting the consumer out of the processing of personal data for any purpose except
34.11 for the purposes exempted pursuant to the provisions of this chapter.

34.12 Subd. 5. **Appeal process required.** (a) A controller must establish an internal process
34.13 whereby a consumer may appeal a refusal to take action on a request to exercise any of the
34.14 rights under subdivision 1 within a reasonable period of time after the consumer's receipt
34.15 of the notice sent by the controller under subdivision 4, paragraph (f).

34.16 (b) The appeal process must be conspicuously available. The process must include the
34.17 ease of use provisions in subdivision 3 applicable to submitting requests.

34.18 (c) Within 45 days of receipt of an appeal, a controller must inform the consumer of any
34.19 action taken or not taken in response to the appeal, along with a written explanation of the
34.20 reasons in support thereof. That period may be extended by 60 additional days where
34.21 reasonably necessary, taking into account the complexity and number of the requests serving
34.22 as the basis for the appeal. The controller must inform the consumer of any extension within
34.23 45 days of receipt of the appeal, together with the reasons for the delay.

34.24 (d) When informing a consumer of any action taken or not taken in response to an appeal
34.25 pursuant to paragraph (c), the controller must provide a written explanation of the reasons
34.26 for the controller's decision and clearly and prominently provide the consumer with
34.27 information about how to file a complaint with the Office of the Attorney General. The
34.28 controller must maintain records of all appeals and the controller's responses for at least 24
34.29 months and shall, upon written request by the attorney general as part of an investigation,
34.30 compile and provide a copy of the records to the attorney general.

35.1 Sec. 7. [325O.06] PROCESSING DEIDENTIFIED DATA OR PSEUDONYMOUS
35.2 DATA.

35.3 (a) This chapter does not require a controller or processor to do any of the following
35.4 solely for purposes of complying with this chapter:

35.5 (1) reidentify deidentified data;

35.6 (2) maintain data in identifiable form, or collect, obtain, retain, or access any data or
35.7 technology, in order to be capable of associating an authenticated consumer request with
35.8 personal data; or

35.9 (3) comply with an authenticated consumer request to access, correct, delete, or port
35.10 personal data pursuant to section 325O.05, subdivision 1, if all of the following are true:

35.11 (i) the controller is not reasonably capable of associating the request with the personal
35.12 data, or it would be unreasonably burdensome for the controller to associate the request
35.13 with the personal data;

35.14 (ii) the controller does not use the personal data to recognize or respond to the specific
35.15 consumer who is the subject of the personal data, or associate the personal data with other
35.16 personal data about the same specific consumer; and

35.17 (iii) the controller does not sell the personal data to any third party or otherwise
35.18 voluntarily disclose the personal data to any third party other than a processor, except as
35.19 otherwise permitted in this section.

35.20 (b) The rights contained in section 325O.05, subdivision 1, paragraphs (b) to (h), do not
35.21 apply to pseudonymous data in cases where the controller is able to demonstrate any
35.22 information necessary to identify the consumer is kept separately and is subject to effective
35.23 technical and organizational controls that prevent the controller from accessing the
35.24 information.

35.25 (c) A controller that uses pseudonymous data or deidentified data must exercise reasonable
35.26 oversight to monitor compliance with any contractual commitments to which the
35.27 pseudonymous data or deidentified data are subject, and must take appropriate steps to
35.28 address any breaches of contractual commitments.

35.29 (d) A processor or third party must not attempt to identify the subjects of deidentified
35.30 or pseudonymous data without the express authority of the controller that caused the data
35.31 to be deidentified or pseudonymized.

36.1 (e) A controller, processor, or third party must not attempt to identify the subjects of
36.2 data that has been collected with only pseudonymous identifiers.

36.3 **Sec. 8. [325O.07] RESPONSIBILITIES OF CONTROLLERS.**

36.4 Subdivision 1. **Transparency obligations.** (a) Controllers must provide consumers with
36.5 a reasonably accessible, clear, and meaningful privacy notice that includes:

36.6 (1) the categories of personal data processed by the controller;

36.7 (2) the purposes for which the categories of personal data are processed;

36.8 (3) an explanation of the rights contained in section 325O.05 and how and where
36.9 consumers may exercise those rights, including how a consumer may appeal a controller's
36.10 action with regard to the consumer's request;

36.11 (4) the categories of personal data that the controller sells to or shares with third parties,
36.12 if any;

36.13 (5) the categories of third parties, if any, with whom the controller sells or shares personal
36.14 data;

36.15 (6) the controller's contact information, including an active email address or other online
36.16 mechanism that the consumer may use to contact the controller;

36.17 (7) a description of the controller's retention policies for personal data; and

36.18 (8) the date the privacy notice was last updated.

36.19 (b) If a controller sells personal data to third parties, processes personal data for targeted
36.20 advertising, or engages in profiling in furtherance of decisions that produce legal effects
36.21 concerning a consumer or similarly significant effects concerning a consumer, the controller
36.22 must disclose the processing in the privacy notice and provide access to a clear and
36.23 conspicuous method outside the privacy notice for a consumer to opt out of the sale,
36.24 processing, or profiling in furtherance of decisions that produce legal effects concerning a
36.25 consumer or similarly significant effects concerning a consumer. This method may include
36.26 but is not limited to an Internet hyperlink clearly labeled "Your Opt-Out Rights" or "Your
36.27 Privacy Rights" that directly effectuates the opt-out request or takes consumers to a web
36.28 page where the consumer can make the opt-out request.

36.29 (c) The privacy notice must be made available to the public in each language in which
36.30 the controller provides a product or service that is subject to the privacy notice or carries
36.31 out activities related to the product or service.

37.1 (d) The controller must provide the privacy notice in a manner that is reasonably
37.2 accessible to and usable by individuals with disabilities.

37.3 (e) Whenever a controller makes a material change to the controller's privacy notice or
37.4 practices, the controller must notify consumers affected by the material change with respect
37.5 to any prospectively collected personal data and provide a reasonable opportunity for
37.6 consumers to withdraw consent to any further materially different collection, processing,
37.7 or transfer of previously collected personal data under the changed policy. The controller
37.8 shall take all reasonable electronic measures to provide notification regarding material
37.9 changes to affected consumers, taking into account available technology and the nature of
37.10 the relationship.

37.11 (f) A controller is not required to provide a separate Minnesota-specific privacy notice
37.12 or section of a privacy notice if the controller's general privacy notice contains all the
37.13 information required by this section.

37.14 (g) The privacy notice must be posted online through a conspicuous hyperlink using the
37.15 word "privacy" on the controller's website home page or on a mobile application's app store
37.16 page or download page. A controller that maintains an application on a mobile or other
37.17 device shall also include a hyperlink to the privacy notice in the application's settings menu
37.18 or in a similarly conspicuous and accessible location. A controller that does not operate a
37.19 website shall make the privacy notice conspicuously available to consumers through a
37.20 medium regularly used by the controller to interact with consumers, including but not limited
37.21 to mail.

37.22 Subd. 2. Use of data. (a) A controller must limit the collection of personal data to what
37.23 is adequate, relevant, and reasonably necessary in relation to the purposes for which the
37.24 data are processed, which must be disclosed to the consumer.

37.25 (b) Except as provided in this chapter, a controller may not process personal data for
37.26 purposes that are not reasonably necessary to, or compatible with, the purposes for which
37.27 the personal data are processed, as disclosed to the consumer, unless the controller obtains
37.28 the consumer's consent.

37.29 (c) A controller shall establish, implement, and maintain reasonable administrative,
37.30 technical, and physical data security practices to protect the confidentiality, integrity, and
37.31 accessibility of personal data, including the maintenance of an inventory of the data that
37.32 must be managed to exercise these responsibilities. The data security practices shall be
37.33 appropriate to the volume and nature of the personal data at issue.

38.1 (d) Except as otherwise provided in this act, a controller may not process sensitive data
38.2 concerning a consumer without obtaining the consumer's consent, or, in the case of the
38.3 processing of personal data concerning a known child, without obtaining consent from the
38.4 child's parent or lawful guardian, in accordance with the requirement of the Children's
38.5 Online Privacy Protection Act, United States Code, title 15, sections 6501 to 6506, and its
38.6 implementing regulations, rules, and exemptions.

38.7 (e) A controller shall provide an effective mechanism for a consumer, or, in the case of
38.8 the processing of personal data concerning a known child, the child's parent or lawful
38.9 guardian, to revoke previously given consent under this subdivision. The mechanism provided
38.10 shall be at least as easy as the mechanism by which the consent was previously given. Upon
38.11 revocation of consent, a controller shall cease to process the applicable data as soon as
38.12 practicable, but not later than 15 days after the receipt of such request.

38.13 (f) A controller may not process the personal data of a consumer for purposes of targeted
38.14 advertising, or sell the consumer's personal data, without the consumer's consent, under
38.15 circumstances where the controller knows that the consumer is between the ages of 13 and
38.16 16.

38.17 (g) A controller may not retain personal data that is no longer relevant and reasonably
38.18 necessary in relation to the purposes for which the data were collected and processed, unless
38.19 retention of the data is otherwise required by law or permitted under section 325O.09.

38.20 Subd. 3. **Nondiscrimination.** (a) A controller shall not process personal data on the
38.21 basis of a consumer's or a class of consumers' actual or perceived race, color, ethnicity,
38.22 religion, national origin, sex, gender, gender identity, sexual orientation, familial status,
38.23 lawful source of income, or disability in a manner that unlawfully discriminates against the
38.24 consumer or class of consumers with respect to the offering or provision of: housing,
38.25 employment, credit, or education; or the goods, services, facilities, privileges, advantages,
38.26 or accommodations of any place of public accommodation.

38.27 (b) A controller may not discriminate against a consumer for exercising any of the rights
38.28 contained in this chapter, including denying goods or services to the consumer, charging
38.29 different prices or rates for goods or services, and providing a different level of quality of
38.30 goods and services to the consumer. This subdivision does not: (1) require a controller to
38.31 provide a good or service that requires the consumer's personal data that the controller does
38.32 not collect or maintain; or (2) prohibit a controller from offering a different price, rate, level,
38.33 quality, or selection of goods or services to a consumer, including offering goods or services

39.1 for no fee, if the offering is in connection with a consumer's voluntary participation in a
39.2 bona fide loyalty, rewards, premium features, discounts, or club card program.

39.3 (c) A controller may not sell personal data to a third-party controller as part of a bona
39.4 fide loyalty, rewards, premium features, discounts, or club card program under paragraph
39.5 (b) unless:

39.6 (1) the sale is reasonably necessary to enable the third party to provide a benefit to which
39.7 the consumer is entitled;

39.8 (2) the sale of personal data to third parties is clearly disclosed in the terms of the
39.9 program; and

39.10 (3) the third party uses the personal data only for purposes of facilitating a benefit to
39.11 which the consumer is entitled and does not retain or otherwise use or disclose the personal
39.12 data for any other purpose.

39.13 Subd. 4. **Waiver of rights unenforceable.** Any provision of a contract or agreement of
39.14 any kind that purports to waive or limit in any way a consumer's rights under this chapter
39.15 is contrary to public policy and is void and unenforceable.

39.16 **Sec. 9. [3250.075] REQUIREMENTS FOR SMALL BUSINESSES.**

39.17 (a) A small business, as defined by the United States Small Business Administration
39.18 under Code of Federal Regulations, title 13, part 121, that conducts business in Minnesota
39.19 or produces products or services that are targeted to residents of Minnesota, must not sell
39.20 a consumer's sensitive data without the consumer's prior consent.

39.21 (b) Penalties and attorney general enforcement procedures under section 3250.10 apply
39.22 to a small business that violates this section.

39.23 **Sec. 10. [3250.08] DATA PRIVACY POLICIES AND DATA PRIVACY AND**
39.24 **PROTECTION ASSESSMENTS.**

39.25 (a) A controller must document and maintain a description of the policies and procedures
39.26 the controller has adopted to comply with this chapter. The description must include, where
39.27 applicable:

39.28 (1) the name and contact information for the controller's chief privacy officer or other
39.29 individual with primary responsibility for directing the policies and procedures implemented
39.30 to comply with the provisions of this chapter; and

- 40.1 (2) a description of the controller's data privacy policies and procedures which reflect
40.2 the requirements in section 325O.07, and any policies and procedures designed to:
- 40.3 (i) reflect the requirements of this chapter in the design of the controller's systems;
40.4 (ii) identify and provide personal data to a consumer as required by this chapter;
40.5 (iii) establish, implement, and maintain reasonable administrative, technical, and physical
40.6 data security practices to protect the confidentiality, integrity, and accessibility of personal
40.7 data, including the maintenance of an inventory of the data that must be managed to exercise
40.8 the responsibilities under this item;
- 40.9 (iv) limit the collection of personal data to what is adequate, relevant, and reasonably
40.10 necessary in relation to the purposes for which the data are processed;
- 40.11 (v) prevent the retention of personal data that is no longer relevant and reasonably
40.12 necessary in relation to the purposes for which the data were collected and processed, unless
40.13 retention of the data is otherwise required by law or permitted under section 325O.09; and
- 40.14 (vi) identify and remediate violations of this chapter.
- 40.15 (b) A controller must conduct and document a data privacy and protection assessment
40.16 for each of the following processing activities involving personal data:
- 40.17 (1) the processing of personal data for purposes of targeted advertising;
40.18 (2) the sale of personal data;
40.19 (3) the processing of sensitive data;
40.20 (4) any processing activities involving personal data that present a heightened risk of
40.21 harm to consumers; and
- 40.22 (5) the processing of personal data for purposes of profiling, where the profiling presents
40.23 a reasonably foreseeable risk of:
- 40.24 (i) unfair or deceptive treatment of, or disparate impact on, consumers;
40.25 (ii) financial, physical, or reputational injury to consumers;
40.26 (iii) a physical or other intrusion upon the solitude or seclusion, or the private affairs or
40.27 concerns, of consumers, where the intrusion would be offensive to a reasonable person; or
40.28 (iv) other substantial injury to consumers.

41.1 (c) A data privacy and protection assessment must take into account the type of personal
41.2 data to be processed by the controller, including the extent to which the personal data are
41.3 sensitive data, and the context in which the personal data are to be processed.

41.4 (d) A data privacy and protection assessment must identify and weigh the benefits that
41.5 may flow directly and indirectly from the processing to the controller, consumer, other
41.6 stakeholders, and the public against the potential risks to the rights of the consumer associated
41.7 with the processing, as mitigated by safeguards that can be employed by the controller to
41.8 reduce the potential risks. The use of deidentified data and the reasonable expectations of
41.9 consumers, as well as the context of the processing and the relationship between the controller
41.10 and the consumer whose personal data will be processed, must be factored into this
41.11 assessment by the controller.

41.12 (e) A data privacy and protection assessment must include the description of policies
41.13 and procedures required by paragraph (a).

41.14 (f) As part of a civil investigative demand, the attorney general may request, in writing,
41.15 that a controller disclose any data privacy and protection assessment that is relevant to an
41.16 investigation conducted by the attorney general. The controller must make a data privacy
41.17 and protection assessment available to the attorney general upon a request made under this
41.18 paragraph. The attorney general may evaluate the data privacy and protection assessments
41.19 for compliance with this chapter. Data privacy and protection assessments are classified as
41.20 nonpublic data, as defined by section 13.02, subdivision 9. The disclosure of a data privacy
41.21 and protection assessment pursuant to a request from the attorney general under this
41.22 paragraph does not constitute a waiver of the attorney-client privilege or work product
41.23 protection with respect to the assessment and any information contained in the assessment.

41.24 (g) Data privacy and protection assessments or risk assessments conducted by a controller
41.25 for the purpose of compliance with other laws or regulations may qualify under this section
41.26 if the assessments have a similar scope and effect.

41.27 (h) A single data protection assessment may address multiple sets of comparable
41.28 processing operations that include similar activities.

41.29 **Sec. 11. [3250.09] LIMITATIONS AND APPLICABILITY.**

41.30 (a) The obligations imposed on controllers or processors under this chapter do not restrict
41.31 a controller's or a processor's ability to:

42.1 (1) comply with federal, state, or local laws, rules, or regulations, including but not
42.2 limited to data retention requirements in state or federal law notwithstanding a consumer's
42.3 request to delete personal data;

42.4 (2) comply with a civil, criminal, or regulatory inquiry, investigation, subpoena, or
42.5 summons by federal, state, local, or other governmental authorities;

42.6 (3) cooperate with law enforcement agencies concerning conduct or activity that the
42.7 controller or processor reasonably and in good faith believes may violate federal, state, or
42.8 local laws, rules, or regulations;

42.9 (4) investigate, establish, exercise, prepare for, or defend legal claims;

42.10 (5) provide a product or service specifically requested by a consumer; perform a contract
42.11 to which the consumer is a party, including fulfilling the terms of a written warranty; or
42.12 take steps at the request of the consumer prior to entering into a contract;

42.13 (6) take immediate steps to protect an interest that is essential for the life or physical
42.14 safety of the consumer or of another natural person, and where the processing cannot be
42.15 manifestly based on another legal basis;

42.16 (7) prevent, detect, protect against, or respond to security incidents, identity theft, fraud,
42.17 harassment, malicious or deceptive activities, or any illegal activity; preserve the integrity
42.18 or security of systems; or investigate, report, or prosecute those responsible for any such
42.19 action;

42.20 (8) assist another controller, processor, or third party with any of the obligations under
42.21 this paragraph;

42.22 (9) engage in public or peer-reviewed scientific, historical, or statistical research in the
42.23 public interest that adheres to all other applicable ethics and privacy laws and is approved,
42.24 monitored, and governed by an institutional review board, human subjects research ethics
42.25 review board, or a similar independent oversight entity that has determined:

42.26 (i) the research is likely to provide substantial benefits that do not exclusively accrue to
42.27 the controller;

42.28 (ii) the expected benefits of the research outweigh the privacy risks; and

42.29 (iii) the controller has implemented reasonable safeguards to mitigate privacy risks
42.30 associated with research, including any risks associated with reidentification; or

42.31 (10) process personal data for the benefit of the public in the areas of public health,
42.32 community health, or population health, but only to the extent that the processing is:

43.1 (i) subject to suitable and specific measures to safeguard the rights of the consumer
43.2 whose personal data is being processed; and

43.3 (ii) under the responsibility of a professional individual who is subject to confidentiality
43.4 obligations under federal, state, or local law.

43.5 (b) The obligations imposed on controllers or processors under this chapter do not restrict
43.6 a controller's or processor's ability to collect, use, or retain data to:

43.7 (1) effectuate a product recall or identify and repair technical errors that impair existing
43.8 or intended functionality;

43.9 (2) perform internal operations that are reasonably aligned with the expectations of the
43.10 consumer based on the consumer's existing relationship with the controller, or are otherwise
43.11 compatible with processing in furtherance of the provision of a product or service specifically
43.12 requested by a consumer or the performance of a contract to which the consumer is a party;
43.13 or

43.14 (3) conduct internal research to develop, improve, or repair products, services, or
43.15 technology.

43.16 (c) The obligations imposed on controllers or processors under this chapter do not apply
43.17 where compliance by the controller or processor with this chapter would violate an
43.18 evidentiary privilege under Minnesota law and do not prevent a controller or processor from
43.19 providing personal data concerning a consumer to a person covered by an evidentiary
43.20 privilege under Minnesota law as part of a privileged communication.

43.21 (d) A controller or processor that discloses personal data to a third-party controller or
43.22 processor in compliance with the requirements of this chapter is not in violation of this
43.23 chapter if the recipient processes the personal data in violation of this chapter, provided that
43.24 at the time of disclosing the personal data, the disclosing controller or processor did not
43.25 have actual knowledge that the recipient intended to commit a violation. A third-party
43.26 controller or processor receiving personal data from a controller or processor in compliance
43.27 with the requirements of this chapter is not in violation of this chapter for the obligations
43.28 of the controller or processor from which the third-party controller or processor receives
43.29 the personal data.

43.30 (e) Obligations imposed on controllers and processors under this chapter shall not:

43.31 (1) adversely affect the rights or freedoms of any persons, including exercising the right
43.32 of free speech pursuant to the First Amendment of the United States Constitution; or

44.1 (2) apply to the processing of personal data by a natural person in the course of a purely
44.2 personal or household activity.

44.3 (f) Personal data that are processed by a controller pursuant to this section may be
44.4 processed solely to the extent that the processing is:

44.5 (1) necessary, reasonable, and proportionate to the purposes listed in this section;

44.6 (2) adequate, relevant, and limited to what is necessary in relation to the specific purpose
44.7 or purposes listed in this section; and

44.8 (3) insofar as possible, taking into account the nature and purpose of processing the
44.9 personal data, subjected to reasonable administrative, technical, and physical measures to
44.10 protect the confidentiality, integrity, and accessibility of the personal data, and to reduce
44.11 reasonably foreseeable risks of harm to consumers.

44.12 (g) If a controller processes personal data pursuant to an exemption in this section, the
44.13 controller bears the burden of demonstrating that the processing qualifies for the exemption
44.14 and complies with the requirements in paragraph (f).

44.15 (h) Processing personal data solely for the purposes expressly identified in paragraph
44.16 (a), clauses (1) to (7), does not, by itself, make an entity a controller with respect to the
44.17 processing.

44.18 Sec. 12. **[3250.10] ATTORNEY GENERAL ENFORCEMENT.**

44.19 (a) In the event that a controller or processor violates this chapter, the attorney general,
44.20 prior to filing an enforcement action under paragraph (b), must provide the controller or
44.21 processor with a warning letter identifying the specific provisions of this chapter the attorney
44.22 general alleges have been or are being violated. If, after 30 days of issuance of the warning
44.23 letter, the attorney general believes the controller or processor has failed to cure any alleged
44.24 violation, the attorney general may bring an enforcement action under paragraph (b). This
44.25 paragraph expires January 31, 2026.

44.26 (b) The attorney general may bring a civil action against a controller or processor to
44.27 enforce a provision of this chapter in accordance with section 8.31. If the state prevails in
44.28 an action to enforce this chapter, the state may, in addition to penalties provided by paragraph
44.29 (c) or other remedies provided by law, be allowed an amount determined by the court to be
44.30 the reasonable value of all or part of the state's litigation expenses incurred.

44.31 (c) Any controller or processor that violates this chapter is subject to an injunction and
44.32 liable for a civil penalty of not more than \$7,500 for each violation.

45.1 (d) Nothing in this chapter establishes a private right of action, including under section
45.2 8.31, subdivision 3a, for a violation of this chapter or any other law.

45.3 **Sec. 13. [3250.11] PREEMPTION OF LOCAL LAW; SEVERABILITY.**

45.4 (a) This chapter supersedes and preempts laws, ordinances, regulations, or the equivalent
45.5 adopted by any local government regarding the processing of personal data by controllers
45.6 or processors.

45.7 (b) If any provision of this chapter or the chapter's application to any person or
45.8 circumstance is held invalid, the remainder of the chapter or the application of the provision
45.9 to other persons or circumstances is not affected.

45.10 **Sec. 14. EFFECTIVE DATE.**

45.11 This article is effective July 31, 2025, except that postsecondary institutions regulated
45.12 by the Office of Higher Education are not required to comply with this article until July 31,
45.13 2029.

45.14 **ARTICLE 5**

45.15 **AGRICULTURE APPROPRIATIONS**

45.16 Section 1. Laws 2023, chapter 43, article 1, section 2, is amended to read:

45.17 **Sec. 2. DEPARTMENT OF AGRICULTURE**

45.18			<u>92,025,000</u>	<u>72,223,000</u>
45.19	Subdivision 1. Total Appropriation	\$	<u>88,025,000</u>	<u>\$ 80,518,000</u>

45.20 **Appropriations by Fund**

	2024	2025
45.21		
45.22	91,626,000	71,824,000
45.23	<u>87,626,000</u>	<u>80,119,000</u>
45.24	Remediation	399,000
	399,000	399,000

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

45.28 **Subd. 2. Protection Services**

45.29 **Appropriations by Fund**

	2024	2025
45.30		

46.1		32,034,000	18,743,000
46.2	General	<u>32,034,000</u>	<u>22,438,000</u>
46.3	Remediation	399,000	399,000

46.4 (a) \$399,000 the first year and \$399,000 the
46.5 second year are from the remediation fund for
46.6 administrative funding for the voluntary
46.7 cleanup program.

46.8 (b) \$625,000 the first year and ~~\$625,000~~
46.9 \$925,000 the second year are for the soil
46.10 health financial assistance program under
46.11 Minnesota Statutes, section 17.134. The
46.12 commissioner may award no more than
46.13 \$50,000 of the appropriation each year to a
46.14 single recipient. The commissioner may use
46.15 up to 6.5 percent of this appropriation for costs
46.16 incurred to administer the program. Any
46.17 unencumbered balance does not cancel at the
46.18 end of the first year and is available in the
46.19 second year. Appropriations encumbered
46.20 under contract on or before June 30, 2025, for
46.21 soil health financial assistance grants are
46.22 available until June 30, 2027. The base for this
46.23 appropriation is \$639,000 in fiscal year 2026
46.24 and each year thereafter.

46.25 (c) \$800,000 the first year ~~is~~ and \$100,000 the
46.26 second year are for transfer to the pollinator
46.27 research account established under Minnesota
46.28 Statutes, section 18B.051. The base for this
46.29 transfer is \$100,000 in fiscal year 2026 and
46.30 each year thereafter.

46.31 (d) \$150,000 the first year and \$150,000 the
46.32 second year are for transfer to the noxious
46.33 weed and invasive plant species assistance
46.34 account established under Minnesota Statutes,
46.35 section 18.89, to award grants under

47.1 Minnesota Statutes, section 18.90, to counties,
47.2 municipalities, and other weed management
47.3 entities, including Minnesota Tribal
47.4 governments as defined in Minnesota Statutes,
47.5 section 10.65. This is a onetime appropriation.
47.6 (e) \$175,000 the first year and \$175,000 the
47.7 second year are for compensation for
47.8 destroyed or crippled livestock under
47.9 Minnesota Statutes, section 3.737. The first
47.10 year appropriation may be spent to compensate
47.11 for livestock that were destroyed or crippled
47.12 during fiscal year 2023. If the amount in the
47.13 first year is insufficient, the amount in the
47.14 second year is available in the first year. The
47.15 commissioner may use up to \$5,000 each year
47.16 to reimburse expenses incurred by university
47.17 extension educators to provide fair market
47.18 values of destroyed or crippled livestock. If
47.19 the commissioner receives federal dollars to
47.20 pay claims for destroyed or crippled livestock,
47.21 an equivalent amount of this appropriation
47.22 may be used to reimburse nonlethal prevention
47.23 methods performed by federal wildlife services
47.24 staff.
47.25 (f) \$155,000 the first year and \$155,000 the
47.26 second year are for compensation for crop
47.27 damage under Minnesota Statutes, section
47.28 3.7371. If the amount in the first year is
47.29 insufficient, the amount in the second year is
47.30 available in the first year. The commissioner
47.31 may use up to \$10,000 of the appropriation
47.32 each year to reimburse expenses incurred by
47.33 the commissioner or the commissioner's
47.34 approved agent to investigate and resolve
47.35 claims, as well as for costs associated with

48.1 training for approved agents. The
48.2 commissioner may use up to \$40,000 of the
48.3 appropriation each year to make grants to
48.4 producers for measures to protect stored crops
48.5 from elk damage. If the commissioner
48.6 determines that claims made under Minnesota
48.7 Statutes, section 3.737 or 3.7371, are
48.8 unusually high, amounts appropriated for
48.9 either program may be transferred to the
48.10 appropriation for the other program.

48.11 (g) \$825,000 the first year and \$825,000 the
48.12 second year are to replace capital equipment
48.13 in the Department of Agriculture's analytical
48.14 laboratory.

48.15 (h) \$75,000 the first year and \$75,000 the
48.16 second year are to support a meat processing
48.17 liaison position to assist new or existing meat
48.18 and poultry processing operations in getting
48.19 started, expanding, growing, or transitioning
48.20 into new business models.

48.21 (i) \$2,200,000 the first year and \$1,650,000
48.22 the second year are additional funding to
48.23 maintain the current level of service delivery
48.24 for programs under this subdivision. The base
48.25 for this appropriation is \$1,925,000 for fiscal
48.26 year 2026 and each year thereafter.

48.27 (j) \$250,000 the first year and \$250,000 the
48.28 second year are for grants to organizations in
48.29 Minnesota to develop enterprises, supply
48.30 chains, and markets for continuous-living
48.31 cover crops and cropping systems in the early
48.32 stages of commercial development. For the
48.33 purposes of this paragraph, "continuous-living
48.34 cover crops and cropping systems" refers to
48.35 agroforestry, perennial biomass, perennial

49.1 forage, perennial grains, and winter-annual
49.2 cereal grains and oilseeds that have market
49.3 value as harvested or grazed commodities. By
49.4 February 1 each year, the commissioner must
49.5 submit a report to the chairs and ranking
49.6 minority members of the legislative
49.7 committees with jurisdiction over agriculture
49.8 finance and policy detailing uses of the funds
49.9 in this paragraph, including administrative
49.10 costs, and the achievements these funds
49.11 contributed to. The commissioner may use up
49.12 to 6.5 percent of this appropriation for
49.13 administrative costs. This is a onetime
49.14 appropriation.

49.15 (k) \$45,000 the first year and \$45,000 the
49.16 second year are appropriated for
49.17 wolf-livestock conflict-prevention grants. The
49.18 commissioner may use some of this
49.19 appropriation to support nonlethal prevention
49.20 work performed by federal wildlife services.
49.21 This is a onetime appropriation.

49.22 (l) \$10,000,000 the first year is for transfer to
49.23 the grain indemnity account established in
49.24 Minnesota Statutes, section 223.24. This is a
49.25 onetime transfer.

49.26 (m) \$125,000 the first year and \$125,000 the
49.27 second year are for the PFAS in pesticides
49.28 review. This is a onetime appropriation.

49.29 (n) \$1,941,000 the first year is for transfer to
49.30 the food handler license account. This is a
49.31 onetime transfer.

49.32 (o) \$3,072,000 the second year is for nitrate
49.33 home water treatment, including reverse
49.34 osmosis, for private drinking-water wells with

50.1 nitrate in excess of the maximum contaminant
50.2 level of ten milligrams per liter and located in
50.3 Dodge, Fillmore, Goodhue, Houston, Mower,
50.4 Olmsted, Wabasha, or Winona County. The
50.5 commissioner must prioritize households at
50.6 or below 300 percent of the federal poverty
50.7 guideline and households with infants or
50.8 pregnant individuals. The commissioner may
50.9 also use this appropriation for education,
50.10 outreach, and technical assistance to
50.11 homeowners. Notwithstanding Minnesota
50.12 Statutes, section 16B.98, subdivision 14, the
50.13 commissioner may use up to 6.5 percent of
50.14 this appropriation for administrative costs.
50.15 This is a onetime appropriation and is
50.16 available until June 30, 2027.

50.17 (p) \$223,000 the second year is for transfer to
50.18 the commissioner of health for the private well
50.19 drinking-water assistance program. This is a
50.20 onetime transfer and is available until June
50.21 30, 2027.

50.22 **Subd. 3. Agricultural Marketing and**
50.23 **Development**

5,165,000

4,985,000

50.24 (a) \$150,000 the first year and \$150,000 the
50.25 second year are to expand international trade
50.26 opportunities and markets for Minnesota
50.27 agricultural products.

50.28 (b) \$186,000 the first year and \$186,000 the
50.29 second year are for transfer to the Minnesota
50.30 grown account and may be used as grants for
50.31 Minnesota grown promotion under Minnesota
50.32 Statutes, section 17.102. Notwithstanding
50.33 Minnesota Statutes, section 16A.28, the
50.34 appropriations encumbered under contract on
50.35 or before June 30, 2025, for Minnesota grown

51.1 grants in this paragraph are available until June
51.2 30, 2027.

51.3 (c) \$634,000 the first year and \$634,000 the
51.4 second year are for the continuation of the
51.5 dairy development and profitability
51.6 enhancement programs, including dairy
51.7 profitability teams and dairy business planning
51.8 grants under Minnesota Statutes, section
51.9 32D.30.

51.10 (d) The commissioner may use funds
51.11 appropriated in this subdivision for annual
51.12 cost-share payments to resident farmers or
51.13 entities that sell, process, or package
51.14 agricultural products in this state for the costs
51.15 of organic certification. The commissioner
51.16 may allocate these funds for assistance to
51.17 persons transitioning from conventional to
51.18 organic agriculture.

51.19 (e) \$600,000 the first year and \$420,000 the
51.20 second year are to maintain the current level
51.21 of service delivery. The base for this
51.22 appropriation is ~~\$490,000~~ \$510,000 for fiscal
51.23 year 2026 and each year thereafter.

51.24 (f) \$100,000 the first year and \$100,000 the
51.25 second year are for mental health outreach and
51.26 support to farmers, ranchers, and others in the
51.27 agricultural community and for farm safety
51.28 grant and outreach programs under Minnesota
51.29 Statutes, section 17.1195. Mental health
51.30 outreach and support may include a 24-hour
51.31 hotline, stigma reduction, and education.
51.32 Notwithstanding Minnesota Statutes, section
51.33 16A.28, any unencumbered balance does not
51.34 cancel at the end of the first year and is

52.1 available in the second year. This is a onetime
52.2 appropriation.

52.3 (g) \$100,000 the first year and \$100,000 the
52.4 second year are to award and administer grants
52.5 ~~for infrastructure~~ and other forms of financial
52.6 assistance to support EBT, SNAP, SFMNP,
52.7 and related programs at farmers markets.

52.8 Notwithstanding Minnesota Statutes, section
52.9 16A.28, any unencumbered balance does not
52.10 cancel at the end of the first year and is
52.11 available in the second year. This is a onetime
52.12 appropriation.

52.13 (h) \$200,000 the first year and \$200,000 the
52.14 second year are to award cooperative grants
52.15 under Minnesota Statutes, section 17.1016.

52.16 The commissioner may use up to 6.5 percent
52.17 of the appropriation each year to administer
52.18 the grant program. Notwithstanding Minnesota
52.19 Statutes, section 16A.28, any unencumbered
52.20 balance does not cancel at the end of the first
52.21 year and is available in the second year. This
52.22 is a onetime appropriation.

52.23 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
52.24 **Advancement**

37,809,000
33,809,000

33,809,000
38,109,000

52.25 (a) \$10,702,000 the first year and \$10,702,000
52.26 the second year are for the agriculture
52.27 research, education, extension, and technology
52.28 transfer program under Minnesota Statutes,
52.29 section 41A.14. Except as provided below,
52.30 the appropriation each year is for transfer to
52.31 the agriculture research, education, extension,
52.32 and technology transfer account under
52.33 Minnesota Statutes, section 41A.14,
52.34 subdivision 3, and the commissioner shall
52.35 transfer funds each year to the Board of

53.1 Regents of the University of Minnesota for
53.2 purposes of Minnesota Statutes, section
53.3 41A.14. To the extent practicable, money
53.4 expended under Minnesota Statutes, section
53.5 41A.14, subdivision 1, clauses (1) and (2),
53.6 must supplement and not supplant existing
53.7 sources and levels of funding. The
53.8 commissioner may use up to one percent of
53.9 this appropriation for costs incurred to
53.10 administer the program.

53.11 Of the amount appropriated for the agriculture
53.12 research, education, extension, and technology
53.13 transfer grant program under Minnesota
53.14 Statutes, section 41A.14:

53.15 (1) \$600,000 the first year and \$600,000 the
53.16 second year are for the Minnesota Agricultural
53.17 Experiment Station's agriculture rapid
53.18 response fund under Minnesota Statutes,
53.19 section 41A.14, subdivision 1, clause (2);

53.20 (2) up to \$1,000,000 the first year and up to
53.21 \$1,000,000 the second year are for research
53.22 on avian influenza, salmonella, and other
53.23 turkey-related diseases and disease prevention
53.24 measures;

53.25 (3) \$2,250,000 the first year and \$2,250,000
53.26 the second year are for grants to the Minnesota
53.27 Agricultural Education Leadership Council to
53.28 enhance agricultural education with priority
53.29 given to Farm Business Management
53.30 challenge grants;

53.31 (4) \$450,000 the first year is for the cultivated
53.32 wild rice breeding project at the North Central
53.33 Research and Outreach Center to include a
53.34 tenure track/research associate plant breeder;

54.1 (5) \$350,000 the first year and \$350,000 the
54.2 second year are for potato breeding;

54.3 (6) \$802,000 the first year and \$802,000 the
54.4 second year are to fund the Forever Green
54.5 Initiative and protect the state's natural
54.6 resources while increasing the efficiency,
54.7 profitability, and productivity of Minnesota
54.8 farmers by incorporating perennial and
54.9 winter-annual crops into existing agricultural
54.10 practices. The base for the allocation under
54.11 this clause is \$802,000 in fiscal year 2026 and
54.12 each year thereafter. By February 1 each year,
54.13 the dean of the College of Food, Agricultural
54.14 and Natural Resource Sciences must submit
54.15 a report to the chairs and ranking minority
54.16 members of the legislative committees with
54.17 jurisdiction over agriculture finance and policy
54.18 and higher education detailing uses of the
54.19 funds in this paragraph, including
54.20 administrative costs, and the achievements
54.21 these funds contributed to; and

54.22 (7) \$350,000 each year is for farm-scale winter
54.23 greenhouse research and development
54.24 coordinated by University of Minnesota
54.25 Extension Regional Sustainable Development
54.26 Partnerships. The allocation in this clause is
54.27 onetime.

54.28 (b) The base for the agriculture research,
54.29 education, extension, and technology transfer
54.30 program is \$10,352,000 in fiscal year 2026
54.31 and \$10,352,000 in fiscal year 2027.

54.32 (c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and~~
54.33 ~~\$23,107,000 the second year are~~ is for the
54.34 agricultural growth, research, and innovation
54.35 program under Minnesota Statutes, section

55.1 41A.12. Except as provided below, the
55.2 commissioner may allocate this appropriation
55.3 ~~each year~~ among the following areas:
55.4 facilitating the start-up, modernization,
55.5 improvement, or expansion of livestock
55.6 operations, including beginning and
55.7 transitioning livestock operations with
55.8 preference given to robotic dairy-milking
55.9 equipment; assisting value-added agricultural
55.10 businesses to begin or expand, to access new
55.11 markets, or to diversify, including aquaponics
55.12 systems, with preference given to hemp fiber
55.13 processing equipment; facilitating the start-up,
55.14 modernization, or expansion of other
55.15 beginning and transitioning farms, including
55.16 by providing loans under Minnesota Statutes,
55.17 section 41B.056; sustainable agriculture
55.18 on-farm research and demonstration; the
55.19 development or expansion of food hubs and
55.20 other alternative community-based food
55.21 distribution systems; enhancing renewable
55.22 energy infrastructure and use; crop research,
55.23 including basic and applied turf seed research;
55.24 Farm Business Management tuition assistance;
55.25 and good agricultural practices and good
55.26 handling practices certification assistance. The
55.27 commissioner may use up to 6.5 percent of
55.28 this appropriation for costs incurred to
55.29 administer the program.

55.30 Of the amount appropriated for the agricultural
55.31 growth, research, and innovation program
55.32 under Minnesota Statutes, section 41A.12:

55.33 (1) \$1,000,000 the first year ~~and \$1,000,000~~
55.34 ~~the second year are~~ is for distribution in equal

56.1 amounts to each of the state's county fairs to
56.2 preserve and promote Minnesota agriculture;
56.3 ~~(2) \$5,750,000 the first year and \$5,750,000~~
56.4 ~~the second year are~~ is for incentive payments
56.5 under Minnesota Statutes, sections 41A.16,
56.6 41A.17, 41A.18, and 41A.20. Notwithstanding
56.7 Minnesota Statutes, section 16A.28, the first
56.8 year appropriation is available until June 30,
56.9 2025, ~~and the second year appropriation is~~
56.10 ~~available until June 30, 2026.~~ If this
56.11 appropriation exceeds the total amount for
56.12 which all producers are eligible in a fiscal
56.13 year, the balance of the appropriation is
56.14 available for other purposes under this
56.15 paragraph. ~~The base under this clause is~~
56.16 ~~\$3,000,000 in fiscal year 2026 and each year~~
56.17 ~~thereafter;~~

56.18 (3) \$3,375,000 the first year ~~and \$3,375,000~~
56.19 ~~the second year are~~ is for grants that enable
56.20 retail petroleum dispensers, fuel storage tanks,
56.21 and other equipment to dispense biofuels to
56.22 the public in accordance with the biofuel
56.23 replacement goals established under
56.24 Minnesota Statutes, section 239.7911. A retail
56.25 petroleum dispenser selling petroleum for use
56.26 in spark ignition engines for vehicle model
56.27 years after 2000 is eligible for grant money
56.28 under this clause if the retail petroleum
56.29 dispenser has no more than 10 retail petroleum
56.30 dispensing sites and each site is located in
56.31 Minnesota. The grant money must be used to
56.32 replace or upgrade equipment that does not
56.33 have the ability to be certified for E25. A grant
56.34 award must not exceed 65 percent of the cost
56.35 of the appropriate technology. A grant award

57.1 must not exceed \$200,000 per station. The
57.2 commissioner must cooperate with biofuel
57.3 stakeholders in the implementation of the grant
57.4 program. The commissioner, in cooperation
57.5 with any economic or community development
57.6 financial institution and any other entity with
57.7 which the commissioner contracts, must
57.8 submit a report on the biofuels infrastructure
57.9 financial assistance program by January 15 of
57.10 each year to the chairs and ranking minority
57.11 members of the legislative committees and
57.12 divisions with jurisdiction over agriculture
57.13 policy and finance. The annual report must
57.14 include but not be limited to a summary of the
57.15 following metrics: (i) the number and types
57.16 of projects financed; (ii) the amount of dollars
57.17 leveraged or matched per project; (iii) the
57.18 geographic distribution of financed projects;
57.19 (iv) any market expansion associated with
57.20 upgraded infrastructure; (v) the demographics
57.21 of the areas served; (vi) the costs of the
57.22 program; and (vii) the number of grants to
57.23 minority-owned or female-owned businesses.
57.24 ~~The base under this clause is \$3,000,000 for~~
57.25 ~~fiscal year 2026 and each year thereafter;~~
57.26 (4) \$1,250,000 the first year ~~and \$1,250,000~~
57.27 ~~the second year are~~ is for grants to facilitate
57.28 the start-up, modernization, or expansion of
57.29 meat, poultry, egg, and milk processing
57.30 facilities. A grant award under this clause must
57.31 not exceed \$200,000. Any unencumbered
57.32 balance at the end of the second year does not
57.33 cancel until June 30, 2026, and may be used
57.34 for other purposes under this paragraph. ~~The~~
57.35 ~~base under this clause is \$250,000 in fiscal~~
57.36 ~~year 2026 and each year thereafter;~~

58.1 ~~(5) \$1,150,000 the first year and \$1,150,000~~
58.2 ~~the second year are~~ is for providing more
58.3 fruits, vegetables, meat, poultry, grain, and
58.4 dairy for children in school and early
58.5 childhood education ~~centers~~ settings,
58.6 including, at the commissioner's discretion,
58.7 providing grants to reimburse schools and
58.8 early childhood education ~~centers~~ and child
58.9 care providers for purchasing equipment and
58.10 agricultural products. Organizations must
58.11 participate in the National School Lunch
58.12 Program or the Child and Adult Care Food
58.13 Program to be eligible. Of the amount
58.14 appropriated, \$150,000 ~~each year~~ is for a
58.15 statewide coordinator of farm-to-institution
58.16 strategy and programming. The coordinator
58.17 must consult with relevant stakeholders and
58.18 provide technical assistance and training for
58.19 participating farmers and eligible grant
58.20 recipients. ~~The base under this clause is~~
58.21 ~~\$1,294,000 in fiscal year 2026 and each year~~
58.22 ~~thereafter;~~
58.23 ~~(6) \$4,000,000 the first year is for Dairy~~
58.24 ~~Assistance, Investment, Relief Initiative~~
58.25 ~~(DAIRI) grants and other forms of financial~~
58.26 ~~assistance to Minnesota dairy farms that enroll~~
58.27 ~~in coverage under a federal dairy risk~~
58.28 ~~protection program and produced no more~~
58.29 ~~than 16,000,000 pounds of milk in 2022. The~~
58.30 ~~commissioner must make DAIRI payments~~
58.31 ~~based on the amount of milk produced in~~
58.32 ~~2022, up to 5,000,000 pounds per participating~~
58.33 ~~farm, at a rate determined by the commissioner~~
58.34 ~~within the limits of available funding. Any~~
58.35 ~~unencumbered balance does not cancel at the~~
58.36 ~~end of the first year and is available in the~~

59.1 ~~second year. Any unencumbered balance at~~
59.2 ~~the end of the second year does not cancel~~
59.3 ~~until June 30, 2026, and may be used for other~~
59.4 ~~purposes under this paragraph. The allocation~~
59.5 ~~in this clause is onetime;~~
59.6 ~~(7) (6) \$2,000,000 the first year and~~
59.7 ~~\$2,000,000 the second year are~~ is for urban
59.8 youth agricultural education or urban
59.9 agriculture community development; and
59.10 ~~(8) (7) \$1,000,000 the first year and~~
59.11 ~~\$1,000,000 the second year are~~ is for the good
59.12 food access program under Minnesota
59.13 Statutes, section 17.1017.
59.14 Notwithstanding Minnesota Statutes, section
59.15 16A.28, any unencumbered balance does not
59.16 cancel at the end of the first year and is
59.17 available for the second year, and
59.18 appropriations encumbered under contract on
59.19 or before June 30, 2025, for agricultural
59.20 growth, research, and innovation grants are
59.21 available until June 30, 2028.
59.22 (d) \$27,407,000 the second year is for the
59.23 agricultural growth, research, and innovation
59.24 program under Minnesota Statutes, section
59.25 41A.12. Except as provided below, the
59.26 commissioner may allocate this appropriation
59.27 among the following areas: facilitating the
59.28 start-up, modernization, improvement, or
59.29 expansion of livestock operations, including
59.30 beginning and transitioning livestock
59.31 operations with preference given to robotic
59.32 dairy-milking equipment; assisting
59.33 value-added agricultural businesses to begin
59.34 or expand, to access new markets, or to
59.35 diversify, including aquaponics systems, with

60.1 preference given to hemp fiber processing
60.2 equipment; facilitating the start-up,
60.3 modernization, or expansion of other
60.4 beginning and transitioning farms, including
60.5 by providing loans under Minnesota Statutes,
60.6 section 41B.056; sustainable agriculture
60.7 on-farm research and demonstration; the
60.8 development or expansion of food hubs and
60.9 other alternative community-based food
60.10 distribution systems; enhancing renewable
60.11 energy infrastructure and use; crop research,
60.12 including basic and applied turf seed research;
60.13 Farm Business Management tuition assistance;
60.14 and good agricultural practices and good
60.15 handling practices certification assistance. The
60.16 commissioner may use up to 6.5 percent of
60.17 this appropriation for costs incurred to
60.18 administer the program.

60.19 Of the amount appropriated for the agricultural
60.20 growth, research, and innovation program
60.21 under Minnesota Statutes, section 41A.12:

60.22 (1) \$1,000,000 the second year is for
60.23 distribution in equal amounts to each of the
60.24 state's county fairs to preserve and promote
60.25 Minnesota agriculture;

60.26 (2) \$5,750,000 the second year is for incentive
60.27 payments under Minnesota Statutes, sections
60.28 41A.16, 41A.17, 41A.18, and 41A.20.
60.29 Notwithstanding Minnesota Statutes, section
60.30 16A.28, this appropriation is available until
60.31 June 30, 2027. If this appropriation exceeds
60.32 the total amount for which all producers are
60.33 eligible in a fiscal year, the balance of the
60.34 appropriation is available for other purposes
60.35 under this paragraph. The base under this

61.1 clause is \$3,000,000 in fiscal year 2026 and
61.2 each year thereafter;
61.3 (3) \$3,475,000 the second year is for grants
61.4 that enable retail petroleum dispensers, fuel
61.5 storage tanks, and other equipment to dispense
61.6 biofuels to the public in accordance with the
61.7 biofuel replacement goals established under
61.8 Minnesota Statutes, section 239.7911. A retail
61.9 petroleum dispenser selling petroleum for use
61.10 in spark ignition engines for vehicle model
61.11 years after 2000 is eligible for grant money
61.12 under this clause if the retail petroleum
61.13 dispenser has no more than ten retail
61.14 petroleum dispensing sites and each site is
61.15 located in Minnesota. The grant money must
61.16 be used to replace or upgrade equipment that
61.17 does not have the ability to be certified for
61.18 E25. A grant award must not exceed 65
61.19 percent of the cost of the appropriate
61.20 technology. A grant award must not exceed
61.21 \$200,000 per station. The commissioner must
61.22 cooperate with biofuel stakeholders in the
61.23 implementation of the grant program. The
61.24 commissioner, in cooperation with any
61.25 economic or community development
61.26 financial institution and any other entity with
61.27 which the commissioner contracts, must
61.28 submit a report on the biofuels infrastructure
61.29 financial assistance program by January 15 of
61.30 each year to the chairs and ranking minority
61.31 members of the legislative committees and
61.32 divisions with jurisdiction over agriculture
61.33 policy and finance. The annual report must
61.34 include but not be limited to a summary of the
61.35 following metrics: (i) the number and types
61.36 of projects financed; (ii) the amount of money

62.1 leveraged or matched per project; (iii) the
62.2 geographic distribution of financed projects;
62.3 (iv) any market expansion associated with
62.4 upgraded infrastructure; (v) the demographics
62.5 of the areas served; (vi) the costs of the
62.6 program; and (vii) the number of grants to
62.7 minority-owned or female-owned businesses.
62.8 The base under this clause is \$3,000,000 for
62.9 fiscal year 2026 and each year thereafter;
62.10 (4) \$1,250,000 the second year is for grants
62.11 to facilitate the start-up, modernization, or
62.12 expansion of meat, poultry, egg, and milk
62.13 processing facilities. A grant award under this
62.14 clause must not exceed \$200,000. Any
62.15 unencumbered balance at the end of the second
62.16 year does not cancel until June 30, 2027, and
62.17 may be used for other purposes under this
62.18 paragraph. The base under this clause is
62.19 \$250,000 in fiscal year 2026 and each year
62.20 thereafter;
62.21 (5) \$1,350,000 the second year is for providing
62.22 more fruits, vegetables, meat, poultry, grain,
62.23 and dairy for children in school and early
62.24 childhood education settings, including, at the
62.25 commissioner's discretion, providing grants
62.26 to reimburse schools and early childhood
62.27 education and child care providers for
62.28 purchasing equipment and agricultural
62.29 products. Organizations must participate in
62.30 the National School Lunch Program or the
62.31 Child and Adult Care Food Program to be
62.32 eligible. Of the amount appropriated, \$150,000
62.33 is for a statewide coordinator of
62.34 farm-to-institution strategy and programming.
62.35 The coordinator must consult with relevant

63.1 stakeholders and provide technical assistance
63.2 and training for participating farmers and
63.3 eligible grant recipients. The base under this
63.4 clause is \$1,294,000 in fiscal year 2026 and
63.5 each year thereafter;

63.6 (6) \$4,000,000 the second year is for Dairy
63.7 Assistance, Investment, Relief Initiative
63.8 (DAIRI) grants and other forms of financial
63.9 assistance to Minnesota dairy farms that enroll
63.10 in coverage under a federal dairy risk
63.11 protection program and produced no more
63.12 than 16,000,000 pounds of milk in 2022. The
63.13 commissioner must make DAIRI payments
63.14 based on the amount of milk produced in
63.15 2022, up to 5,000,000 pounds per participating
63.16 farm, at a rate determined by the commissioner
63.17 within the limits of available funding. Any
63.18 unencumbered balance on June 30, 2026, may
63.19 be used for other purposes under this
63.20 paragraph. The allocation in this clause is
63.21 onetime;

63.22 (7) \$2,000,000 the second year is for urban
63.23 youth agricultural education or urban
63.24 agriculture community development; and

63.25 (8) \$1,000,000 the second year is for the good
63.26 food access program under Minnesota
63.27 Statutes, section 17.1017.

63.28 Notwithstanding Minnesota Statutes, section
63.29 16A.28, any unencumbered balance does not
63.30 cancel at the end of the second year and is
63.31 available until June 30, 2027. Appropriations
63.32 encumbered under contract on or before June
63.33 30, 2027, for agricultural growth, research,
63.34 and innovation grants are available until June
63.35 30, 2030.

64.1 ~~(d)~~ (e) The base for the agricultural growth,
64.2 research, and innovation program is
64.3 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026
64.4 and each year thereafter and includes \$200,000
64.5 each year for cooperative development grants.

64.6	Subd. 5. Administration and Financial		<u>14,287,000</u>
64.7	Assistance	16,618,000	<u>14,587,000</u>

64.8 (a) \$474,000 the first year and \$474,000 the
64.9 second year are for payments to county and
64.10 district agricultural societies and associations
64.11 under Minnesota Statutes, section 38.02,
64.12 subdivision 1. Aid payments to county and
64.13 district agricultural societies and associations
64.14 must be disbursed no later than July 15 of each
64.15 year. These payments are the amount of aid
64.16 from the state for an annual fair held in the
64.17 previous calendar year.

64.18 (b) \$350,000 the first year and \$350,000 the
64.19 second year are for grants to the Minnesota
64.20 Agricultural Education and Leadership
64.21 Council for programs of the council under
64.22 Minnesota Statutes, chapter 41D. The base for
64.23 this appropriation is \$250,000 in fiscal year
64.24 2026 and each year thereafter.

64.25 (c) \$2,000 the first year is for a grant to the
64.26 Minnesota State Poultry Association. This is
64.27 a onetime appropriation. Notwithstanding
64.28 Minnesota Statutes, section 16A.28, any
64.29 unencumbered balance does not cancel at the
64.30 end of the first year and is available for the
64.31 second year.

64.32 (d) \$18,000 the first year and \$18,000 the
64.33 second year are for grants to the Minnesota
64.34 Livestock Breeders Association. This is a
64.35 onetime appropriation.

65.1 (e) \$60,000 the first year and \$60,000 the
65.2 second year are for grants to the Northern
65.3 Crops Institute that may be used to purchase
65.4 equipment. This is a onetime appropriation.

65.5 (f) \$34,000 the first year and \$34,000 the
65.6 second year are for grants to the Minnesota
65.7 State Horticultural Society. This is a onetime
65.8 appropriation.

65.9 (g) \$25,000 the first year and \$25,000 the
65.10 second year are for grants to the Center for
65.11 Rural Policy and Development. This is a
65.12 onetime appropriation.

65.13 (h) \$75,000 the first year and \$75,000 the
65.14 second year are appropriated from the general
65.15 fund to the commissioner of agriculture for
65.16 grants to the Minnesota Turf Seed Council for
65.17 basic and applied research on: (1) the
65.18 improved production of forage and turf seed
65.19 related to new and improved varieties; and (2)
65.20 native plants, including plant breeding,
65.21 nutrient management, pest management,
65.22 disease management, yield, and viability. The
65.23 Minnesota Turf Seed Council may subcontract
65.24 with a qualified third party for some or all of
65.25 the basic or applied research. Any
65.26 unencumbered balance does not cancel at the
65.27 end of the first year and is available in the
65.28 second year. The Minnesota Turf Seed Council
65.29 must prepare a report outlining the use of the
65.30 grant money and related accomplishments. No
65.31 later than January 15, 2025, the council must
65.32 submit the report to the chairs and ranking
65.33 minority members of the legislative
65.34 committees and divisions with jurisdiction

66.1 over agriculture finance and policy. This is a
66.2 onetime appropriation.

66.3 (i) \$100,000 the first year and \$100,000 the
66.4 second year are for grants to GreenSeam for
66.5 assistance to agriculture-related businesses to
66.6 support business retention and development,
66.7 business attraction and creation, talent
66.8 development and attraction, and regional
66.9 branding and promotion. These are onetime
66.10 appropriations. No later than December 1,
66.11 2024, and December 1, 2025, GreenSeam
66.12 must report to the chairs and ranking minority
66.13 members of the legislative committees with
66.14 jurisdiction over agriculture and rural
66.15 development with information on new and
66.16 existing businesses supported, number of new
66.17 jobs created in the region, new educational
66.18 partnerships and programs supported, and
66.19 regional branding and promotional efforts.

66.20 (j) \$1,950,000 the first year and \$1,950,000
66.21 the second year are for grants to Second
66.22 Harvest Heartland on behalf of Minnesota's
66.23 six Feeding America food banks for the
66.24 following purposes:

66.25 (1) at least \$850,000 each year must be
66.26 allocated to purchase milk for distribution to
66.27 Minnesota's food shelves and other charitable
66.28 organizations that are eligible to receive food
66.29 from the food banks. Milk purchased under
66.30 the grants must be acquired from Minnesota
66.31 milk processors and based on low-cost bids.
66.32 The milk must be allocated to each Feeding
66.33 America food bank serving Minnesota
66.34 according to the formula used in the
66.35 distribution of United States Department of

67.1 Agriculture commodities under The
67.2 Emergency Food Assistance Program. Second
67.3 Harvest Heartland may enter into contracts or
67.4 agreements with food banks for shared funding
67.5 or reimbursement of the direct purchase of
67.6 milk. Each food bank that receives funding
67.7 under this clause may use up to two percent
67.8 for administrative expenses. Notwithstanding
67.9 Minnesota Statutes, section 16A.28, any
67.10 unencumbered balance the first year does not
67.11 cancel and is available the second year;

67.12 (2) to compensate agricultural producers and
67.13 processors for costs incurred to harvest and
67.14 package for transfer surplus fruits, vegetables,
67.15 and other agricultural commodities that would
67.16 otherwise go unharvested, be discarded, or be
67.17 sold in a secondary market. Surplus
67.18 commodities must be distributed statewide to
67.19 food shelves and other charitable organizations
67.20 that are eligible to receive food from the food
67.21 banks. Surplus food acquired under this clause
67.22 must be from Minnesota producers and
67.23 processors. Second Harvest Heartland may
67.24 use up to 15 percent of each grant awarded
67.25 under this clause for administrative and
67.26 transportation expenses; and

67.27 (3) to purchase and distribute protein products,
67.28 including but not limited to pork, poultry, beef,
67.29 dry legumes, cheese, and eggs to Minnesota's
67.30 food shelves and other charitable organizations
67.31 that are eligible to receive food from the food
67.32 banks. Second Harvest Heartland may use up
67.33 to two percent of each grant awarded under
67.34 this clause for administrative expenses. Protein
67.35 products purchased under the grants must be

68.1 acquired from Minnesota processors and
68.2 producers.

68.3 Second Harvest Heartland must submit
68.4 quarterly reports to the commissioner and the
68.5 chairs and ranking minority members of the
68.6 legislative committees with jurisdiction over
68.7 agriculture finance in the form prescribed by
68.8 the commissioner. The reports must include
68.9 but are not limited to information on the
68.10 expenditure of funds, the amount of milk or
68.11 other commodities purchased, and the
68.12 organizations to which this food was
68.13 distributed. The base for this appropriation is
68.14 \$1,700,000 for fiscal year 2026 and each year
68.15 thereafter.

68.16 (k) \$25,000 the first year and \$25,000 the
68.17 second year are for grants to the Southern
68.18 Minnesota Initiative Foundation to promote
68.19 local foods through an annual event that raises
68.20 public awareness of local foods and connects
68.21 local food producers and processors with
68.22 potential buyers.

68.23 (l) \$300,000 the first year and \$300,000 the
68.24 second year are for grants to The Good Acre
68.25 for the Local Emergency Assistance Farmer
68.26 Fund (LEAFF) program to compensate
68.27 ~~emerging~~ farmers experiencing limited land
68.28 access or limited market access for crops
68.29 donated to hunger relief organizations in
68.30 Minnesota. For purposes of this paragraph,
68.31 "limited land access" and "limited market
68.32 access" have the meanings given in Minnesota
68.33 Statutes, section 17.133, subdivision 1. This
68.34 is a onetime appropriation.

69.1 (m) \$750,000 the first year and \$750,000 the
69.2 second year are to expand the Emerging
69.3 Farmers Office and provide services to
69.4 beginning and emerging farmers to increase
69.5 connections between farmers and market
69.6 opportunities throughout the state. This
69.7 appropriation may be used for grants,
69.8 translation services, training programs, or
69.9 other purposes in line with the
69.10 recommendations of the Emerging Farmer
69.11 Working Group established under Minnesota
69.12 Statutes, section 17.055, subdivision 1. The
69.13 base for this appropriation is \$1,000,000 in
69.14 fiscal year 2026 and each year thereafter.

69.15 (n) \$50,000 the first year is to provide
69.16 technical assistance and leadership in the
69.17 development of a comprehensive and
69.18 well-documented state aquaculture plan. The
69.19 commissioner must provide the state
69.20 aquaculture plan to the legislative committees
69.21 with jurisdiction over agriculture finance and
69.22 policy by February 15, 2025.

69.23 (o) \$337,000 the first year and \$337,000 the
69.24 second year are for farm advocate services.
69.25 Of these amounts, \$50,000 the first year and
69.26 \$50,000 the second year are for the
69.27 continuation of the farmland transition
69.28 programs and may be used for grants to
69.29 farmland access teams to provide technical
69.30 assistance to potential beginning farmers.
69.31 Farmland access teams must assist existing
69.32 farmers and beginning farmers with
69.33 transitioning farm ownership and farm
69.34 operation. Services provided by teams may
69.35 include but are not limited to mediation

70.1 assistance, designing contracts, financial
70.2 planning, tax preparation, estate planning, and
70.3 housing assistance.

70.4 (p) \$260,000 the first year and \$260,000 the
70.5 second year are for a pass-through grant to
70.6 Region Five Development Commission to
70.7 provide, in collaboration with Farm Business
70.8 Management, statewide mental health
70.9 counseling support to Minnesota farm
70.10 operators, families, and employees, and
70.11 individuals who work with Minnesota farmers
70.12 in a professional capacity. Region Five
70.13 Development Commission may use up to 6.5
70.14 percent of the grant awarded under this
70.15 paragraph for administration.

70.16 (q) \$1,000,000 the first year is for transfer to
70.17 the agricultural emergency account established
70.18 under Minnesota Statutes, section 17.041.

70.19 (r) \$1,084,000 the first year and \$500,000 the
70.20 second year are to support IT modernization
70.21 efforts, including laying the technology
70.22 foundations needed for improving customer
70.23 interactions with the department for licensing
70.24 and payments. This is a onetime appropriation.

70.25 (s) \$275,000 the first year is for technical
70.26 assistance grants to certified community
70.27 development financial institutions that
70.28 participate in United States Department of
70.29 Agriculture loan or grant programs for small
70.30 farmers or emerging farmers experiencing
70.31 limited land access or limited market access,
70.32 including but not limited to the Increasing
70.33 Land, Capital, and Market Access Program.
70.34 For purposes of this paragraph, "~~emerging~~
70.35 ~~farmer~~" has "limited land access" and "limited

71.1 market access" have the ~~meaning~~ meanings
71.2 given in Minnesota Statutes, ~~section 17.055,~~
71.3 ~~subdivision 1~~ section 17.133, subdivision 1.
71.4 The commissioner may use up to 6.5 percent
71.5 of this appropriation for costs incurred to
71.6 administer the program. Notwithstanding
71.7 Minnesota Statutes, section 16A.28, any
71.8 unencumbered balance does not cancel at the
71.9 end of the first year and is available in the
71.10 second year. This is a onetime appropriation.
71.11 (t) \$1,425,000 the first year and \$1,425,000
71.12 the second year are for transfer to the
71.13 agricultural and environmental revolving loan
71.14 account established under Minnesota Statutes,
71.15 section 17.117, subdivision 5a, for low-interest
71.16 loans under Minnesota Statutes, section
71.17 17.117.
71.18 (u) \$150,000 the first year and \$150,000 the
71.19 second year are for administrative support for
71.20 the Rural Finance Authority.
71.21 (v) The base in fiscal years 2026 and 2027 is
71.22 \$150,000 each year to coordinate
71.23 climate-related activities and services within
71.24 the Department of Agriculture and
71.25 counterparts in local, state, and federal
71.26 agencies and to hire a full-time climate
71.27 implementation coordinator. The climate
71.28 implementation coordinator must coordinate
71.29 efforts seeking federal funding for Minnesota's
71.30 agricultural climate adaptation and mitigation
71.31 efforts and develop strategic partnerships with
71.32 the private sector and nongovernment
71.33 organizations.
71.34 (w) \$1,200,000 the first year and \$930,000 the
71.35 second year are to maintain the current level

72.1 of service delivery. The base for this
72.2 appropriation is ~~\$1,085,000~~ \$1,065,000 in
72.3 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000
72.4 in fiscal year 2027 and each year thereafter.

72.5 (x) \$250,000 the first year is for a grant to the
72.6 Board of Regents of the University of
72.7 Minnesota to purchase equipment for the
72.8 Veterinary Diagnostic Laboratory to test for
72.9 chronic wasting disease, African swine fever,
72.10 avian influenza, and other animal diseases.
72.11 The Veterinary Diagnostic Laboratory must
72.12 report expenditures under this paragraph to
72.13 the legislative committees with jurisdiction
72.14 over agriculture finance and higher education
72.15 with a report submitted by January 3, 2024,
72.16 and a final report submitted by December 31,
72.17 2024. The reports must include a list of
72.18 equipment purchased, including the cost of
72.19 each item.

72.20 (y) \$1,000,000 the first year and \$1,000,000
72.21 the second year are to award and administer
72.22 down payment assistance grants under
72.23 Minnesota Statutes, section 17.133, with
72.24 priority given to ~~emerging farmers as defined~~
72.25 ~~in Minnesota Statutes, section 17.055,~~
72.26 ~~subdivision 1~~ eligible applicants with no more
72.27 than \$100,000 in annual gross farm product
72.28 sales and eligible applicants who are producers
72.29 of industrial hemp, cannabis, or one or more
72.30 of the following specialty crops as defined by
72.31 the United States Department of Agriculture
72.32 for purposes of the specialty crop block grant
72.33 program: fruits and vegetables, tree nuts, dried
72.34 fruits, medicinal plants, culinary herbs and
72.35 spices, horticulture crops, floriculture crops,

73.1 and nursery crops. Notwithstanding Minnesota
73.2 Statutes, section 16A.28, any unencumbered
73.3 balance at the end of the first year does not
73.4 cancel and is available in the second year and
73.5 appropriations encumbered under contract by
73.6 June 30, 2025, are available until June 30,
73.7 2027.

73.8 (z) \$222,000 the first year and \$322,000 the
73.9 second year are for meat processing training
73.10 and retention incentive grants under section
73.11 5. The commissioner may use up to 6.5
73.12 percent of this appropriation for costs incurred
73.13 to administer the program. Notwithstanding
73.14 Minnesota Statutes, section 16A.28, any
73.15 unencumbered balance does not cancel at the
73.16 end of the first year and is available in the
73.17 second year. This is a onetime appropriation.

73.18 (aa) \$300,000 the first year and \$300,000 the
73.19 second year are for transfer to the Board of
73.20 Regents of the University of Minnesota to
73.21 evaluate, propagate, and maintain the genetic
73.22 diversity of oilseeds, grains, grasses, legumes,
73.23 and other plants including flax, timothy,
73.24 barley, rye, triticale, alfalfa, orchard grass,
73.25 clover, and other species and varieties that
73.26 were in commercial distribution and use in
73.27 Minnesota before 1970, excluding wild rice.
73.28 This effort must also protect traditional seeds
73.29 brought to Minnesota by immigrant
73.30 communities. This appropriation includes
73.31 funding for associated extension and outreach
73.32 to small and Black, Indigenous, and People of
73.33 Color (BIPOC) farmers. This is a onetime
73.34 appropriation.

74.1 (bb) \$300,000 the second year is to award and
 74.2 administer beginning farmer equipment and
 74.3 infrastructure grants under Minnesota Statutes,
 74.4 section 17.055. This is a onetime
 74.5 appropriation.

74.6 ~~(bb)~~ (cc) The commissioner shall continue to
 74.7 increase connections with ethnic minority and
 74.8 immigrant farmers to farming opportunities
 74.9 and farming programs throughout the state.

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

74.11 Sec. 2. Laws 2023, chapter 43, article 1, section 4, is amended to read:

74.12	Sec. 4. AGRICULTURAL UTILIZATION		6,143,000	
74.13	RESEARCH INSTITUTE	\$	<u>6,393,000</u>	\$ 4,343,000

74.14 (a) \$300,000 the first year is for equipment
 74.15 upgrades, equipment replacement, installation
 74.16 expenses, and laboratory infrastructure at the
 74.17 Agricultural Utilization Research Institute's
 74.18 laboratories in the cities of Crookston,
 74.19 Marshall, and Waseca.

74.20 (b) \$1,500,000 the first year is to replace
 74.21 analytical and processing equipment and make
 74.22 corresponding facility upgrades at Agricultural
 74.23 Utilization Research Institute facilities in the
 74.24 cities of Marshall, Crookston, and Waseca. Of
 74.25 this amount, up to \$500,000 may be used for
 74.26 renewable natural gas and anaerobic digestion
 74.27 projects. This is a onetime appropriation and
 74.28 is available until June 30, 2026.

74.29 (c) \$300,000 the first year and \$300,000 the
 74.30 second year are to maintain the current level
 74.31 of service delivery.

75.1 (d) \$250,000 the first year is to support food
75.2 businesses. This is a onetime appropriation
75.3 and is available until June 30, 2026.

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

75.5 **ARTICLE 6**
75.6 **PESTICIDE CONTROL**

75.7 Section 1. Minnesota Statutes 2022, section 18B.01, is amended by adding a subdivision
75.8 to read:

75.9 Subd. 1d. **Application or use of a pesticide.** "Application or use of a pesticide" includes:

75.10 (1) the dispersal of a pesticide on, in, at, or directed toward a target site;

75.11 (2) preapplication activities that involve the mixing and loading of a restricted use
75.12 pesticide; and

75.13 (3) other restricted use pesticide-related activities, including but not limited to transporting
75.14 or storing pesticide containers that have been opened; cleaning equipment; and disposing
75.15 of excess pesticides, spray mix, equipment wash waters, pesticide containers, and other
75.16 materials that contain pesticide.

75.17 Sec. 2. Minnesota Statutes 2022, section 18B.26, subdivision 6, is amended to read:

75.18 Subd. 6. **Discontinuance or cancellation of registration.** (a) To ensure the complete
75.19 withdrawal from distribution or further use of a pesticide, a person who intends to discontinue
75.20 a pesticide registration must:

75.21 (1) terminate a further distribution within the state and continue to register the pesticide
75.22 annually for two successive years; and

75.23 (2) initiate and complete a total recall of the pesticide from all distribution in the state
75.24 within 60 days from the date of notification to the commissioner of intent to discontinue
75.25 registration; ~~or.~~

75.26 ~~(3) submit to the commissioner evidence adequate to document that no distribution of~~
75.27 ~~the registered pesticide has occurred in the state.~~

75.28 (b) Upon the request of a registrant, the commissioner may immediately cancel
75.29 registration of a pesticide product. The commissioner may immediately cancel registration
75.30 of a pesticide product at the commissioner's discretion. When requesting that the

76.1 commissioner immediately cancel registration of a pesticide product, a registrant must
76.2 provide the commissioner with:

76.3 (1) a statement that the pesticide product is no longer in distribution; and

76.4 (2) documentation of pesticide gross sales from the previous year supporting the statement
76.5 under clause (1).

76.6 Sec. 3. Minnesota Statutes 2022, section 18B.28, is amended by adding a subdivision to
76.7 read:

76.8 Subd. 5. **Advisory panel.** Before approving the issuance of an experimental use pesticide
76.9 product registration under this section, the commissioner must convene and consider the
76.10 advice of a panel of outside scientific and health experts. The panel must include but is not
76.11 limited to representatives of the Department of Health, the Department of Natural Resources,
76.12 the Pollution Control Agency, and the University of Minnesota.

76.13 Sec. 4. **[18B.283] EXPERT ADVICE REQUIRED FOR EMERGENCY**
76.14 **EXEMPTIONS.**

76.15 Within 30 days of submitting an emergency registration exemption application under
76.16 section 18 of FIFRA, the commissioner must convene and consider the advice of a panel
76.17 of outside scientific and health experts. The panel must include but is not limited to
76.18 representatives of the Department of Health, the Department of Natural Resources, the
76.19 Pollution Control Agency, and the University of Minnesota.

76.20 Sec. 5. Minnesota Statutes 2022, section 18B.305, subdivision 2, is amended to read:

76.21 **Subd. 2. Training manual and examination development.** The commissioner, in
76.22 consultation with University of Minnesota Extension and other higher education institutions,
76.23 shall continually revise and update pesticide applicator training manuals and examinations.
76.24 The manuals and examinations must be written to meet or exceed the minimum competency
76.25 standards required by the United States Environmental Protection Agency and pertinent
76.26 state specific information. Pesticide applicator training manuals and examinations must
76.27 meet or exceed the competency standards in Code of Federal Regulations, title 40, part 171.
76.28 Competency standards for training manuals and examinations must be published on the
76.29 Department of Agriculture website. Questions in the examinations must be determined by
76.30 the commissioner in consultation with other responsible agencies. Manuals and examinations
76.31 must include pesticide management practices that discuss prevention of pesticide occurrence

77.1 in groundwater and surface water of the state, and economic thresholds and guidance for
77.2 insecticide use.

77.3 Sec. 6. Minnesota Statutes 2022, section 18B.32, subdivision 1, is amended to read:

77.4 Subdivision 1. **Requirement.** (a) A person may not engage in structural pest control
77.5 applications:

77.6 (1) for hire without a structural pest control license; ~~and~~

77.7 (2) as a sole proprietorship, company, partnership, or corporation unless the person is
77.8 or employs a licensed master in structural pest control operations; and

77.9 (3) unless the person is 18 years of age or older.

77.10 (b) A structural pest control licensee must have a valid license identification card to
77.11 purchase a restricted use pesticide or apply pesticides for hire and must display it upon
77.12 demand by an authorized representative of the commissioner or a law enforcement officer.
77.13 The license identification card must contain information required by the commissioner.

77.14 Sec. 7. Minnesota Statutes 2022, section 18B.32, subdivision 3, is amended to read:

77.15 Subd. 3. **Application.** (a) A person must apply to the commissioner for a structural pest
77.16 control license on forms and in the manner required by the commissioner. The commissioner
77.17 shall require the applicant to pass a written, closed-book, monitored examination or oral
77.18 examination, or both, ~~and may also require a practical demonstration regarding structural~~
77.19 ~~pest control.~~ The commissioner shall establish the examination procedure, including the
77.20 phases and contents of the examination.

77.21 (b) The commissioner may license a person as a master under a structural pest control
77.22 license if the person has the necessary qualifications through knowledge and experience to
77.23 properly plan, determine, and supervise the selection and application of pesticides in structural
77.24 pest control. To demonstrate the qualifications and become licensed as a master under a
77.25 structural pest control license, a person must:

77.26 (1) pass a closed-book test administered by the commissioner;

77.27 (2) have direct experience as a licensed journeyman under a structural pest control license
77.28 for at least two years by this state or a state with equivalent certification requirements or as
77.29 a full-time licensed master in another state with equivalent certification requirements; and

77.30 (3) show practical knowledge and field experience under clause (2) in the actual selection
77.31 and application of pesticides under varying conditions.

78.1 (c) The commissioner may license a person as a journeyman under a structural pest
78.2 control license if the person:

78.3 (1) has the necessary qualifications in the practical selection and application of pesticides;

78.4 (2) has passed a closed-book examination given by the commissioner; and

78.5 (3) is engaged as an employee of or is working under the direction of a person licensed
78.6 as a master under a structural pest control license.

78.7 (d) The commissioner may license a person as a fumigator under a structural pest control
78.8 license if the person:

78.9 (1) has knowledge of the practical selection and application of fumigants;

78.10 (2) has passed a closed-book examination given by the commissioner; and

78.11 (3) is licensed by the commissioner as a master or journeyman under a structural pest
78.12 control license.

78.13 Sec. 8. Minnesota Statutes 2022, section 18B.32, subdivision 4, is amended to read:

78.14 Subd. 4. **Renewal.** (a) An applicator may apply to renew a structural pest control
78.15 applicator license ~~may be renewed~~ on or before the expiration of an existing license subject
78.16 to reexamination, attendance at ~~workshops~~ a recertification workshop approved by the
78.17 commissioner, or other requirements imposed by the commissioner to provide the applicator
78.18 with information regarding changing technology and to help assure a continuing level of
78.19 competency and ability to use pesticides safely and properly. A recertification workshop
78.20 must meet or exceed the competency standards in Code of Federal Regulations, title 40,
78.21 part 171. Competency standards for a recertification workshop must be published on the
78.22 Department of Agriculture website. If the commissioner requires an applicator to attend a
78.23 recertification workshop and the applicator fails to attend the workshop, the commissioner
78.24 may require the applicator to pass a reexamination. The commissioner may require an
78.25 additional demonstration of applicator qualification if the applicator has had a license
78.26 suspended or revoked or has otherwise had a history of violations of this chapter.

78.27 (b) If ~~a person~~ an applicator fails to renew a structural pest control license within three
78.28 months of its expiration, the ~~person~~ applicator must obtain a structural pest control license
78.29 subject to the requirements, procedures, and fees required for an initial license.

79.1 Sec. 9. Minnesota Statutes 2022, section 18B.32, subdivision 5, is amended to read:

79.2 Subd. 5. **Financial responsibility.** (a) ~~A structural pest control license may not be issued~~
79.3 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may
79.4 suspend or revoke a structural pest control license if an applicator fails to provide proof of
79.5 financial responsibility upon the commissioner's request. Financial responsibility may be
79.6 demonstrated by:

79.7 (1) proof of net assets equal to or greater than \$50,000; or

79.8 (2) a performance bond or insurance of a kind and in an amount determined by the
79.9 commissioner.

79.10 (b) The bond or insurance must cover a period of time at least equal to the term of the
79.11 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license
79.12 ~~of a person~~ an applicator who fails to maintain the required bond or insurance. The
79.13 performance bond or insurance policy must contain a provision requiring the insurance or
79.14 bonding company to notify the commissioner by ten days before the effective date of
79.15 cancellation, termination, or any other change of the bond or insurance. If there is recovery
79.16 against the bond or insurance, additional coverage must be secured by the applicator to
79.17 maintain financial responsibility equal to the original amount required.

79.18 (c) An employee of a licensed person is not required to maintain an insurance policy or
79.19 bond during the time the employer is maintaining the required insurance or bond.

79.20 (d) Applications for reinstatement of a license suspended under the provisions of this
79.21 section must be accompanied by proof of satisfaction of judgments previously rendered.

79.22 Sec. 10. Minnesota Statutes 2022, section 18B.33, subdivision 1, is amended to read:

79.23 Subdivision 1. **Requirement.** (a) A person may not apply a pesticide for hire without a
79.24 commercial applicator license for the appropriate use categories or a structural pest control
79.25 license.

79.26 (b) A commercial applicator licensee must have a valid license identification card to
79.27 purchase a restricted use pesticide or apply pesticides for hire and must display it upon
79.28 demand by an authorized representative of the commissioner or a law enforcement officer.
79.29 The commissioner shall prescribe the information required on the license identification
79.30 card.

80.1 (c) A person licensed under this section is considered qualified and is not required to
80.2 verify, document, or otherwise prove a particular need prior to use, except as required by
80.3 the federal label.

80.4 (d) A person who uses a general-use sanitizer or disinfectant for hire in response to
80.5 COVID-19 is exempt from the commercial applicator license requirements under this section.

80.6 (e) A person licensed under this section must be 18 years of age or older.

80.7 Sec. 11. Minnesota Statutes 2022, section 18B.33, subdivision 5, is amended to read:

80.8 Subd. 5. **Renewal application.** (a) ~~A person~~ An applicator must apply to the
80.9 commissioner to renew a commercial applicator license. The commissioner may renew a
80.10 commercial applicator license accompanied by the application fee, subject to reexamination,
80.11 attendance at ~~workshops~~ a recertification workshop approved by the commissioner, or other
80.12 requirements imposed by the commissioner to provide the applicator with information
80.13 regarding changing technology and to help assure a continuing level of competence and
80.14 ability to use pesticides safely and properly. ~~The applicant~~ Upon the receipt of an applicator's
80.15 renewal application, the commissioner may require the applicator to attend a recertification
80.16 workshop. Depending on the application category, the commissioner may require an
80.17 applicator to complete a recertification workshop once per year, once every two years, or
80.18 once every three years. If the commissioner requires an applicator to attend a recertification
80.19 workshop and the applicator fails to attend the workshop, the commissioner may require
80.20 the applicator to pass a reexamination. A recertification workshop must meet or exceed the
80.21 competency standards in Code of Federal Regulations, title 40, part 171. Competency
80.22 standards for a recertification workshop must be published on the Department of Agriculture
80.23 website. An applicator may renew a commercial applicator license within 12 months after
80.24 expiration of the license without having to meet initial testing requirements. The
80.25 commissioner may require an additional demonstration of applicator qualification if ~~a person~~
80.26 the applicator has had a license suspended or revoked or has had a history of violations of
80.27 this chapter.

80.28 (b) ~~An applicant~~ applicator that meets renewal requirements by reexamination instead
80.29 of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee
80.30 for the reexamination as determined by the commissioner.

80.31 Sec. 12. Minnesota Statutes 2022, section 18B.33, subdivision 6, is amended to read:

80.32 Subd. 6. **Financial responsibility.** (a) ~~A commercial applicator license may not be issued~~
80.33 ~~unless the applicant furnishes proof of financial responsibility.~~ The commissioner may

81.1 suspend or revoke an applicator's commercial applicator license if the applicator fails to
81.2 provide proof of financial responsibility upon the commissioner's request. Financial
81.3 responsibility may be demonstrated by: (1) proof of net assets equal to or greater than
81.4 \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined
81.5 by the commissioner.

81.6 (b) The bond or insurance must cover a period of time at least equal to the term of the
81.7 ~~applicant's~~ applicator's license. The commissioner must immediately suspend the license
81.8 of ~~a person~~ an applicator who fails to maintain the required bond or insurance. The
81.9 performance bond or insurance policy must contain a provision requiring the insurance or
81.10 bonding company to notify the commissioner by ten days before the effective date of
81.11 cancellation, termination, or any other change of the bond or insurance. If there is recovery
81.12 against the bond or insurance, additional coverage must be secured by the applicator to
81.13 maintain financial responsibility equal to the original amount required.

81.14 (c) An employee of a licensed ~~person~~ applicator is not required to maintain an insurance
81.15 policy or bond during the time the employer is maintaining the required insurance or bond.

81.16 (d) Applications for reinstatement of a license suspended under the provisions of this
81.17 section must be accompanied by proof of satisfaction of judgments previously rendered.

81.18 Sec. 13. Minnesota Statutes 2022, section 18B.34, subdivision 1, is amended to read:

81.19 Subdivision 1. **Requirement.** (a) Except for a licensed commercial applicator, certified
81.20 private applicator, or licensed structural pest control applicator, a person, including a
81.21 government employee, may not purchase or use a restricted use pesticide in performance
81.22 of official duties without having a noncommercial applicator license for an appropriate use
81.23 category.

81.24 (b) A licensee must have a valid license identification card when applying pesticides
81.25 and must display it upon demand by an authorized representative of the commissioner or a
81.26 law enforcement officer. The license identification card must contain information required
81.27 by the commissioner.

81.28 (c) A person licensed under this section is considered qualified and is not required to
81.29 verify, document, or otherwise prove a particular need prior to use, except as required by
81.30 the federal label.

81.31 (d) A person licensed under this section must be 18 years of age or older.

82.1 Sec. 14. Minnesota Statutes 2022, section 18B.34, subdivision 4, is amended to read:

82.2 Subd. 4. **Renewal.** (a) ~~A person~~ An applicator must apply to the commissioner to renew
82.3 a noncommercial applicator license. The commissioner may renew a license subject to
82.4 reexamination, attendance at ~~workshops~~ a recertification workshop approved by the
82.5 commissioner, or other requirements imposed by the commissioner to provide the applicator
82.6 with information regarding changing technology and to help assure a continuing level of
82.7 competence and ability to use pesticides safely and properly. Upon the receipt of an
82.8 applicator's renewal application, the commissioner may require the applicator to attend a
82.9 recertification workshop. Depending on the application category, the commissioner may
82.10 require an applicator to complete a recertification workshop once per year, once every two
82.11 years, or once every three years. If the commissioner requires an applicator to attend a
82.12 recertification workshop and the applicator fails to attend the workshop, the commissioner
82.13 may require the applicator to pass a reexamination. A recertification workshop must meet
82.14 or exceed the competency standards in Code of Federal Regulations, title 40, part 171.
82.15 Competency standards for a recertification workshop must be published on the Department
82.16 of Agriculture website. The commissioner may require an additional demonstration of
82.17 applicator qualification if the applicator has had a license suspended or revoked or has
82.18 otherwise had a history of violations of this chapter.

82.19 (b) ~~An applicant~~ applicator that meets renewal requirements by reexamination instead
82.20 of attending ~~workshops~~ a recertification workshop must pay the equivalent workshop fee
82.21 for the reexamination as determined by the commissioner.

82.22 (c) ~~An applicant~~ applicator has 12 months to renew the license after expiration without
82.23 having to meet initial testing requirements.

82.24 Sec. 15. Minnesota Statutes 2022, section 18B.35, subdivision 1, is amended to read:

82.25 Subdivision 1. **Establishment.** (a) The commissioner may establish categories of
82.26 structural pest control, commercial applicator, and noncommercial applicator licenses ~~for~~
82.27 ~~administering and enforcing this chapter.~~ and private applicator certification consistent with
82.28 federal requirements in Code of Federal Regulations, title 40, parts 171.101 and 171.105,
82.29 including but not limited to the federal categories that are applicable to Minnesota.
82.30 Application categories must meet or exceed the competency standards in Code of Federal
82.31 Regulations, title 40, part 171. Competency standards for application categories must be
82.32 published on the Department of Agriculture website. The categories may include pest control
82.33 operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators.
82.34 Separate subclassifications of categories may be specified as to ground, aerial, or manual

83.1 methods to apply pesticides or to the use of pesticides to control insects, plant diseases,
83.2 rodents, or weeds.

83.3 (b) Each category is subject to separate testing procedures and requirements.

83.4 Sec. 16. Minnesota Statutes 2022, section 18B.36, subdivision 1, is amended to read:

83.5 Subdivision 1. **Requirement.** (a) Except for a licensed commercial or noncommercial
83.6 applicator, only a certified private applicator may use a restricted use pesticide to produce
83.7 an agricultural commodity:

83.8 (1) as a traditional exchange of services without financial compensation;

83.9 (2) on a site owned, rented, or managed by the person or the person's employees; or

83.10 (3) when the private applicator is one of two or fewer employees and the owner or
83.11 operator is a certified private applicator or is licensed as a noncommercial applicator.

83.12 (b) A person may not purchase a restricted use pesticide without presenting a license
83.13 card, certified private applicator card, or the card number.

83.14 (c) A person certified under this section is considered qualified and is not required to
83.15 verify, document, or otherwise prove a particular need prior to use, except as required by
83.16 the federal label.

83.17 (d) A person certified under this section must be 18 years of age or older.

83.18 Sec. 17. Minnesota Statutes 2022, section 18B.36, subdivision 2, is amended to read:

83.19 Subd. 2. **Certification.** (a) The commissioner shall prescribe certification requirements
83.20 and provide training that meets or exceeds United States Environmental Protection Agency
83.21 standards to certify private applicators and provide information relating to changing
83.22 technology to help ensure a continuing level of competency and ability to use pesticides
83.23 properly and safely. Private applicator certification requirements and training must meet or
83.24 exceed the competency standards in Code of Federal Regulations, title 40, part 171.
83.25 Competency standards for private applicator certification and training must be published
83.26 on the Department of Agriculture website. The training may be done through cooperation
83.27 with other government agencies and must be a minimum of three hours in duration.

83.28 (b) A person must apply to the commissioner for certification as a private applicator.
83.29 After completing the certification requirements, which must include ~~an~~ a proctored
83.30 examination as determined by the commissioner, an applicant must be certified as a private

84.1 applicator to use restricted use pesticides. The certification shall expire March 1 of the third
84.2 calendar year after the initial year of certification.

84.3 (c) The commissioner shall issue a private applicator card to a private applicator.

84.4 Sec. 18. Minnesota Statutes 2022, section 18B.37, subdivision 2, is amended to read:

84.5 Subd. 2. **Commercial and noncommercial applicators.** (a) A commercial or
84.6 noncommercial applicator; or the applicator's authorized agent; must maintain a record of
84.7 pesticides used on each site. Noncommercial applicators must keep records of restricted
84.8 use pesticides. The record must include the:

84.9 (1) date of the pesticide use;

84.10 (2) time the pesticide application was completed;

84.11 (3) brand name of the pesticide, the United States Environmental Protection Agency
84.12 registration number, and rate used;

84.13 (4) number of units treated;

84.14 (5) temperature, wind speed, and wind direction;

84.15 (6) location of the site where the pesticide was applied;

84.16 (7) name and address of the customer;

84.17 (8) name of applicator, name of company, license number of applicator, and address of
84.18 applicator company; and

84.19 (9) any other information required by the commissioner.

84.20 (b) Portions of records not relevant to a specific type of application may be omitted upon
84.21 approval from the commissioner.

84.22 (c) All information for this record requirement must be contained in a document for each
84.23 pesticide application, except a map may be attached to identify treated areas. An invoice
84.24 containing the required information may constitute the required record. The commissioner
84.25 shall make sample forms available to meet the requirements of this paragraph.

84.26 (d) The record must be completed no later than five days after the application of the
84.27 pesticide.

84.28 (e) A commercial applicator must give a copy of the record to the customer.

84.29 (f) Records must be retained by the applicator, company, or authorized agent for five
84.30 years after the date of treatment.

85.1 (g) A record of a commercial or noncommercial applicator must meet or exceed the
85.2 requirements in Code of Federal Regulations, title 40, part 171.

85.3 Sec. 19. Minnesota Statutes 2022, section 18B.37, subdivision 3, is amended to read:

85.4 Subd. 3. **Structural pest control applicators.** (a) A structural pest control applicator
85.5 must maintain a record of each structural pest control application conducted by that person
85.6 or by the person's employees. The record must include the:

85.7 (1) date of structural pest control application;

85.8 (2) target pest;

85.9 (3) brand name of the pesticide, United States Environmental Protection Agency
85.10 registration number, and amount used;

85.11 (4) for fumigation, the temperature and exposure time;

85.12 (5) time the pesticide application was completed;

85.13 (6) name and address of the customer;

85.14 (7) name of structural pest control applicator, name of company and address of applicator
85.15 or company, and license number of applicator; and

85.16 (8) any other information required by the commissioner.

85.17 (b) All information for this record requirement must be contained in a document for
85.18 each pesticide application. An invoice containing the required information may constitute
85.19 the record.

85.20 (c) The record must be completed no later than five days after the application of the
85.21 pesticide.

85.22 (d) Records must be retained for five years after the date of treatment.

85.23 (e) A copy of the record must be given to a person who ordered the application that is
85.24 present at the site where the structural pest control application is conducted, placed in a
85.25 conspicuous location at the site where the structural pest control application is conducted
85.26 immediately after the application of the pesticides, or delivered to the person who ordered
85.27 an application or the owner of the site. The commissioner must make sample forms available
85.28 that meet the requirements of this subdivision.

85.29 (f) A structural applicator must post in a conspicuous place inside a renter's apartment
85.30 where a pesticide application has occurred a list of postapplication precautions contained

86.1 on the label of the pesticide that was applied in the apartment and any other information
86.2 required by the commissioner.

86.3 (g) A record of a structural applicator must meet or exceed the requirements in Code of
86.4 Federal Regulations, title 40, part 171.

86.5 Sec. 20. **COMMERCIAL APPLICATOR LICENSE EXAMINATION LANGUAGE**
86.6 **REQUIREMENTS.**

86.7 By January 1, 2025, the commissioner of agriculture must ensure that examinations for
86.8 a commercial applicator license under Minnesota Statutes, section 18B.33, are available in
86.9 Spanish and that applicants are informed that the examinations can be taken in Spanish.
86.10 The commissioner must use money appropriated from the pesticide regulatory account
86.11 under Minnesota Statutes, section 18B.05, for this purpose.

86.12 ARTICLE 7

86.13 OTHER AGRICULTURE STATUTORY CHANGES

86.14 Section 1. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision
86.15 to read:

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

86.18 (b) "Approved agent" means a person authorized by the Department of Agriculture to
86.19 determine if crop or fence damage was caused by elk and to assign a monetary value to the
86.20 crop or fence damage.

86.21 (c) "Commissioner" means the commissioner of agriculture or the commissioner's
86.22 authorized representative.

86.23 (d) "Estimated value" means the current value of crops or fencing as determined by an
86.24 approved agent.

86.25 (e) "Owner" means an individual, firm, corporation, copartnership, or association with
86.26 an interest in crops or fencing damaged by elk.

86.27 Sec. 2. Minnesota Statutes 2022, section 3.7371, subdivision 2, is amended to read:

86.28 Subd. 2. **Claim form and reporting.** (a) The owner must prepare a claim on forms
86.29 provided by the commissioner and available on the Department of ~~Agriculture's~~ Agriculture

87.1 website or by request from the commissioner. ~~The claim form must be filed with the~~
87.2 ~~commissioner.~~

87.3 (b) After discovering crop or fence damage suspected to be caused by elk, an owner
87.4 must promptly notify an approved agent of the damage. To submit a claim for crop or fence
87.5 damage caused by elk, an owner must complete the required portions of the claim form
87.6 provided by the commissioner. An owner who has submitted a claim must provide an
87.7 approved agent with all information required to investigate the crop or fence damage.

87.8 Sec. 3. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to
87.9 read:

87.10 Subd. 2a. **Investigation and crop valuation.** (a) Upon receiving notification of crop or
87.11 fence damage suspected to be caused by elk, an approved agent must promptly investigate
87.12 the damage in a timely manner. An approved agent must make written findings on the claim
87.13 form regarding whether the crop or fence was destroyed or damaged by elk. The approved
87.14 agent's findings must be based on physical and circumstantial evidence, including:

87.15 (1) the condition of the crop or fence;

87.16 (2) the presence of elk tracks;

87.17 (3) the geographic area of the state where the crop or fence damage occurred;

87.18 (4) any sightings of elk in the area; and

87.19 (5) any other circumstances that the approved agent considers to be relevant.

87.20 (b) The absence of affirmative evidence may be grounds for denial of a claim.

87.21 (c) On a claim form, an approved agent must make written findings of the extent of crop
87.22 or fence damage and, if applicable, the amount of crop destroyed.

87.23 (d) For damage to standing crops, an owner may choose to have the approved agent use
87.24 the method in clause (1) or (2) to complete the claim form and determine the amount of
87.25 crop loss:

87.26 (1) to submit a claim form to the commissioner at the time that the suspected elk damage
87.27 is discovered, the approved agent must record on the claim form: (i) the field's potential
87.28 yield per acre; (ii) the field's average yield per acre that is expected on the damaged acres;
87.29 (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon completing the
87.30 claim form, the approved agent must submit the form to the commissioner; or

88.1 (2) to submit a claim form to the commissioner at the time that the crop is harvested,
88.2 the approved agent must record on the claim form at the time of the investigation: (i) the
88.3 percent of crop loss from damage; (ii) the actual yield of the damaged field when the crop
88.4 is harvested; (iii) the estimated value of the crop; and (iv) the total amount of loss. Upon
88.5 completing the claim form, the approved agent must submit the form to the commissioner.

88.6 (e) For damage to stored crops, an approved agent must record on the claim form: (1)
88.7 the type and volume of destroyed stored crops; (2) the estimated value of the crop; and (3)
88.8 the total amount of loss.

88.9 (f) For damage to fencing, an approved agent must record on the claim form: (1) the
88.10 type of materials damaged; (2) the linear feet of the damage; (3) the value of the materials
88.11 per unit according to National Resource Conservation Service specifications; and (4) the
88.12 calculated total damage to the fence.

88.13 Sec. 4. Minnesota Statutes 2022, section 3.7371, is amended by adding a subdivision to
88.14 read:

88.15 Subd. 2b. **Claim form.** A completed claim form must be signed by the owner and an
88.16 approved agent. An approved agent must submit the claim form to the commissioner for
88.17 the commissioner's review and payment. The commissioner must return an incomplete claim
88.18 form to the approved agent. When returning an incomplete claim form to an approved agent,
88.19 the commissioner must indicate which information is missing from the claim form.

88.20 Sec. 5. Minnesota Statutes 2022, section 3.7371, subdivision 3, is amended to read:

88.21 Subd. 3. **Compensation.** (a) ~~The crop~~ An owner is entitled to the ~~target price or the~~
88.22 ~~market price, whichever is greater,~~ estimated value of the damaged or destroyed crop ~~plus~~
88.23 ~~adjustments for yield loss determined according to agricultural stabilization and conservation~~
88.24 ~~service programs for individual farms, adjusted annually, as determined by the commissioner,~~
88.25 ~~upon recommendation of the commissioner's approved agent for the owner's county or~~
88.26 fence. Verification of crop or fence damage or destruction by elk may be provided by
88.27 submitting photographs or other evidence and documentation ~~together with a statement~~
88.28 ~~from an independent witness~~ using forms prescribed by the commissioner. The commissioner,
88.29 upon recommendation of the commissioner's approved agent, shall determine whether the
88.30 crop damage or destruction or damage to or destruction of a fence surrounding a crop or
88.31 pasture is caused by elk and, if so, the amount of the crop or fence that is damaged or
88.32 destroyed. In any fiscal year, an owner may not be compensated for a damaged or destroyed
88.33 crop or fence surrounding a crop or pasture that is less than \$100 in value and may be

89.1 compensated up to \$20,000, as determined under this section, ~~if normal harvest procedures~~
89.2 ~~for the area are followed.~~ An owner may not be compensated more than \$1,800 per fiscal
89.3 year for damage to fencing surrounding a crop or pasture.

89.4 (b) In any fiscal year, the commissioner may provide compensation for claims filed
89.5 under this section up to the amount expressly appropriated for this purpose.

89.6 Sec. 6. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended
89.7 to read:

89.8 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
89.9 may award and administer equipment and infrastructure grants to beginning farmers. The
89.10 commissioner shall give preference to applicants who are ~~emerging farmers~~ experiencing
89.11 limited land access or limited market access as those terms are defined in section 17.133,
89.12 subdivision 1. Grant money may be used for equipment and infrastructure development.

89.13 (b) The commissioner shall develop competitive eligibility criteria and may allocate
89.14 grants on a needs basis.

89.15 (c) Grant projects may continue for up to two years.

89.16 Sec. 7. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

89.19 (b) "Eligible farmer" means an individual who at the time that the grant is awarded:

89.20 (1) is a resident of Minnesota who intends to acquire farmland located within the state
89.21 and provide the majority of the day-to-day physical labor and management of the farm;

89.22 (2) grosses no more than \$250,000 per year from the sale of farm products; ~~and~~

89.23 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
89.24 interest in farmland; and

89.25 (4) is not, and whose spouse is not, related by blood or marriage to an owner of the
89.26 farmland that the individual intends to acquire.

89.27 (c) "Farm down payment" means an initial, partial payment required by a lender or seller
89.28 to purchase farmland.

89.29 (d) "Incubator farm" means a farm where:

90.1 (1) individuals are given temporary, exclusive, and affordable access to small parcels
90.2 of land, infrastructure, and often training, for the purpose of honing skills and launching a
90.3 farm business; and

90.4 (2) a majority of the individuals farming the small parcels of land grow industrial hemp,
90.5 cannabis, or one or more of the following specialty crops as defined by the United States
90.6 Department of Agriculture for purposes of the specialty crop block grant program: fruits
90.7 and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture
90.8 crops, floriculture crops, and nursery crops.

90.9 (e) "Limited land access" means farming land that the individual does not own when:

90.10 (1) the individual or the individual's child rents or leases the land, with the term of each
90.11 rental or lease agreement not exceeding three years in duration, from a person who is not
90.12 related to the individual or the individual's spouse by blood or marriage; or

90.13 (2) the individual rents the land from an incubator farm.

90.14 (f) "Limited market access" means the majority of the individual's annual farm product
90.15 sales are direct sales to the consumer.

90.16 Sec. 8. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended
90.17 to read:

90.18 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,
90.19 the commissioner must provide a report to the chairs and ranking minority members of the
90.20 legislative committees having jurisdiction over agriculture and rural development, in
90.21 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants
90.22 under this section. The report must include:

90.23 (1) background information on beginning farmers in Minnesota and any other information
90.24 that the commissioner and authority find relevant to evaluating the effect of the grants on
90.25 increasing opportunities for and the number of beginning farmers;

90.26 (2) the number and amount of grants;

90.27 (3) the geographic distribution of grants by county;

90.28 (4) the number of grant recipients who are emerging farmers;

90.29 (5) the number of grant recipients who were experiencing limited land access or limited
90.30 market access when the grant was awarded;

90.31 ~~(5)~~ (6) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

91.1 ~~(6)~~ (7) the number of farmers who cease to own land and are subject to payment of a
91.2 penalty, along with the reasons for the land ownership cessation; and

91.3 ~~(7)~~ (8) the number and amount of grant applications that exceeded the allocation available
91.4 in each year.

91.5 Sec. 9. Minnesota Statutes 2023 Supplement, section 17.134, is amended by adding a
91.6 subdivision to read:

91.7 Subd. 3a. **Grant requirements.** In addition to the applicable grants management
91.8 requirements under sections 16B.97 to 16B.991, as a condition of receiving a soil health
91.9 financial assistance grant under this section, an owner or lessee of farmland must commit
91.10 to:

91.11 (1) if not certified under sections 17.9891 to 17.993, achieve certification no later than
91.12 24 months after the grant agreement is fully executed;

91.13 (2) not lease or rent the equipment to another for economic gain; and

91.14 (3) if selling the equipment, sell the equipment for no more than the owner's or lessee's
91.15 documented share of the total purchase price.

91.16 Sec. 10. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
91.17 to read:

91.18 Subd. 1c. **Beneficial substance.** "Beneficial substance" means any substance or
91.19 compound other than a primary, secondary, and micro plant nutrient that can be demonstrated
91.20 by scientific research to be beneficial to one or more species of plants, soil, or media.

91.21 Sec. 11. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
91.22 to read:

91.23 Subd. 7b. **Diammonium phosphate.** "Diammonium phosphate" or "DAP" means a
91.24 fertilizer containing 18 percent total nitrogen and 46 percent available phosphate.

91.25 Sec. 12. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
91.26 to read:

91.27 Subd. 11a. **Finished sewage sludge product.** "Finished sewage sludge product" means
91.28 a fertilizer product consisting in whole or in part of sewage sludge that is disinfected by
91.29 means of composting, pasteurization, wet air oxidation, heat treatment, or other means and
91.30 sold to the public.

92.1 Sec. 13. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
92.2 to read:

92.3 Subd. 18b. **Liquid 28.** "Liquid 28" means a liquid nitrogen solution containing 28 percent
92.4 total nitrogen.

92.5 Sec. 14. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
92.6 to read:

92.7 Subd. 18c. **Liquid 32.** "Liquid 32" means a liquid nitrogen solution containing 32 percent
92.8 total nitrogen.

92.9 Sec. 15. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
92.10 to read:

92.11 Subd. 19b. **Monoammonium phosphate.** "Monoammonium phosphate" or "MAP"
92.12 means a fertilizer containing ten to 11 percent total nitrogen and 48 to 55 percent available
92.13 phosphate.

92.14 Sec. 16. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
92.15 to read:

92.16 Subd. 20a. **Nitrogen fertilizer.** "Nitrogen fertilizer" means any fertilizer, soil amendment,
92.17 or plant amendment totally or partially comprised of nitrogen, including but not limited to
92.18 anhydrous ammonia, urea, liquid 28, liquid 32, DAP, and MAP.

92.19 Sec. 17. Minnesota Statutes 2022, section 18C.005, subdivision 33, is amended to read:

92.20 Subd. 33. **Soil amendment.** "Soil amendment" means a substance intended to improve
92.21 the structural, physical, chemical, biochemical, or biological characteristics of the soil or
92.22 modify organic matter at or near the soil surface, except fertilizers, agricultural liming
92.23 materials, pesticides, and other materials exempted by the commissioner's rules.

92.24 Sec. 18. Minnesota Statutes 2022, section 18C.005, is amended by adding a subdivision
92.25 to read:

92.26 Subd. 37a. **Urea.** "Urea" means a white crystalline solid containing 46 percent nitrogen.

92.27 Sec. 19. Minnesota Statutes 2022, section 18C.115, subdivision 2, is amended to read:

92.28 Subd. 2. **Adoption of national standards.** Applicable national standards contained in
92.29 the 1996 official publication, number 49, most recently published version of the official

93.1 publication of the Association of American Plant Food Control Officials including the rules
93.2 and regulations, statements of uniform interpretation and policy, and the official fertilizer
93.3 terms and definitions, and not otherwise adopted by the commissioner, may be adopted as
93.4 fertilizer rules of this state.

93.5 Sec. 20. Minnesota Statutes 2022, section 18C.215, subdivision 1, is amended to read:

93.6 Subdivision 1. **Packaged fertilizers.** (a) A person may not sell or distribute specialty
93.7 fertilizer in bags or other containers in this state unless a label is placed on or affixed to the
93.8 bag or container stating in a clear, legible, and conspicuous form the following information:

93.9 (1) the net weight and volume, if applicable;

93.10 (2) the brand and grade, except the grade is not required if primary nutrients are not
93.11 claimed;

93.12 (3) the guaranteed analysis;

93.13 (4) the name and address of the guarantor;

93.14 (5) directions for use, except directions for use are not required for custom blend specialty
93.15 fertilizers; and

93.16 (6) a derivatives statement.

93.17 (b) A person may not sell or distribute fertilizer for agricultural purposes in bags or other
93.18 containers in this state unless a label is placed on or affixed to the bag or container stating
93.19 in a clear, legible, and conspicuous form the information listed in paragraph (a), clauses (1)
93.20 to (4), except:

93.21 (1) the grade is not required if primary nutrients are not claimed; and

93.22 (2) the grade on the label is optional if the fertilizer is used only for agricultural purposes
93.23 and the guaranteed analysis statement is shown in the complete form as in section 18C.211.

93.24 (c) The labeled information must appear:

93.25 (1) on the front or back side of the container;

93.26 (2) on the upper one-third of the side of the container;

93.27 (3) on the upper end of the container; or

93.28 (4) printed on a tag affixed to the upper end of the container.

93.29 (d) If a person sells a custom blend specialty fertilizer in bags or other containers, the
93.30 information required in paragraph (a) must either be affixed to the bag or container as

94.1 required in paragraph (c) or be furnished to the customer on an invoice or delivery ticket
94.2 in written or printed form.

94.3 Sec. 21. Minnesota Statutes 2022, section 18C.221, is amended to read:

94.4 **18C.221 FERTILIZER PLANT FOOD CONTENT.**

94.5 (a) Products that are deficient in plant food content are subject to this subdivision.

94.6 (b) An analysis must show that a fertilizer is deficient:

94.7 (1) in one or more of its guaranteed primary plant nutrients beyond the investigational
94.8 allowances and compensations as established by regulation; or

94.9 (2) if the overall index value of the fertilizer is shown below the level established by
94.10 rule.

94.11 (c) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity
94.12 is not distinguishable from a deficiency due to actual plant nutrient shortage and is properly
94.13 subject to official action.

94.14 (d) For the purpose of determining the commercial index value to be applied, the
94.15 commissioner shall determine at least annually the values per unit of nitrogen, available
94.16 ~~phosphoric acid~~ phosphate, and soluble potash in fertilizers in this state.

94.17 (e) If a fertilizer in the possession of the consumer is found by the commissioner to be
94.18 short in weight, the registrant or licensee of the fertilizer must submit a penalty payment of
94.19 two times the value of the actual shortage to the consumer within 30 days after official
94.20 notice from the commissioner.

94.21 Sec. 22. Minnesota Statutes 2023 Supplement, section 18C.421, subdivision 1, is amended
94.22 to read:

94.23 Subdivision 1. **Annual tonnage report.** (a) Each registrant under section 18C.411 and
94.24 licensee under section 18C.415 shall file an annual tonnage report for the previous year
94.25 ending June 30 with the commissioner, on forms provided or approved by the commissioner,
94.26 utilizing uniform fertilizer tonnage reporting system codes and stating the number of net
94.27 tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed
94.28 in this state or the number of net tons and grade of each raw fertilizer material distributed
94.29 in this state during the reporting period.

95.1 (b) A tonnage report is not required to be submitted and an inspection fee under section
95.2 18C.425, subdivision 6, is not required to be paid to the commissioner by a licensee who
95.3 distributes fertilizer solely by custom application.

95.4 (c) The annual tonnage report must be submitted to the commissioner on or before July
95.5 31 of each year.

95.6 (d) The inspection fee under section 18C.425, subdivision 6, must accompany the
95.7 statement.

95.8 (e) The commissioner must produce an annual fertilizer sales report and post this report
95.9 on the commissioner's website.

95.10 Sec. 23. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended
95.11 to read:

95.12 **Subd. 6. Payment of inspection fee.** (a) The person who registers and distributes in the
95.13 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall
95.14 pay the inspection fee to the commissioner.

95.15 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person
95.16 not required to be so licensed shall pay the inspection fee to the commissioner, except as
95.17 exempted under section 18C.421, subdivision 1, paragraph (b).

95.18 (c) The person responsible for payment of the inspection fees for fertilizers, soil
95.19 amendments, or plant amendments sold and used in this state must pay the inspection fee
95.20 set under paragraph (e); and ~~until June 30, 2024,~~ an additional 40 cents per ton; of fertilizer,
95.21 soil amendment, and plant amendment sold or distributed in this state, with a minimum of
95.22 \$10 on all tonnage reports. Notwithstanding section 18C.131, until June 30, 2025, the
95.23 commissioner must deposit all revenue from the additional 40 cents per ton fee in the
95.24 agricultural fertilizer research and education account in section 18C.80; and after June 30,
95.25 2025, the commissioner must deposit all revenue from the additional 40 cents per ton fee
95.26 in the private well drinking-water assistance account established in section 18C.90. Products
95.27 sold or distributed to manufacturers or exchanged between them are exempt from the
95.28 inspection fee imposed by this subdivision if the products are used exclusively for
95.29 manufacturing purposes.

95.30 (d) A registrant or licensee must retain invoices showing proof of fertilizer, plant
95.31 amendment, or soil amendment distribution amounts and inspection fees paid for a period
95.32 of three years.

96.1 (e) By commissioner's order, the commissioner must set the inspection fee at no less
96.2 than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a
96.3 public meeting before increasing the fee by more than five cents per ton.

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

96.5 Sec. 24. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

96.6 Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2026.

96.7 Sec. 25. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

96.8 Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2026.

96.9 Sec. 26. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

96.10 Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2026.

96.11 Sec. 27. **[18C.90] PRIVATE WELL DRINKING-WATER ASSISTANCE PROGRAM.**

96.12 Subdivision 1. **Account; appropriation.** A private well drinking-water assistance account
96.13 is established in the agricultural fund. Money in the account, including interest earned, is
96.14 appropriated to the commissioner for aid payments to community health boards under
96.15 subdivision 2.

96.16 Subd. 2. **Aid payments.** (a) At least annually, the commissioner must make aid payments
96.17 to community health boards established under chapter 145A for purposes of assisting eligible
96.18 residents under subdivision 3.

96.19 (b) The commissioner must award proportional aid payments to eligible community
96.20 health boards based on each board's share of total private drinking-water wells in the state
96.21 with documented nitrate in excess of ten milligrams per liter, as determined by the
96.22 commissioner in consultation with the commissioners of health and the Pollution Control
96.23 Agency.

96.24 Subd. 3. **Provision of safe drinking water.** (a) For purposes of this section, "safe
96.25 drinking water" means water required for drinking, cooking, and maintaining oral hygiene
96.26 that has a nitrate level of no more than ten milligrams per liter.

96.27 (b) Community health boards must use aid payments received under subdivision 2 to
96.28 assist residents in obtaining safe drinking water when the documented level of nitrate in the
96.29 resident's private drinking-water well is more than ten milligrams per liter, with priority
96.30 given to pregnant women and children under the age of one.

97.1 (c) Community health boards must assist eligible residents in obtaining safe drinking
97.2 water through one or more of the following methods:
97.3 (1) convenient bottled water distribution or delivery;
97.4 (2) reverse osmosis treatment unit acquisition, installation, and maintenance;
97.5 (3) connection to a public water system; or
97.6 (4) another method, as determined by the commissioner of health, that provides eligible
97.7 residents with a sufficient quantity of safe drinking water.

97.8 Subd. 4. **Reports.** No later than January 15 each year, the commissioner must report
97.9 outcomes achieved under this section and any corresponding recommendations to the chairs
97.10 and ranking minority members of the legislative committees with jurisdiction over agriculture
97.11 and health.

97.12 Sec. 28. Minnesota Statutes 2022, section 18D.301, subdivision 1, is amended to read:

97.13 Subdivision 1. **Enforcement required.** (a) The commissioner shall enforce this chapter
97.14 and chapters 18B, 18C, and 18F.

97.15 (b) Violations of chapter 18B, 18C, or 18F or rules adopted under chapter 18B, 18C, or
97.16 18F, or section 103H.275, subdivision 2, are a violation of this chapter.

97.17 (c) Upon the request of the commissioner, county attorneys, sheriffs, and other officers
97.18 having authority in the enforcement of the general criminal laws shall take action to the
97.19 extent of their authority necessary or proper for the enforcement of this chapter or special
97.20 orders, standards, stipulations, and agreements of the commissioner.

97.21 Sec. 29. Minnesota Statutes 2023 Supplement, section 18K.06, is amended to read:

97.22 **18K.06 RULEMAKING.**

97.23 (a) The commissioner ~~shall adopt rules governing the production, testing, processing,~~
97.24 ~~and licensing of industrial hemp. Notwithstanding the two-year limitation for exempt rules~~
97.25 ~~under section 14.388, subdivision 1, Minnesota Rules, chapter 1565, published in the State~~
97.26 ~~Register on August 16, 2021, is effective until August 16, 2025, or until permanent rules~~
97.27 ~~implementing chapter 18K are adopted, whichever occurs first~~ may adopt or amend rules
97.28 governing the production, testing, processing, and licensing of industrial hemp using the
97.29 procedure in section 14.386, paragraph (a). Section 14.386, paragraph (b), does not apply
97.30 to rules adopted or amended under this section.

98.1 (b) Rules adopted under paragraph (a) must include but not be limited to provisions
98.2 governing:

98.3 (1) the supervision and inspection of industrial hemp during its growth and harvest;

98.4 (2) the testing of industrial hemp to determine delta-9 tetrahydrocannabinol levels;

98.5 (3) the use of background check results required under section 18K.04 to approve or
98.6 deny a license application; and

98.7 (4) any other provision or procedure necessary to carry out the purposes of this chapter.

98.8 (c) Rules issued under this section must be consistent with federal law regarding the
98.9 production, distribution, and sale of industrial hemp.

98.10 Sec. 30. Minnesota Statutes 2022, section 28A.10, is amended to read:

98.11 **28A.10 POSTING OF LICENSE; RULES.**

98.12 All such licenses shall be issued for a period of one year and shall be posted or displayed
98.13 in a conspicuous place at the place of business so licensed. ~~Except as provided in sections~~
98.14 ~~29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the~~
98.15 ~~commissioner shall be deposited into the state treasury and credited to the general fund.~~

98.16 The commissioner may adopt such rules in conformity with law as the commissioner deems
98.17 necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

98.18 Sec. 31. Minnesota Statutes 2022, section 28A.21, subdivision 6, is amended to read:

98.19 Subd. 6. **Expiration.** This section expires June 30, ~~2027~~ 2037.

98.20 Sec. 32. Minnesota Statutes 2022, section 31.74, is amended to read:

98.21 **31.74 SALE OF IMITATION HONEY.**

98.22 Subdivision 1. **Honey defined.** As used in this section "honey" means the nectar and
98.23 saccharine exudation of plants, gathered, modified and stored in the comb by honey bees,
98.24 which is levorotatory, contains not more than 25 percent of water, not more than 25/100
98.25 percent of ash, and not more than eight percent sucrose.

98.26 Subd. 2. **Prohibited sale.** Notwithstanding any law or rule to the contrary, it is unlawful
98.27 for any person to sell or offer for sale any product which is in semblance of honey and which
98.28 is labeled, advertised, or otherwise represented to be honey, if it is not honey. The word
98.29 "imitation" shall not be used in the name of a product which is in semblance of honey
98.30 whether or not it contains any honey. The label for a product which is not in semblance of

99.1 honey and which contains honey may include the word "honey" in the name of the product
99.2 and the relative position of the word "honey" in the product name, and in the list of
99.3 ingredients, when required, shall be determined by its prominence as an ingredient in the
99.4 product.

99.5 Subd. 4. Food consisting of honey and another sweetener. Consistent with the federal
99.6 act, the federal regulations incorporated under section 31.101, subdivision 7, and the
99.7 prohibition against misbranding in sections 31.02 and 34A.03, the label for a food in
99.8 semblance of honey and consisting of honey and another sweetener must include but is not
99.9 limited to the following elements:

99.10 (1) a statement of identity that accurately identifies or describes the nature of the food
99.11 or its characterizing properties or ingredients; and

99.12 (2) the common or usual name of each ingredient in the ingredient statement, in
99.13 descending order of predominance by weight.

99.14 Sec. 33. Minnesota Statutes 2022, section 31.94, is amended to read:

99.15 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

99.16 (a) In order to promote opportunities for organic agriculture in Minnesota, the
99.17 commissioner shall:

99.18 (1) survey producers and support services and organizations to determine information
99.19 and research needs in the area of organic agriculture practices;

99.20 (2) work with the University of Minnesota and other research and education institutions
99.21 to demonstrate the on-farm applicability of organic agriculture practices to conditions in
99.22 this state;

99.23 (3) direct the programs of the department so as to work toward the promotion of organic
99.24 agriculture in this state;

99.25 (4) inform agencies about state or federal programs that support organic agriculture
99.26 practices; and

99.27 (5) work closely with producers, producer organizations, the University of Minnesota,
99.28 and other appropriate agencies and organizations to identify opportunities and needs as well
99.29 as ensure coordination and avoid duplication of state agency efforts regarding research,
99.30 teaching, marketing, and extension work relating to organic agriculture.

99.31 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in
99.32 conjunction with the task force created in paragraph (c), shall report on the status of organic

100.1 agriculture in Minnesota to the legislative policy and finance committees and divisions with
100.2 jurisdiction over agriculture. The report must include available data on organic acreage and
100.3 production, available data on the sales or market performance of organic products, and
100.4 recommendations regarding programs, policies, and research efforts that will benefit
100.5 Minnesota's organic agriculture sector.

100.6 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the
100.7 University of Minnesota on policies and programs that will improve organic agriculture in
100.8 Minnesota, including how available resources can most effectively be used for outreach,
100.9 education, research, and technical assistance that meet the needs of the organic agriculture
100.10 sector. The task force must consist of the following residents of the state:

100.11 (1) three organic farmers;

100.12 (2) one wholesaler or distributor of organic products;

100.13 (3) one representative of organic certification agencies;

100.14 (4) two organic processors;

100.15 (5) one representative from University of Minnesota Extension;

100.16 (6) one University of Minnesota faculty member;

100.17 (7) one representative from a nonprofit organization representing producers;

100.18 (8) two public members;

100.19 (9) one representative from the United States Department of Agriculture;

100.20 (10) one retailer of organic products; and

100.21 (11) one organic consumer representative.

100.22 The commissioner, in consultation with the director of the Minnesota Agricultural Experiment
100.23 Station; the dean and director of University of Minnesota Extension and the dean of the
100.24 College of Food, Agricultural and Natural Resource Sciences, shall appoint members to
100.25 serve three-year terms.

100.26 Compensation and removal of members are governed by section 15.059, subdivision 6.
100.27 The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

100.28 (d) For the purposes of expanding, improving, and developing production and marketing
100.29 of the organic products of Minnesota agriculture, the commissioner may receive funds from
100.30 state and federal sources and spend them, including through grants or contracts, to assist
100.31 producers and processors to achieve certification, to conduct education or marketing

101.1 activities, to enter into research and development partnerships, or to address production or
101.2 marketing obstacles to the growth and well-being of the industry.

101.3 (e) The commissioner may facilitate the registration of state organic production and
101.4 handling operations including those exempt from organic certification according to Code
101.5 of Federal Regulations, title 7, section 205.101, and accredited certification agencies
101.6 operating within the state.

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

101.8 Sec. 34. Minnesota Statutes 2022, section 32D.30, is amended to read:

101.9 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

101.10 Subdivision 1. **Program.** The commissioner must implement a dairy development and
101.11 profitability enhancement program consisting of a dairy profitability enhancement ~~teams~~
101.12 and program, dairy business planning grants, and other services to support the dairy industry.

101.13 Subd. 2. **Dairy profitability enhancement ~~teams~~ program.** (a) The dairy profitability
101.14 enhancement ~~teams~~ program must provide ~~one-on-one~~ information and technical assistance
101.15 to dairy farms of all sizes to enhance their financial success and long-term sustainability.
101.16 ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state
101.17 ~~and~~. Assistance to producers from the program may consist of be provided individually, as
101.18 a team, or through other methods by farm business management instructors, dairy extension
101.19 specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities
101.20 ~~including such as~~ comprehensive financial analysis, risk management education, enhanced
101.21 milk marketing tools and technologies, ~~and~~ facilitating or improving production systems,
101.22 including rotational grazing and other sustainable agriculture methods, and value-added
101.23 opportunities.

101.24 (b) The commissioner must make grants to regional or statewide organizations qualified
101.25 to manage the various components of the ~~teams~~ program and serve as program administrators.
101.26 Each regional or statewide organization must designate a coordinator responsible for
101.27 overseeing the program and submitting periodic reports to the commissioner regarding
101.28 aggregate changes in producer financial stability, productivity, product quality, animal
101.29 health, environmental protection, and other performance measures attributable to the program.
101.30 The organizations must submit this information in a format that maintains the confidentiality
101.31 of individual dairy producers.

101.32 Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business
101.33 planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive~~

102.1 ~~business plans~~ use technical assistance services for evaluating operations, transitional
102.2 changes, expansions, improvements, and other business modifications. Producers and
102.3 processors must not use dairy business planning grants for capital improvements.

102.4 Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate
102.5 dairy development and profitability enhancement program dollars ~~among~~ for the permissible
102.6 uses specified in this section and other needs to support the dairy industry, including efforts
102.7 to improve the quality of milk produced in the state, in the proportions that the commissioner
102.8 deems most beneficial to the state's dairy farmers.

102.9 Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a
102.10 detailed accomplishment report and work plan detailing future plans for, and the actual and
102.11 anticipated accomplishments from, expenditures under this section to the chairs and ranking
102.12 minority members of the legislative committees and divisions with jurisdiction over
102.13 agriculture policy and finance. If the commissioner significantly modifies a submitted work
102.14 plan during the fiscal year, the commissioner must notify the chairs and ranking minority
102.15 members.

102.16 Sec. 35. Minnesota Statutes 2023 Supplement, section 41A.19, is amended to read:

102.17 **41A.19 REPORT; INCENTIVE PROGRAMS.**

102.18 By January 15 each year, the commissioner shall report on the incentive and tax credit
102.19 programs under sections 41A.16, 41A.17, 41A.18, ~~and~~ 41A.20, and 41A.30 to the legislative
102.20 committees with jurisdiction over environment policy and finance and agriculture policy
102.21 and finance. The report shall include information on production ~~and~~, blending, incentive
102.22 expenditures, and tax credit certificates awarded under the programs-, as well as the following
102.23 information that the commissioner must require of each producer or blender who receives
102.24 a payment or a tax credit certificate during the reporting period:

102.25 (1) the producer's or blender's business structure;

102.26 (2) the name and address of the producer's or blender's parent company, if any;

102.27 (3) a cumulative list of all financial assistance received from all public grantors for the
102.28 project;

102.29 (4) goals for the number of jobs created and progress in achieving these goals, which
102.30 may include separate goals for the number of part-time or full-time jobs, or, in cases where
102.31 job loss is specific and demonstrable, goals for the number of jobs retained;

102.32 (5) equity hiring goals and progress in achieving these goals;

- 103.1 (6) wage goals and progress in achieving these goals for all jobs created or maintained
103.2 by the producer or blender;
- 103.3 (7) board member and executive compensation;
- 103.4 (8) evidence of compliance with environmental permits;
- 103.5 (9) the producer's or blender's intended and actual use of payments from, or tax credits
103.6 approved by, the commissioner; and
- 103.7 (10) if applicable, the latest financial audit opinion statement produced by a certified
103.8 public accountant in accordance with standards established by the American Institute of
103.9 Certified Public Accountants.

103.10 Sec. 36. Minnesota Statutes 2022, section 41B.039, subdivision 2, is amended to read:

103.11 Subd. 2. **State participation.** The state may participate in a new real estate loan with
103.12 an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount
103.13 of the loan or ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms
103.14 of the authority's participation interest may be different than the interest rates and repayment
103.15 terms of the lender's retained portion of the loan.

103.16 Sec. 37. Minnesota Statutes 2022, section 41B.04, subdivision 8, is amended to read:

103.17 Subd. 8. **State participation.** With respect to loans that are eligible for restructuring
103.18 under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall
103.19 enter into a participation agreement or other financial arrangement whereby it shall participate
103.20 in a restructured loan to the extent of 45 percent of the primary principal or ~~\$525,000~~
103.21 \$625,000, whichever is less. The authority's portion of the loan must be protected during
103.22 the authority's participation by the first mortgage held by the eligible lender to the extent
103.23 of its participation in the loan.

103.24 Sec. 38. Minnesota Statutes 2022, section 41B.042, subdivision 4, is amended to read:

103.25 Subd. 4. **Participation limit; interest.** The authority may participate in new
103.26 seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or
103.27 ~~\$400,000~~ \$500,000, whichever is less. The interest rates and repayment terms of the
103.28 authority's participation interest may be different than the interest rates and repayment terms
103.29 of the seller's retained portion of the loan.

104.1 Sec. 39. Minnesota Statutes 2022, section 41B.043, subdivision 1b, is amended to read:

104.2 Subd. 1b. **Loan participation.** The authority may participate in an agricultural
104.3 improvement loan with an eligible lender to a farmer who meets the requirements of section
104.4 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming.
104.5 Participation is limited to 45 percent of the principal amount of the loan or ~~\$400,000~~
104.6 \$500,000, whichever is less. The interest rates and repayment terms of the authority's
104.7 participation interest may be different than the interest rates and repayment terms of the
104.8 lender's retained portion of the loan.

104.9 Sec. 40. Minnesota Statutes 2022, section 41B.045, subdivision 2, is amended to read:

104.10 Subd. 2. **Loan participation.** The authority may participate in a livestock expansion
104.11 and modernization loan with an eligible lender to a livestock farmer who meets the
104.12 requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively
104.13 engaged in a livestock operation. A prospective borrower must have a total net worth,
104.14 including assets and liabilities of the borrower's spouse and dependents, of less than
104.15 \$1,700,000 in 2017 and an amount in subsequent years which is adjusted for inflation by
104.16 multiplying that amount by the cumulative inflation rate as determined by the United States
104.17 All-Items Consumer Price Index.

104.18 Participation is limited to 45 percent of the principal amount of the loan or ~~\$525,000~~
104.19 \$625,000, whichever is less. The interest rates and repayment terms of the authority's
104.20 participation interest may be different from the interest rates and repayment terms of the
104.21 lender's retained portion of the loan.

104.22 Sec. 41. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:

104.23 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
104.24 recovery loan program to help farmers:

104.25 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
104.26 replace seed, other crop inputs, feed, and livestock;

104.27 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems
104.28 and practices, and feed when drought is the cause of the purchase;

104.29 (3) restore farmland;

104.30 (4) replace flocks or livestock, make building improvements, or cover the loss of revenue
104.31 when the replacement, improvements, or loss of revenue is due to the confirmed presence

105.1 of a highly contagious animal disease in a commercial poultry or game flock, or a commercial
105.2 livestock operation, located in Minnesota; or

105.3 (5) cover the loss of revenue when the revenue loss is due to an infectious human disease
105.4 for which the governor has declared a peacetime emergency under section 12.31.

105.5 Sec. 42. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

105.6 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
105.7 licensed under this chapter must annually submit to the commissioner a financial statement
105.8 prepared by a third-party independent accountant or certified public accountant in accordance
105.9 with ~~generally accepted accounting principles~~ national or international accounting standards.

105.10 The annual financial statement required under this subdivision must also:

105.11 (1) include; but not be limited to the following:

105.12 (i) a balance sheet;

105.13 (ii) a statement of income (profit and loss);

105.14 (iii) a statement of retained earnings;

105.15 (iv) a statement of ~~changes in financial position~~ cash flow; and

105.16 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
105.17 grain buyer;

105.18 (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared
105.19 by a grain commission firm or a management firm approved by the commissioner or by an
105.20 independent public accountant, in accordance with standards established by the American
105.21 Institute of Certified Public Accountants or similar international standards;

105.22 ~~(3) be accompanied by a certification by the chief executive officer or the chief executive~~
105.23 ~~officer's designee of the licensee, and where applicable, all members of the governing board~~
105.24 ~~of directors under penalty of perjury, that the financial statement accurately reflects the~~
105.25 ~~financial condition of the licensee for the period specified in the statement;~~

105.26 ~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a~~
105.27 ~~certified public accountant in accordance with standards established by the American Institute~~
105.28 ~~of Certified Public Accountants, and must show that the financial statements are free from~~
105.29 ~~material misstatements; and~~

105.30 ~~(5)~~ (3) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited or
105.31 reviewed by a certified public accountant in accordance with standards established by the

106.1 American Institute of Certified Public Accountants ~~and~~ or similar international standards.
106.2 An audit must include an opinion statement from the certified public accountant performing
106.3 the audit; and

106.4 (4) for grain buyers purchasing \$20,000,000 or more of grain annually, be audited by a
106.5 certified public accountant in accordance with standards established by the American Institute
106.6 of Certified Public Accountants or similar international standards. The audit must include
106.7 an opinion statement from the certified public accountant performing the audit.

106.8 (b) Only one financial statement must be filed for a chain of warehouses owned or
106.9 operated as a single business entity, unless otherwise required by the commissioner. All
106.10 financial statements filed with the commissioner are private or nonpublic data as provided
106.11 in section 13.02.

106.12 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
106.13 ~~certified check; a cashier's check; or a postal, bank, or express money order,~~ as defined in
106.14 section 223.16, subdivision 2a, paragraph (b), is exempt from this subdivision if the grain
106.15 buyer's gross annual purchases are \$1,000,000 or less.

106.16 (d) For an entity that qualifies for the exemption in paragraph (c), the commissioner
106.17 retains the right to require the entity to provide the commissioner with financial reporting
106.18 based on inspections, any report of nonpayment, or other documentation related to violations
106.19 of this chapter, chapter 232, or Minnesota Rules, chapter 1562.

106.20 (e) To ensure compliance with this chapter, the commissioner must annually review
106.21 financial statements submitted under paragraph (a).

106.22 ~~(d)~~ (f) The commissioner shall annually provide information on a person's fiduciary
106.23 duties to each licensee. ~~To the extent practicable, the commissioner must direct each licensee~~
106.24 ~~to provide this information to all persons required to certify the licensee's financial statement~~
106.25 ~~under paragraph (a), clause (3).~~

106.26 (g) The commissioner may require an entity to provide additional financial statements
106.27 or financial reporting, including audited financial statements.

106.28 Sec. 43. Minnesota Statutes 2022, section 232.21, subdivision 3, is amended to read:

106.29 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the
106.30 commissioner's designee.

107.1 Sec. 44. Minnesota Statutes 2022, section 232.21, subdivision 7, is amended to read:

107.2 Subd. 7. **Grain.** "Grain" means any ~~cereal grain, coarse grain, or oilseed in unprocessed~~
107.3 ~~form for which a standard has been established by the United States Secretary of Agriculture,~~
107.4 ~~dry edible beans, or agricultural crops designated by the commissioner by rule~~ product
107.5 commonly referred to as grain, including wheat, corn, oats, barley, rye, rice, soybeans,
107.6 emmer, sorghum, triticale, millet, pulses, dry edible beans, sunflower seed, rapeseed, canola,
107.7 safflower, flaxseed, mustard seed, crambe, sesame seed, and other products ordinarily stored
107.8 in grain warehouses.

107.9 Sec. 45. Minnesota Statutes 2022, section 232.21, subdivision 11, is amended to read:

107.10 Subd. 11. **Producer.** "Producer" means a person who ~~owns or manages a grain producing~~
107.11 ~~or growing operation and holds or shares the responsibility for marketing that grain produced~~
107.12 grows grain on land owned or leased by the person.

107.13 Sec. 46. Minnesota Statutes 2022, section 232.21, subdivision 12, is amended to read:

107.14 Subd. 12. **Public grain warehouse operator.** "Public grain warehouse operator" means:
107.15 (1) a person licensed to operate ~~operating~~ a grain warehouse in which grain belonging to
107.16 persons other than the grain warehouse operator is accepted for storage or purchase, ~~or;~~ (2)
107.17 a person who offers grain storage or grain warehouse facilities to the public for hire; or (3)
107.18 a feed-processing plant that receives and stores grain, the equivalent of which, it processes
107.19 and returns to the grain's owner in amounts, at intervals, and with added ingredients that
107.20 are mutually agreeable to the grain's owner and the person operating the plant.

107.21 Sec. 47. Minnesota Statutes 2022, section 232.21, subdivision 13, is amended to read:

107.22 Subd. 13. **Scale ticket.** "Scale ticket" means a memorandum ~~showing the weight, grade~~
107.23 ~~and kind of grain which is issued by a grain elevator or warehouse operator to a depositor~~
107.24 ~~at the time the grain is delivered.~~

107.25 Sec. 48. **CREDIT MARKET REPORT REQUIRED.**

107.26 The commissioner of agriculture must convene a stakeholder working group to explore
107.27 the state establishing a market for carbon credits, ecosystem services credits, or other credits
107.28 generated by farmers who implement clean water, climate-smart, and soil-healthy farming
107.29 practices. To the extent practicable, the stakeholder working group must include but is not
107.30 limited to farmers; representatives of agricultural organizations; experts in geoscience,
107.31 carbon storage, greenhouse gas modeling, and agricultural economics; industry

108.1 representatives with experience in carbon markets and supply chain sustainability; and
108.2 representatives of environmental organizations with expertise in carbon sequestration and
108.3 agriculture. No later than February 1, 2025, the commissioner must report recommendations
108.4 to the legislative committees with jurisdiction over agriculture. The commissioner must
108.5 provide participating stakeholders an opportunity to include written testimony in the
108.6 commissioner's report.

108.7 Sec. 49. **REPEALER.**

108.8 (a) Minnesota Statutes 2022, sections 3.7371, subdivision 7; and 34.07, are repealed.

108.9 (b) Minnesota Rules, parts 1506.0010; 1506.0015; 1506.0020; 1506.0025; 1506.0030;
108.10 1506.0035; and 1506.0040, are repealed.

108.11 **ARTICLE 8**

108.12 **BROADBAND**

108.13 Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision
108.14 to read:

108.15 Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year
108.16 appropriation between the border-to-border broadband program, low density population
108.17 broadband program, and the broadband line extension program to meet demand.

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

108.19 Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL**
108.20 **FUNDING; APPROPRIATION.**

108.21 (a) The commissioner of employment and economic development must prepare and
108.22 submit an application to the United States Department of Commerce requesting State Digital
108.23 Equity Capacity Grant Funding made available under Public Law 117-58, the Infrastructure
108.24 Investment and Jobs Act.

108.25 (b) The amount awarded to Minnesota pursuant to the application submitted under
108.26 paragraph (a) is appropriated to the commissioner of employment and economic development
108.27 for purposes of the commissioner's Minnesota Digital Opportunity Plan.

108.28 **ARTICLE 9**

108.29 **GENERAL FUND ENERGY APPROPRIATIONS**

108.30 Section 1. **APPROPRIATIONS.**

109.1 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 109.2 and for the purposes specified in this article. The appropriations are from the general fund,
 109.3 or another named fund, and are available for the fiscal years indicated for each purpose.
 109.4 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 109.5 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

109.6			<u>APPROPRIATIONS</u>	
109.7			<u>Available for the Year</u>	
109.8			<u>Ending June 30</u>	
109.9			<u>2024</u>	<u>2025</u>

109.10	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>1,133,000</u>
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109.11 (a) \$500,000 in fiscal year 2025 is for a study
 109.12 to identify suitable sites statewide for the
 109.13 installation of thermal energy networks. This
 109.14 is a onetime appropriation and is available
 109.15 until December 31, 2025.

109.16 (b) \$500,000 in fiscal year 2025 is for transfer
 109.17 to the SolarAPP+ program account established
 109.18 under Minnesota Statutes, section 216C.48,
 109.19 for the awarding of incentives to local units
 109.20 of government that deploy federally developed
 109.21 software to automate the review of
 109.22 applications and issuance of permits for
 109.23 residential solar projects. Incentives may only
 109.24 be awarded to local units of government
 109.25 located outside the electric service territory of
 109.26 the public utility required to make payments
 109.27 under Minnesota Statutes, section 116C.779,
 109.28 subdivision 1. This is a onetime transfer and
 109.29 is available until June 30, 2028.

109.30 (c) \$133,000 in fiscal year 2025 is for
 109.31 participation in a Minnesota Public Utilities
 109.32 Commission proceeding to review electric
 109.33 transmission line owners' plans to deploy
 109.34 grid-enhancing technologies and issue an order
 109.35 to implement the plans. The base in fiscal year
 109.36 2026 is \$265,000 and the base in fiscal year

110.1 2027 is \$265,000. The base in fiscal year 2028
110.2 is \$0.

110.3 **Sec. 3. PUBLIC UTILITIES COMMISSION \$ -0- \$ 433,000**

110.4 (a) \$39,000 in fiscal year 2025 is for support
110.5 of the Thermal Energy Network Deployment
110.6 Workgroup and preparation of a report. The
110.7 base in fiscal year 2026 is \$77,000, and the
110.8 base in fiscal year 2027 is \$0.

110.9 (b) \$117,000 in fiscal year 2025 is for review
110.10 of electric transmission line owners' plans to
110.11 deploy grid-enhancing technologies and
110.12 development of a commission order to
110.13 implement approved plans. The base in fiscal
110.14 year 2026 is \$157,000 and the base in fiscal
110.15 year 2027 is \$157,000. The base in fiscal year
110.16 2028 is \$0.

110.17 (c) \$111,000 in fiscal year 2025 is for
110.18 conducting a proceeding to develop a
110.19 cost-sharing mechanism enabling developers
110.20 of distributed generation projects to pay
110.21 utilities to expand distribution line capacity in
110.22 order to interconnect to the grid. The base in
110.23 fiscal year 2026 is \$111,000 and the base in
110.24 fiscal year 2027 is \$77,000. The base in fiscal
110.25 year 2028 is \$0.

110.26 (d) \$166,000 in fiscal year 2025 is for
110.27 participating in Public Utilities Commission
110.28 proceedings to issue site and route permits for
110.29 electric power facilities under revised
110.30 administrative procedures. The base in fiscal
110.31 year 2026 and thereafter is \$121,000.

110.32 **ARTICLE 10**

110.33 **RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS**

110.34 **Section 1. APPROPRIATIONS.**

111.1 (a) The sums shown in the columns marked "Appropriations" are appropriated to the
 111.2 agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes,
 111.3 section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable
 111.4 development account in the special revenue fund established in Minnesota Statutes, section
 111.5 116C.779, subdivision 1, and are available for the fiscal years indicated for each purpose.
 111.6 The figures "2024" and "2025" used in this article mean that the appropriations listed under
 111.7 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

111.8 (b) If an appropriation in this article is enacted more than once in the 2024 regular or
 111.9 special legislative session, the appropriation must be given effect only once.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2024</u>	<u>2025</u>
111.10			
111.11			
111.12			
111.13			
111.14	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>	<u>\$</u>	<u>-0- \$ 14,200,000</u>

111.15 (a) \$5,000,000 in fiscal year 2025 is for a grant
 111.16 for construction of a geothermal energy system
 111.17 at Sabathani Community Center in
 111.18 Minneapolis. This is a onetime appropriation
 111.19 and is available until June 30, 2028.

111.20 (b) \$2,500,000 in fiscal year 2025 is for
 111.21 transfer to the geothermal planning grant
 111.22 account established under Minnesota Statutes,
 111.23 section 216C.47, for planning grants to
 111.24 political subdivisions to assess the feasibility
 111.25 and cost of constructing geothermal energy
 111.26 systems. This is a onetime appropriation and
 111.27 is available until June 30, 2029.

111.28 (c) \$5,000,000 in fiscal year 2025 is for a grant
 111.29 to Ramsey County Recycling and Energy
 111.30 Center and Dem-Con HZI Bioenergy LLC to
 111.31 construct an anaerobic digester energy system
 111.32 in Louisville Township. This is a onetime
 111.33 appropriation and is available until June 30,
 111.34 2028.

112.1 (d) \$1,700,000 in fiscal year 2025 is for
112.2 transfer to the SolarAPP+ program account
112.3 established under Minnesota Statutes, section
112.4 216C.48, for the awarding of incentives to
112.5 local units of government that deploy federally
112.6 developed software to automate the review of
112.7 applications and issuance of permits for
112.8 residential solar projects. Incentives may only
112.9 be awarded to political subdivisions located
112.10 within the electric service territory of the
112.11 public utility that is required to make payments
112.12 under Minnesota Statutes, section 116C.779,
112.13 subdivision 1. This is a onetime transfer.

112.14 **ARTICLE 11**

112.15 **GEOHERMAL ENERGY**

112.16 Section 1. Minnesota Statutes 2022, section 216B.2427, subdivision 1, is amended to read:

112.17 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428,
112.18 the following terms have the meanings given.

112.19 (b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of
112.20 biomass, or other effective conversion processes.

112.21 (c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise
112.22 be released into the atmosphere.

112.23 (d) "Carbon-free resource" means an electricity generation facility whose operation does
112.24 not contribute to statewide greenhouse gas emissions, as defined in section 216H.01,
112.25 subdivision 2.

112.26 (e) "Disadvantaged community" means a community in Minnesota that is:

112.27 (1) defined as disadvantaged by the federal agency disbursing federal funds, when the
112.28 federal agency is providing funds for an innovative resource; or

112.29 (2) an environmental justice area, as defined under section 216B.1691, subdivision 1.

112.30 ~~(e)~~ (f) "District energy" means a heating or cooling system that is solar thermal powered
112.31 or that uses the constant temperature of the earth or underground aquifers as a thermal
112.32 exchange medium to heat or cool multiple buildings connected through a piping network.

113.1 ~~(f)~~ (g) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1,
113.2 paragraph (f), but does not include energy conservation investments that the commissioner
113.3 determines could reasonably be included in a utility's conservation improvement program.

113.4 ~~(g)~~ (h) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous
113.5 oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by
113.6 anthropogenic sources within Minnesota and from the generation of electricity imported
113.7 from outside the state and consumed in Minnesota, excluding carbon dioxide that is injected
113.8 into geological formations to prevent its release to the atmosphere in compliance with
113.9 applicable laws.

113.10 ~~(h)~~ (i) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen,
113.11 power-to-ammonia, carbon capture, strategic electrification, district energy, and energy
113.12 efficiency.

113.13 ~~(i)~~ (j) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas
113.14 emissions resulting from the production, processing, transmission, and consumption of an
113.15 energy resource.

113.16 ~~(j)~~ (k) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas
113.17 emissions per unit of energy delivered to an end user.

113.18 ~~(k)~~ (l) "Nonexempt customer" means a utility customer that has not been included in a
113.19 utility's innovation plan under subdivision 3, paragraph (f).

113.20 ~~(l)~~ (m) "Power-to-ammonia" means the production of ammonia from hydrogen produced
113.21 via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity
113.22 than does natural gas produced from conventional geologic sources.

113.23 ~~(m)~~ (n) "Power-to-hydrogen" means the use of electricity generated by a carbon-free
113.24 resource to produce hydrogen.

113.25 ~~(n)~~ (o) "Renewable energy" has the meaning given in section 216B.2422, subdivision
113.26 1.

113.27 ~~(o)~~ (p) "Renewable natural gas" means biogas that has been processed to be
113.28 interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural
113.29 gas produced from conventional geologic sources.

113.30 ~~(p)~~ (q) "Solar thermal" has the meaning given to qualifying solar thermal project in
113.31 section 216B.2411, subdivision 2, paragraph (d).

114.1 ~~(q)~~ (r) "Strategic electrification" means the installation of electric end-use equipment in
114.2 an existing building in which natural gas is a primary or back-up fuel source, or in a newly
114.3 constructed building in which a customer receives natural gas service for one or more
114.4 end-uses, provided that the electric end-use equipment:

114.5 (1) results in a net reduction in statewide greenhouse gas emissions, as defined in section
114.6 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient
114.7 commercially available natural gas alternative; and

114.8 (2) is installed and operated in a manner that improves the load factor of the customer's
114.9 electric utility.

114.10 Strategic electrification does not include investments that the commissioner determines
114.11 could reasonably be included in the natural gas utility's conservation improvement program
114.12 under section 216B.241.

114.13 (s) "Thermal energy network" means a project that provides heating and cooling to
114.14 multiple buildings connected via underground piping containing fluids that, in concert with
114.15 heat pumps, exchange thermal energy from the earth, underground or surface waters,
114.16 wastewater, or other heat sources.

114.17 ~~(r)~~ (t) "Total incremental cost" means the calculation of the following components of a
114.18 utility's innovation plan approved by the commission under subdivision 2:

114.19 (1) the sum of:

114.20 (i) return of and on capital investments for the production, processing, pipeline
114.21 interconnection, storage, and distribution of innovative resources;

114.22 (ii) incremental operating costs associated with capital investments in infrastructure for
114.23 the production, processing, pipeline interconnection, storage, and distribution of innovative
114.24 resources;

114.25 (iii) incremental costs to procure innovative resources from third parties;

114.26 (iv) incremental costs to develop and administer programs; and

114.27 (v) incremental costs for research and development related to innovative resources;

114.28 (2) less the sum of:

114.29 (i) value received by the utility upon the resale of innovative resources or innovative
114.30 resource by-products, including any environmental credits included with the resale of
114.31 renewable gaseous fuels or value received by the utility when innovative resources are used
114.32 as vehicle fuel;

115.1 (ii) cost savings achieved through avoidance of purchases of natural gas produced from
115.2 conventional geologic sources, including but not limited to avoided commodity purchases
115.3 and avoided pipeline costs; and

115.4 (iii) other revenues received by the utility that are directly attributable to the utility's
115.5 implementation of an innovation plan.

115.6 ~~(s)~~ (u) "Utility" means a public utility, as defined in section 216B.02, subdivision 4, that
115.7 provides natural gas sales or natural gas transportation services to customers in Minnesota.

115.8 Sec. 2. Minnesota Statutes 2022, section 216B.2427, is amended by adding a subdivision
115.9 to read:

115.10 Subd. 9a. **Thermal energy networks.** Innovation plans filed after July 1, 2024, under
115.11 this section by a utility with more than 800,000 customers must include spending of at least
115.12 15 percent of the utility's proposed total incremental costs over the five-year term of the
115.13 proposed innovation plan for thermal energy networks projects. If the utility has developed
115.14 or is developing thermal energy network projects outside of an approved innovation plan,
115.15 the utility may apply the budget for the projects toward the 15 percent minimum requirement
115.16 without counting the costs against the limitations on utility customer costs under subdivision
115.17 3.

115.18 Sec. 3. [216C.47] GEOTHERMAL PLANNING GRANTS.

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

115.21 (b) "Eligible applicant" means a county, city, town, or the Metropolitan Council.

115.22 (c) "Geothermal energy system" means a system that heats and cools one or more
115.23 buildings by using the constant temperature of the earth as both a heat source and heat sink,
115.24 and a heat exchanger consisting of an underground closed loop system of piping containing
115.25 a liquid to absorb and relinquish heat within the earth. Geothermal energy system includes:

115.26 (1) a bored geothermal heat exchanger, as defined in section 103I.005;

115.27 (2) a groundwater thermal exchange device, as defined in section 103I.005; and

115.28 (3) a submerged closed loop heat exchanger, as defined in section 103I.005.

115.29 Subd. 2. **Establishment.** A geothermal planning grant program is established in the
115.30 department to provide financial assistance to eligible applicants to examine the technical
115.31 and economic feasibility of installing geothermal energy systems.

116.1 Subd. 3. **Account established.** (a) The geothermal planning grant account is established
116.2 as a separate account in the special revenue fund in the state treasury. The commissioner
116.3 must credit to the account appropriations and transfers to the account. Earnings, including
116.4 interest, dividends, and any other earnings arising from assets of the account, must be
116.5 credited to the account. Money remaining in the account at the end of a fiscal year does not
116.6 cancel to the general fund, but remains in the account until June 30, 2029. The commissioner
116.7 must manage the account.

116.8 (b) Money in the account is appropriated to the commissioner to (1) award geothermal
116.9 planning grants to eligible applicants, and (2) reimburse the reasonable costs incurred by
116.10 the department to administer this section.

116.11 Subd. 4. **Application process.** An applicant seeking a grant under this section must
116.12 submit an application to the commissioner on a form developed by the commissioner. The
116.13 commissioner must develop administrative procedures to govern the application and grant
116.14 award process. The commissioner may contract with a third party to conduct some or all of
116.15 the program's operations.

116.16 Subd. 5. **Grant awards.** (a) A grant awarded under this process may be used to pay the
116.17 total cost of the activities eligible for funding under subdivision 6, up to a limit of \$150,000.

116.18 (b) The commissioner must endeavor to award grants to eligible applicants in all regions
116.19 of Minnesota.

116.20 (c) Grants may be awarded under this section only to projects whose work is completed
116.21 after July 1, 2024.

116.22 Subd. 6. **Eligible grant expenditures.** Activities that may be funded with a grant awarded
116.23 under this section include:

116.24 (1) analysis of the heating and cooling demand of the building or buildings that consume
116.25 energy from the geothermal energy system;

116.26 (2) evaluation of equipment that could be combined with a geothermal energy system
116.27 to meet the building's heating and cooling requirement;

116.28 (3) analysis of the geologic conditions of the earth in which a geothermal energy system
116.29 operates, including the drilling of one or more test wells to characterize geologic materials
116.30 and to measure properties of the earth and aquifers that impact the feasibility of installing
116.31 and operating a geothermal energy system; and

116.32 (4) preparation of a financial analysis of the project.

117.1 Subd. 7. Contractor and subcontractor requirements. Contractors and subcontractors
117.2 performing work funded with a grant awarded under this section must have experience
117.3 installing geothermal energy systems.

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

117.5 Sec. 4. THERMAL ENERGY NETWORK DEPLOYMENT WORK GROUP.

117.6 Subdivision 1. Direction. The Public Utilities Commission must establish and appoint
117.7 a thermal energy network deployment work group to examine (1) the potential regulatory
117.8 opportunities for regulated natural gas utilities to deploy thermal energy networks, and (2)
117.9 potential barriers to development. The work group must examine the public benefits, costs,
117.10 and impacts of deployment of thermal energy networks, as well as examine rate design
117.11 options.

117.12 Subd. 2. Membership. (a) The work group consists of at least the following:

- 117.13 (1) representatives of the Department of Commerce;
117.14 (2) representatives of the Department of Health;
117.15 (3) representatives of the Pollution Control Agency;
117.16 (4) representatives of the Department of Natural Resources;
117.17 (5) representatives of the Office of the Attorney General;
117.18 (6) representatives from utilities;
117.19 (7) representatives from clean energy advocacy organizations;
117.20 (8) representatives from labor organizations;
117.21 (9) geothermal technology providers;
117.22 (10) representatives from consumer protection organizations;
117.23 (11) representatives from cities; and
117.24 (12) representatives from low-income communities.

117.25 (b) The executive secretary of the Public Utilities Commission may invite others to
117.26 participate in one or more meetings of the work group.

117.27 (c) In appointing members to the work group, the Public Utilities Commission shall
117.28 endeavor to ensure that all geographic regions of Minnesota are represented.

118.1 Subd. 3. **Duties.** The work group must prepare a report containing findings and
118.2 recommendations regarding how to deploy thermal energy networks within a regulated
118.3 context in a manner that protects the public interest and considers reliability, affordability,
118.4 environmental impacts, and socioeconomic impacts.

118.5 Subd. 4. **Report to legislature.** The work group must submit a report detailing the work
118.6 group's findings and recommendations to the chairs and ranking minority members of the
118.7 legislative committees and divisions with jurisdiction over energy policy and finance by
118.8 December 31, 2025. The work group terminates the day after the report under this subdivision
118.9 is submitted.

118.10 Subd. 5. **Notice and comment period.** The executive secretary of the Public Utilities
118.11 Commission must file the completed report in Public Utilities Commission Docket No.
118.12 G-999/CI-21-565 and provide notice to all docket participants and other interested persons
118.13 that comments on the findings and recommendations may be filed in the docket.

118.14 Subd. 6. **Definition.** For the purposes of this section, "thermal energy network" means
118.15 a project that provides heating and cooling to multiple buildings connected via underground
118.16 pipng containing fluids that, in concert with heat pumps, exchange thermal energy from
118.17 the earth, underground or surface waters, wastewater, or other heat sources.

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

118.19 Sec. 5. **THERMAL ENERGY NETWORK SITE SUITABILITY STUDY.**

118.20 (a) The Department of Commerce shall conduct or contract for a study to determine the
118.21 suitability of sites to deploy thermal energy networks statewide.

118.22 (b) The study must:

118.23 (1) identify areas more and less suitable for deployment of thermal energy networks
118.24 statewide; and

118.25 (2) identify potential barriers to the deployment of thermal energy networks and potential
118.26 ways to address the barriers.

118.27 (c) In determining site suitability, the study must consider:

118.28 (1) geologic or hydrologic access to thermal storage;

118.29 (2) the existing built environment, including but not limited to age, density, building
118.30 uses, existing heating and cooling systems, and existing electrical services;

118.31 (3) the condition of existing natural gas infrastructure;

119.1 (4) road and street conditions, including planned replacement or maintenance;

119.2 (5) local land use regulations;

119.3 (6) area permitting requirements; and

119.4 (7) whether the area is an environmental justice area, as defined in section 116.065,
119.5 subdivision 1, paragraph (e).

119.6 (d) No later than January 15, 2026, the Department of Commerce must submit a written
119.7 report documenting the study's findings to the chairs and ranking minority members of the
119.8 senate and house of representatives committees with jurisdiction over energy policy and
119.9 finance.

119.10 (e) For the purposes of this section, "thermal energy network" means a project that
119.11 provides heating and cooling to multiple buildings connected via underground piping
119.12 containing fluids that, in concert with heat pumps, exchange thermal energy from the earth,
119.13 underground or surface waters, wastewater, or other heat sources.

119.14 **ARTICLE 12**

119.15 **ELECTRIC TRANSMISSION**

119.16 Section 1. Minnesota Statutes 2022, section 216B.2421, subdivision 2, is amended to read:

119.17 Subd. 2. **Large energy facility.** "Large energy facility" means:

119.18 (1) any electric power generating plant or combination of plants at a single site with a
119.19 combined capacity of 50,000 kilowatts or more and transmission lines directly associated
119.20 with the plant that are necessary to interconnect the plant to the transmission system;

119.21 (2) any high-voltage transmission line with a capacity of ~~200~~ 300 kilovolts or more and
119.22 greater than ~~1,500 feet~~ 30 miles in length;

119.23 ~~(3) any high-voltage transmission line with a capacity of 100 kilovolts or more with~~
119.24 ~~more than ten miles of its length in Minnesota or that crosses a state line;~~

119.25 ~~(4)~~ (3) any pipeline greater than six inches in diameter and having more than 50 miles
119.26 of its length in Minnesota used for the transportation of coal, crude petroleum or petroleum
119.27 fuels or oil, or their derivatives;

119.28 ~~(5)~~ (4) any pipeline for transporting natural or synthetic gas at pressures in excess of
119.29 200 pounds per square inch with more than 50 miles of its length in Minnesota;

119.30 ~~(6)~~ (5) any facility designed for or capable of storing on a single site more than 100,000
119.31 gallons of liquefied natural gas or synthetic gas;

120.1 ~~(7)~~ (6) any underground gas storage facility requiring a permit pursuant to section
120.2 103I.681;

120.3 ~~(8)~~ (7) any nuclear fuel processing or nuclear waste storage or disposal facility; and

120.4 ~~(9)~~ (8) any facility intended to convert any material into any other combustible fuel and
120.5 having the capacity to process in excess of 75 tons of the material per hour.

120.6 **EFFECTIVE DATE.** This section is effective the day following final enactment and
120.7 applies to any project that has filed an application for a certificate of need or a site or route
120.8 permit from the commission on or after that date.

120.9 Sec. 2. Minnesota Statutes 2022, section 216B.2425, subdivision 1, is amended to read:

120.10 Subdivision 1. **List.** The commission shall maintain a list of certified high-voltage
120.11 transmission line and grid enhancing technology projects.

120.12 **EFFECTIVE DATE.** This section is effective June 1, 2025.

120.13 Sec. 3. Minnesota Statutes 2022, section 216B.2425, is amended by adding a subdivision
120.14 to read:

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

120.17 (b) "Capacity" means the maximum amount of electricity that can flow through a
120.18 transmission line while observing industry safety standards.

120.19 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents
120.20 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

120.21 (d) "Dynamic line rating" means hardware or software used to calculate the thermal
120.22 limit of existing transmission lines at a specific point in time by incorporating information
120.23 on real-time and forecasted weather conditions.

120.24 (e) "Grid enhancing technology" means hardware or software that reduces congestion
120.25 or enhances the flexibility of the transmission system by increasing the capacity of a
120.26 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,
120.27 while maintaining industry safety standards. Grid enhancing technologies include but are
120.28 not limited to dynamic line rating, advanced power flow controllers, and topology
120.29 optimization.

120.30 (f) "Power flow controller" means hardware and software used to reroute electricity
120.31 from overloaded transmission lines to underutilized transmission lines.

121.1 (g) "Thermal limit" means the temperature a transmission line reaches when heat from
121.2 the electric current flow within the transmission line causes excessive sagging of the
121.3 transmission line.

121.4 (h) "Topology optimization" means a software technology that uses mathematical models
121.5 to identify reconfigurations in the transmission grid in order to reroute electricity from
121.6 overloaded transmission lines to underutilized transmission lines.

121.7 (i) "Transmission line" has the meaning given to "high-voltage transmission line" in
121.8 section 216E.01. subdivision 4.

121.9 (j) "Transmission system" means a network of high-voltage transmission lines owned
121.10 or operated by an entity subject to this section that transports electricity to Minnesota
121.11 customers.

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

121.13 Sec. 4. Minnesota Statutes 2022, section 216B.2425, subdivision 2, is amended to read:

121.14 Subd. 2. **List development; transmission and grid enhancing technology projects**
121.15 **report.** (a) By November 1 of each odd-numbered year, a transmission projects report must
121.16 be submitted to the commission by each utility, organization, or company that:

121.17 (1) is a public utility, a municipal utility, a cooperative electric association, the generation
121.18 and transmission organization that serves each utility or association, or a transmission
121.19 company; and

121.20 (2) owns or operates electric transmission lines in Minnesota, except a company or
121.21 organization that owns a transmission line that serves a single customer or interconnects a
121.22 single generating facility.

121.23 (b) The report may be submitted jointly or individually to the commission.

121.24 (c) The report must:

121.25 (1) list specific present and reasonably foreseeable future inadequacies in the transmission
121.26 system in Minnesota;

121.27 (2) identify alternative means of addressing each inadequacy listed, including grid
121.28 enhancing technologies such as dynamic line rating, power flow controllers, topology
121.29 optimization, and other hardware or software that reduce congestion or enhance the flexibility
121.30 of the transmission system;

122.1 (3) identify general economic, environmental, and social issues associated with each
122.2 alternative; and

122.3 (4) provide a summary of public input related to the list of inadequacies and the role of
122.4 local government officials and other interested persons in assisting to develop the list and
122.5 analyze alternatives.

122.6 (d) To meet the requirements of this subdivision, reporting parties may rely on available
122.7 information and analysis developed by a regional transmission organization or any subgroup
122.8 of a regional transmission organization and may develop and include additional information
122.9 as necessary.

122.10 (e) In addition to providing the information required under this subdivision, a utility
122.11 operating under a multiyear rate plan approved by the commission under section 216B.16,
122.12 subdivision 19, shall identify in its report investments that it considers necessary to modernize
122.13 the transmission and distribution system by enhancing reliability, improving security against
122.14 cyber and physical threats, and by increasing energy conservation opportunities by facilitating
122.15 communication between the utility and its customers through the use of two-way meters,
122.16 control technologies, energy storage and microgrids, technologies to enable demand response,
122.17 and other innovative technologies.

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

122.19 Sec. 5. Minnesota Statutes 2022, section 216B.243, subdivision 3, is amended to read:

122.20 Subd. 3. **Showing required for construction.** No proposed large energy facility shall
122.21 be certified for construction unless the applicant can show that demand for electricity cannot
122.22 be met more cost effectively through energy conservation and load-management measures
122.23 and unless the applicant has otherwise justified its need. In assessing need, the commission
122.24 shall evaluate:

122.25 (1) the accuracy of the long-range energy demand forecasts on which the necessity for
122.26 the facility is based;

122.27 (2) the effect of existing or possible energy conservation programs under sections 216C.05
122.28 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

122.29 (3) the relationship of the proposed facility to overall state energy needs, as described
122.30 in the most recent state energy policy and conservation report prepared under section
122.31 216C.18, or, in the case of a high-voltage transmission line, the relationship of the proposed
122.32 line to regional energy needs, as presented in the transmission plan submitted under section
122.33 216B.2425;

- 123.1 (4) promotional activities that may have given rise to the demand for this facility;
- 123.2 (5) benefits of this facility, including its uses to protect or enhance environmental quality,
123.3 and to increase reliability of energy supply in Minnesota and the region;
- 123.4 (6) possible alternatives for satisfying the energy demand or transmission needs including
123.5 but not limited to potential for increased efficiency and upgrading of existing energy
123.6 generation and transmission facilities, load-management programs, and distributed generation,
123.7 except that the commission shall not evaluate alternative endpoints for a high-voltage
123.8 transmission line unless (i) the alternative endpoints are consistent with endpoints identified
123.9 in a Transmission Expansion Plan approved by the board of directors of the Midcontinent
123.10 Independent System Operator, or (ii) the applicant agrees to the evaluation of the alternative
123.11 endpoints;
- 123.12 (7) the policies, rules, and regulations of other state and federal agencies and local
123.13 governments;
- 123.14 (8) any feasible combination of energy conservation improvements, required under
123.15 section 216B.241, that can (i) replace part or all of the energy to be provided by the proposed
123.16 facility, and (ii) compete with it economically;
- 123.17 (9) with respect to a high-voltage transmission line, the benefits of enhanced regional
123.18 reliability, access, or deliverability to the extent these factors improve the robustness of the
123.19 transmission system or lower costs for electric consumers in Minnesota;
- 123.20 (10) whether the applicant or applicants are in compliance with applicable provisions
123.21 of sections 216B.1691 and 216B.2425, subdivision 7, and have filed or will file by a date
123.22 certain an application for certificate of need under this section or for certification as a priority
123.23 electric transmission project under section 216B.2425 for any transmission facilities or
123.24 upgrades identified under section 216B.2425, subdivision 7;
- 123.25 (11) whether the applicant has made the demonstrations required under subdivision 3a;
123.26 and
- 123.27 (12) if the applicant is proposing a nonrenewable generating plant, the applicant's
123.28 assessment of the risk of environmental costs and regulation on that proposed facility over
123.29 the expected useful life of the plant, including a proposed means of allocating costs associated
123.30 with that risk.
- 123.31 **EFFECTIVE DATE.** This section is effective the day following final enactment and
123.32 applies to dockets pending at the Public Utilities Commission on or after that date.

124.1 Sec. 6. Minnesota Statutes 2023 Supplement, section 216B.243, subdivision 8, is amended
124.2 to read:

124.3 Subd. 8. **Exemptions.** (a) This section does not apply to:

124.4 (1) cogeneration or small power production facilities as defined in the Federal Power
124.5 Act, United States Code, title 16, section 796, paragraph (17), subparagraph (A), and
124.6 paragraph (18), subparagraph (A), and having a combined capacity at a single site of less
124.7 than 80,000 kilowatts; plants or facilities for the production of ethanol or fuel alcohol; or
124.8 any case where the commission has determined after being advised by the attorney general
124.9 that its application has been preempted by federal law;

124.10 (2) a high-voltage transmission line proposed primarily to distribute electricity to serve
124.11 the demand of a single customer at a single location, unless the applicant opts to request
124.12 that the commission determine need under this section or section 216B.2425;

124.13 (3) the upgrade to a higher voltage of an existing transmission line that serves the demand
124.14 of a single customer that primarily uses existing rights-of-way, unless the applicant opts to
124.15 request that the commission determine need under this section or section 216B.2425;

124.16 (4) a high-voltage transmission line of one mile or less required to connect a new or
124.17 upgraded substation to an existing, new, or upgraded high-voltage transmission line;

124.18 (5) conversion of the fuel source of an existing electric generating plant to using natural
124.19 gas;

124.20 (6) the modification of an existing electric generating plant to increase efficiency, as
124.21 long as the capacity of the plant is not increased more than ten percent or more than 100
124.22 megawatts, whichever is greater;

124.23 (7) a large wind energy conversion system, as defined in section ~~216F.01~~ 216E.01,
124.24 subdivision ~~2~~ 6a, or a solar energy generating system, as defined in section 216E.01,
124.25 subdivision 9a, for which a site permit application is submitted by an independent power
124.26 producer under chapter 216E or 216F; ~~or~~

124.27 (8) a large wind energy conversion system, as defined in section ~~216F.01~~ 216E.01,
124.28 subdivision ~~2~~ 6a, or a solar energy generating system that is a large energy facility, as defined
124.29 in section 216B.2421, subdivision 2, engaging in a repowering project that:

124.30 (i) will not result in the system exceeding the nameplate capacity under its most recent
124.31 interconnection agreement; or

125.1 (ii) will result in the system exceeding the nameplate capacity under its most recent
125.2 interconnection agreement, provided that the Midcontinent Independent System Operator
125.3 has provided a signed generator interconnection agreement that reflects the expected net
125.4 power increase;

125.5 (9) a transmission line directly associated with and necessary to interconnect any of the
125.6 following facilities with the electric transmission grid:

125.7 (i) a large wind energy conversion system, as defined in section 216E.01, subdivision
125.8 6a;

125.9 (ii) a solar energy generating system that is a large electric power generating plant; or

125.10 (iii) an energy storage system, as defined in section 216E.01, subdivision 3a;

125.11 (10) an energy storage system, as defined in section 216E.01, subdivision 3a; or

125.12 (11) relocation of an existing high-voltage transmission line, provided the line's voltage
125.13 is not increased.

125.14 (b) For the purpose of this subdivision, "repowering project" means:

125.15 (1) modifying a large wind energy conversion system or a solar energy generating system
125.16 that is a large energy facility to increase its efficiency without increasing its nameplate
125.17 capacity;

125.18 (2) replacing turbines in a large wind energy conversion system without increasing the
125.19 nameplate capacity of the system; or

125.20 (3) increasing the nameplate capacity of a large wind energy conversion system.

125.21 Sec. 7. Minnesota Statutes 2022, section 216B.243, subdivision 9, is amended to read:

125.22 Subd. 9. **Renewable energy standard and carbon-free energy standard facilities.** This
125.23 section does not apply to a wind energy conversion system or a solar electric generation
125.24 facility that is intended to be used to meet the obligations of section 216B.1691, subdivision
125.25 2a or 2g; provided that, after notice and comment, the commission determines that the
125.26 facility is a reasonable and prudent approach to meeting a utility's obligations under that
125.27 section. When making this determination, the commission must consider:

125.28 (1) the size of the facility relative to a utility's total need for renewable resources;

125.29 (2) alternative approaches for supplying the renewable energy to be supplied by the
125.30 proposed facility;

126.1 (3) the facility's ability to promote economic development, as required under section
126.2 216B.1691, subdivision 9;

126.3 (4) the facility's ability to maintain electric system reliability;

126.4 (5) impacts on ratepayers; and

126.5 (6) other criteria as the commission may determine are relevant.

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

126.7 Sec. 8. Minnesota Statutes 2022, section 216B.246, subdivision 3, is amended to read:

126.8 Subd. 3. **Commission procedure.** (a) If an electric transmission line has been approved
126.9 for construction in a federally registered planning authority transmission plan, the incumbent
126.10 electric transmission owner, or owners if there is more than one owner, shall give notice to
126.11 the commission, in writing, within ~~90~~ 30 days of approval, regarding its intent to construct,
126.12 own, and maintain the electric transmission line. If an incumbent electric transmission owner
126.13 gives notice of intent to build the electric transmission line then, unless exempt from the
126.14 requirements of section 216B.243, within ~~18~~ 12 months from the date of the notice described
126.15 in this paragraph ~~or such longer time approved by the commission~~, the incumbent electric
126.16 transmission owner shall file an application for a certificate of need under section 216B.243
126.17 or certification under section 216B.2425.

126.18 (b) If the incumbent electric transmission owner indicates that it does not intend to build
126.19 the transmission line, such notice shall fully explain the basis for that decision. If the
126.20 incumbent electric transmission owner, or owners, gives notice of intent not to build the
126.21 electric transmission line, then the commission may determine whether the incumbent
126.22 electric transmission owner or other entity will build the electric transmission line, taking
126.23 into consideration issues such as cost, efficiency, reliability, and other factors identified in
126.24 this chapter.

126.25 **EFFECTIVE DATE.** This section is effective the day following final enactment and
126.26 applies to any electric transmission line that has been approved for construction in a federally
126.27 registered planning authority transmission plan on or after that date.

127.1 Sec. 9. Minnesota Statutes 2022, section 216E.03, as amended by Laws 2023, chapter 7,
127.2 sections 25, 26, 27, and 28, and Laws 2023, chapter 60, article 12, sections 50, 51, 52, 53,
127.3 and 54, is amended to read:

127.4 **216E.03 DESIGNATING SITES AND ROUTES.**

127.5 Subdivision 1. **Site permit.** ~~No person may construct~~ A large electric generating plant
127.6 ~~or, an energy storage system, or a large wind energy conversion system that has not received~~
127.7 ~~a site permit from a county under section 216E.05, subdivision 4, may not be constructed:~~
127.8 (1) without a site permit from the commission. A large electric generating plant or an energy
127.9 storage system may be constructed only; and (2) on a site other than the site approved by
127.10 the commission. The commission must incorporate into one proceeding the route selection
127.11 for a high-voltage transmission line that is directly associated with and necessary to
127.12 interconnect ~~the~~ a large electric generating plant, energy storage system, or large wind
127.13 energy conversion system to the transmission system and whose need is certified under
127.14 section 216B.243.

127.15 Subd. 2. **Route permit.** No person may construct a high-voltage transmission line without
127.16 a route permit from the commission. A high-voltage transmission line may be constructed
127.17 only along a route approved by the commission.

127.18 Subd. 2a. **Preapplication coordination.** (a) At least 30 days before filing an application
127.19 with the commission, an applicant must provide notice to:

127.20 (1) each local unit of government within which a site or route may be proposed;

127.21 (2) Minnesota Tribal governments, as defined under section 10.65, subdivision 2;

127.22 (3) the state agencies that are represented on the Environmental Quality Board; and

127.23 (4) the State Historic Preservation Office.

127.24 (b) The notice must describe the proposed project and provide the entities receiving the
127.25 notice an opportunity for preapplication coordination or feedback.

127.26 Subd. 2b. **Preapplication review.** (a) Before submitting an application under this chapter,
127.27 an applicant must provide a draft application to commissioner of commerce for review. A
127.28 draft application must not be filed electronically.

127.29 (b) The commissioner of commerce's draft application review must focus on the
127.30 application's completeness and clarifications that may assist the commission's review of the
127.31 application. Upon completion of the preapplication review under this subdivision,
127.32 commissioner of commerce must provide the applicant a summary of the completeness

128.1 review. The applicant may include the completeness review summary with the applicant's
128.2 application under subdivision 3.

128.3 Subd. 3. **Application.** (a) Any person seeking to construct a large electric power facility
128.4 must apply to the commission for a site or route permit, as applicable. The application shall
128.5 contain such information as the commission may require. The applicant shall propose at
128.6 least two sites a single site for a large electric power facility and two routes one route for a
128.7 high-voltage transmission line. Neither of the two proposed routes may be designated as a
128.8 preferred route and all proposed routes must be numbered and designated as alternatives.
128.9 The commission shall determine whether an application is complete and advise the applicant
128.10 of any deficiencies within ten days of receipt. An application is not incomplete if information
128.11 not in the application can be obtained from the applicant during the first phase of the process
128.12 and that information is not essential for notice and initial public meetings.

128.13 (b) The commission's designee must determine whether an application is complete and
128.14 advise the applicant of any deficiencies within ten days of the date an application is received.

128.15 (c) An application is not incomplete if:

128.16 (1) information that is not included in the application may be obtained from the applicant
128.17 prior to the initial public meeting; and

128.18 (2) the information that is not included in the application is not essential to provide
128.19 adequate notice.

128.20 ~~Subd. 3a. **Project notice.** At least 90 days before filing an application with the~~
128.21 ~~commission, the applicant shall provide notice to each local unit of government within~~
128.22 ~~which a route may be proposed. The notice must describe the proposed project and the~~
128.23 ~~opportunity for a preapplication consultation meeting with local units of government as~~
128.24 ~~provided in subdivision 3b.~~

128.25 ~~Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project~~
128.26 ~~notice, local units of government may request the applicant to hold a consultation meeting~~
128.27 ~~with local units of government. Upon receiving notice from a local unit of government~~
128.28 ~~requesting a preapplication consultation meeting, the applicant shall arrange the meeting at~~
128.29 ~~a location chosen by the local units of government. A single public meeting for which each~~
128.30 ~~local government unit requesting a meeting is given notice satisfies the meeting requirement~~
128.31 ~~of this subdivision.~~

128.32 Subd. 4. **Application notice.** Within 15 days after submission of an application to the
128.33 commission, the applicant shall publish notice of the application in a legal newspaper of

129.1 general circulation in each county in which the site or route is proposed and send a copy of
129.2 the application by certified mail to any regional development commission, county,
129.3 incorporated municipality, and town in which any part of the site or route is proposed.
129.4 Within the same 15 days, the applicant shall also send a notice of the submission of the
129.5 application and description of the proposed project to each owner whose property is on or
129.6 adjacent to any of the proposed sites for the power plant or along any of the proposed routes
129.7 for the transmission line. The notice must identify a location where a copy of the application
129.8 can be reviewed. For the purpose of giving mailed notice under this subdivision, owners
129.9 are those shown on the records of the county auditor or, in any county where tax statements
129.10 are mailed by the county treasurer, on the records of the county treasurer; but other
129.11 appropriate records may be used for this purpose. The failure to give mailed notice to a
129.12 property owner, or defects in the notice, does not invalidate the proceedings, provided a
129.13 bona fide attempt to comply with this subdivision has been made. Within the same 15 days,
129.14 the applicant shall also send the same notice of the submission of the application and
129.15 description of the proposed project to those persons who have requested to be placed on a
129.16 list maintained by the commission for receiving notice of proposed large electric generating
129.17 power plants and high voltage transmission lines.

129.18 **Subd. 5. Environmental review.** ~~(a) The commissioner of the Department of Commerce~~
129.19 ~~shall prepare for the commission an environmental impact statement on each proposed large~~
129.20 ~~electric power facility for which a complete application has been submitted. The~~
129.21 ~~commissioner shall not consider whether or not the project is needed. No other state~~
129.22 ~~environmental review documents shall be required. The commissioner shall study and~~
129.23 ~~evaluate any site or route proposed by an applicant and any other site or route the commission~~
129.24 ~~deems necessary that was proposed in a manner consistent with rules concerning the form,~~
129.25 ~~content, and timeliness of proposals for alternate sites or routes, excluding any alternate~~
129.26 ~~site for a solar energy generating system that was not proposed by an applicant.~~

129.27 ~~(b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a~~
129.28 ~~large electric power generating plant and is not proposed by a utility, the commissioner~~
129.29 ~~must make a finding in the environmental impact statement whether the project is likely to~~
129.30 ~~result in a net reduction of carbon dioxide emissions, considering both the utility providing~~
129.31 ~~electric service to the proposed cogeneration facility and any reduction in carbon dioxide~~
129.32 ~~emissions as a result of increased efficiency from the production of thermal energy on the~~
129.33 ~~part of the customer operating or owning the proposed cogeneration facility.~~

129.34 **Subd. 6. Public hearing.** The commission shall hold a public hearing on an application
129.35 for a site or route permit for a large electric power facility. All hearings held for designating

130.1 ~~a site or route shall be conducted by an administrative law judge from the Office of~~
130.2 ~~Administrative Hearings pursuant to the contested case procedures of chapter 14. Notice~~
130.3 ~~of the hearing shall be given by the commission at least ten days in advance but no earlier~~
130.4 ~~than 45 days prior to the commencement of the hearing. Notice shall be by publication in~~
130.5 ~~a legal newspaper of general circulation in the county in which the public hearing is to be~~
130.6 ~~held and by certified mail to chief executives of the regional development commissions,~~
130.7 ~~counties, organized towns, townships, and the incorporated municipalities in which a site~~
130.8 ~~or route is proposed. Any person may appear at the hearings and offer testimony and exhibits~~
130.9 ~~without the necessity of intervening as a formal party to the proceedings. The administrative~~
130.10 ~~law judge may allow any person to ask questions of other witnesses. The administrative~~
130.11 ~~law judge shall hold a portion of the hearing in the area where the power plant or transmission~~
130.12 ~~line is proposed to be located.~~

130.13 Subd. 5a. **Public meeting.** (a) Within 20 days after the date the commission determines
130.14 an application is complete, to the extent practicable, the commission must hold at least one
130.15 public meeting in a location near the proposed project's location to explain the permitting
130.16 process, present major issues, and respond to questions raised by the public.

130.17 (b) At the public meeting and in written comments that the commission must accept for
130.18 at least ten days following the date of the public meeting, members of the public may submit
130.19 comments on potential impacts, permit conditions, and alternatives the commission should
130.20 evaluate when considering the application.

130.21 Subd. 6a. **Draft permit.** Within 30 days after the date the public comment period closes
130.22 following the public hearing in section 216.035, subdivision 2, or section 216E.04,
130.23 subdivision 6, to the extent practicable, the commission must:

130.24 (1) prepare a draft site or route permit for the proposed facility. The draft permit must
130.25 identify the person or persons who are the permittee, describe the proposed project, and
130.26 include proposed permit conditions. A draft site or route permit does not authorize a person
130.27 to construct a proposed facility. The commission may change the draft site permit in any
130.28 respect before final issuance or may deny the permit; and

130.29 (2) identify any issues or alternatives that must be evaluated in an addendum to an
130.30 environmental assessment prepared under section 216E.041 or an environmental impact
130.31 statement prepared under section 216E.035.

130.32 **Subd. 7. Considerations in designating sites and routes.** (a) The commission's site
130.33 and route permit determinations must be guided by the state's goals to conserve resources,
130.34 minimize environmental impacts, minimize human settlement and other land use conflicts,

131.1 and ensure the state's electric energy security through efficient, cost-effective power supply
131.2 and electric transmission infrastructure.

131.3 (b) To facilitate the study, research, evaluation, and designation of sites and routes, the
131.4 commission shall be guided by, but not limited to, the following considerations:

131.5 (1) evaluation of research and investigations relating to the effects on land, water and
131.6 air resources of large electric power facilities and the effects of water and air discharges
131.7 and electric and magnetic fields resulting from such facilities on public health and welfare,
131.8 vegetation, animals, materials and aesthetic values, including baseline studies, predictive
131.9 modeling, and evaluation of new or improved methods for minimizing adverse impacts of
131.10 water and air discharges and other matters pertaining to the effects of power plants on the
131.11 water and air environment;

131.12 (2) environmental evaluation of sites and routes proposed for future development and
131.13 expansion and their relationship to the land, water, air and human resources of the state;

131.14 (3) evaluation of the effects of new electric power generation and transmission
131.15 technologies and systems related to power plants designed to minimize adverse environmental
131.16 effects;

131.17 (4) evaluation of the potential for beneficial uses of waste energy from proposed large
131.18 electric power generating plants;

131.19 (5) analysis of the direct and indirect economic impact of proposed sites and routes
131.20 including, but not limited to, productive agricultural land lost or impaired;

131.21 (6) evaluation of adverse direct and indirect environmental effects that cannot be avoided
131.22 should the proposed site and route be accepted;

131.23 (7) evaluation of alternatives to the applicant's proposed site or route proposed pursuant
131.24 to subdivisions 1 and 2;

131.25 (8) evaluation of potential routes that would use or parallel existing railroad and highway
131.26 rights-of-way;

131.27 (9) evaluation of governmental survey lines and other natural division lines of agricultural
131.28 land so as to minimize interference with agricultural operations;

131.29 (10) evaluation of the future needs for additional high-voltage transmission lines in the
131.30 same general area as any proposed route, and the advisability of ordering the construction
131.31 of structures capable of expansion in transmission capacity through multiple circuiting or
131.32 design modifications;

132.1 (11) evaluation of irreversible and irretrievable commitments of resources should the
132.2 proposed site or route be approved;

132.3 (12) when appropriate, consideration of problems raised by other state and federal
132.4 agencies and local entities;

132.5 (13) evaluation of the benefits of the proposed facility with respect to (i) the protection
132.6 and enhancement of environmental quality, and (ii) the reliability of state and regional
132.7 energy supplies;

132.8 (14) evaluation of the proposed facility's impact on socioeconomic factors; and

132.9 (15) evaluation of the proposed facility's employment and economic impacts in the
132.10 vicinity of the facility site and throughout Minnesota, including the quantity and quality of
132.11 construction and permanent jobs and their compensation levels. The commission must
132.12 consider a facility's local employment and economic impacts, and may reject or place
132.13 conditions on a site or route permit based on the local employment and economic impacts.

132.14 (c) If the commission's rules are substantially similar to existing regulations of a federal
132.15 agency to which the utility in the state is subject, the federal regulations must be applied by
132.16 the commission.

132.17 (d) No site or route shall be designated which violates state agency rules.

132.18 (e) The commission must make specific findings that it has considered locating a route
132.19 for a high-voltage transmission line on an existing high-voltage transmission route and the
132.20 use of parallel existing highway right-of-way and, to the extent those are not used for the
132.21 route, the commission must state the reasons.

132.22 **Subd. 8. Recording of survey points.** The permanent location of monuments or markers
132.23 found or placed by a utility in a survey of right-of-way for a route shall be placed on record
132.24 in the office of the county recorder or registrar of titles. No fee shall be charged to the utility
132.25 for recording this information.

132.26 ~~Subd. 9. **Timing.** The commission shall make a final decision on an application within~~
132.27 ~~60 days after receipt of the report of the administrative law judge. A final decision on the~~
132.28 ~~request for a site permit or route permit shall be made within one year after the commission's~~
132.29 ~~determination that an application is complete. The commission may extend this time limit~~
132.30 ~~for up to three months for just cause or upon agreement of the applicant.~~

132.31 ~~Subd. 10. **Final decision.** (a) No site permit shall be issued in violation of the site~~
132.32 ~~selection standards and criteria established in this section and in rules adopted by the~~
132.33 ~~commission. When the commission designates a site, it shall issue a site permit to the~~

133.1 ~~applicant with any appropriate conditions. The commission shall publish a notice of its~~
133.2 ~~decision in the State Register within 30 days of issuance of the site permit.~~

133.3 ~~(b) No route permit shall be issued in violation of the route selection standards and~~
133.4 ~~criteria established in this section and in rules adopted by the commission. When the~~
133.5 ~~commission designates a route, it shall issue a permit for the construction of a high-voltage~~
133.6 ~~transmission line specifying the design, routing, right-of-way preparation, and facility~~
133.7 ~~construction it deems necessary, and with any other appropriate conditions. The commission~~
133.8 ~~may order the construction of high-voltage transmission line facilities that are capable of~~
133.9 ~~expansion in transmission capacity through multiple circuiting or design modifications. The~~
133.10 ~~commission shall publish a notice of its decision in the State Register within 30 days of~~
133.11 ~~issuance of the permit.~~

133.12 ~~(e) The commission must require as a condition of permit issuance, including issuance~~
133.13 ~~of a modified permit for a repowering project, as defined in section 216B.243, subdivision~~
133.14 ~~8, paragraph (b), that the recipient of a site permit to construct a large electric power~~
133.15 ~~generating plant, including all of the permit recipient's construction contractors and~~
133.16 ~~subcontractors on the project: (1) pay no less than the prevailing wage rate, as defined in~~
133.17 ~~section 177.42; and (2) be subject to the requirements and enforcement provisions under~~
133.18 ~~sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.~~

133.19 **Subd. 11. Department of Commerce to provide technical expertise and other**
133.20 **assistance.** (a) The commissioner of the Department of Commerce shall consult with other
133.21 state agencies and provide technical expertise and other assistance to the commission or to
133.22 individual members of the commission for activities and proceedings under this chapter
133.23 ~~and chapters 216F and~~ chapter 216G. This assistance shall include the sharing of power
133.24 plant siting and routing staff and other resources as necessary. The commissioner shall
133.25 periodically report to the commission concerning the Department of Commerce's costs of
133.26 providing assistance. The report shall conform to the schedule and include the required
133.27 contents specified by the commission. The commission shall include the costs of the
133.28 assistance in assessments for activities and proceedings under those sections and reimburse
133.29 the special revenue fund for those costs. If either the commissioner or the commission deems
133.30 it necessary, the department and the commission shall enter into an interagency agreement
133.31 establishing terms and conditions for the provision of assistance and sharing of resources
133.32 under this subdivision.

133.33 (b) Notwithstanding the requirements of section 216B.33, the commissioner may take
133.34 any action required or requested by the commission related to the environmental review

134.1 requirements under chapter 216E ~~or 216F~~ immediately following a hearing and vote by the
134.2 commission, prior to issuing a written order, finding, authorization, or certificate.

134.3 Subd. 12. **Prevailing wage.** The commission must require as a condition of permit
134.4 issuance, including issuance of a modified permit for a repowering project, as defined in
134.5 section 216B.243, subdivision 8, paragraph (b), that the recipient of a site permit to construct
134.6 a large electric power generating plant, including all of the permit recipient's construction
134.7 contractors and subcontractors on the project:

134.8 (1) pay no less than the prevailing wage rate, as defined in section 177.42; and

134.9 (2) is subject to the requirements and enforcement provisions under sections 177.27,
134.10 177.30, 177.32, 177.41 to 177.435, and 177.45.

134.11 Subd. 13. **Application.** This section applies to applications for a site or route permit
134.12 filed under section 216E.035 or 216E.04.

134.13 **Sec. 10. [216E.031] APPLICABILITY DETERMINATION.**

134.14 Subdivision 1. **Generally.** This section may be used to determine:

134.15 (1) whether a proposal is subject to the commission's siting or routing jurisdiction under
134.16 this chapter; or

134.17 (2) which review process is applicable at the time of the initial application.

134.18 Subd. 2. **Size determination.** An applicant must follow the provisions of section
134.19 216E.021 or 216E.022, as applicable, to determine the size of a solar energy generating
134.20 system or a wind energy conversion system. In determining the size of an energy storage
134.21 system, an applicant must combine the alternating current nameplate capacity of any other
134.22 energy storage system that:

134.23 (1) is constructed within the same 12-month period as the energy storage system; and

134.24 (2) exhibits characteristics of being a single development, including but not limited to
134.25 ownership structure, an umbrella sales arrangement, shared interconnection, revenue sharing
134.26 arrangements, and common debt or equity financing.

134.27 Subd. 3. **Transmission lines.** For transmission lines, the applicant must describe the
134.28 applicability issue and provide sufficient facts to support the determination.

134.29 Subd. 4. **Forms; assistance; written determination.** (a) The commission must provide
134.30 forms and assistance to help applicants make a request for an applicability determination.

135.1 (b) Upon written request from an applicant, the commission must provide a written
135.2 determination regarding applicability under this section. To the extent practicable, the
135.3 commission must provide the written determination within 30 days of the date the request
135.4 was received or 30 days of the date information that the commission requested from the
135.5 applicant is received, whichever is later. This written determination constitutes a final
135.6 decision of the commission.

135.7 Sec. 11. **[216E.035] APPLICATIONS; MAJOR REVIEW.**

135.8 Subdivision 1. **Environmental review.** (a) The commissioner of commerce shall prepare
135.9 for the commission an environmental impact statement on each proposed large electric
135.10 power facility for which a complete application has been submitted. The commissioner shall
135.11 not consider whether or not the project is needed. No other state environmental review
135.12 documents are required. The commissioner shall study and evaluate any site or route proposed
135.13 by an applicant and any other site or route the commission deems necessary that was proposed
135.14 in a manner consistent with rules concerning the form, content, and timeliness of proposals
135.15 for alternate sites or routes, excluding any alternate site for a solar energy generating system
135.16 that was not proposed by an applicant.

135.17 (b) For a cogeneration facility as defined in section 216H.01, subdivision 1a, that is a
135.18 large electric power generating plant and is not proposed by a utility, the commissioner
135.19 must make a finding in the environmental impact statement whether the project is likely to
135.20 result in a net reduction of carbon dioxide emissions, considering both the utility providing
135.21 electric service to the proposed cogeneration facility and any reduction in carbon dioxide
135.22 emissions as a result of increased efficiency from the production of thermal energy on the
135.23 part of the customer operating or owning the proposed cogeneration facility.

135.24 Subd. 2. **Public hearing.** (a) In addition to the public meeting required under section
135.25 216E.03, subdivision 5a, the commission shall hold a public hearing on an application for
135.26 a site or route permit for a large electric power facility. A hearing held for designating a
135.27 site or route shall be conducted by an administrative law judge from the Office of
135.28 Administrative Hearings pursuant to the contested case procedures of chapter 14 only if
135.29 commission staff determines that a disputed matter exists that may require clarification
135.30 through expert testimony. Notice of the hearing shall be given by the commission at least
135.31 ten days in advance but no earlier than 45 days prior to the commencement of the hearing.
135.32 Notice shall be by publication in a legal newspaper of general circulation in the county in
135.33 which the public hearing is to be held and by certified mail to chief executives of the regional
135.34 development commissions, Tribal governments, counties, organized towns, townships, and

136.1 the incorporated municipalities in which a site or route is proposed. Any person may appear
136.2 at the hearings and offer testimony and exhibits without the necessity of intervening as a
136.3 formal party to the proceedings. The administrative law judge may allow any person to ask
136.4 questions of other witnesses. The administrative law judge shall hold a portion of the hearing
136.5 in the area where the power plant or transmission line is proposed to be located.

136.6 (b) The commission must accept written comments submitted for at least ten days
136.7 following the hearing regarding project impacts, permit conditions, and alternatives the
136.8 commission should evaluate when considering the application.

136.9 Subd. 3. **Timing.** (a) The commission shall make a final decision on an application
136.10 within 60 days after receipt of the report of the administrative law judge, if applicable. A
136.11 final decision on the request for a site permit or route permit shall be made within one year
136.12 after the commission's determination that an application is complete. The commission may
136.13 extend the time limit under this paragraph for up to three months for just cause or upon
136.14 agreement with the applicant.

136.15 (b) To ensure that a final decision complies with the requirements of this subdivision,
136.16 the commission shall establish deadlines for the submission of comments by state agencies
136.17 on applications and environmental review documents that expedite the siting and route
136.18 permitting process.

136.19 Subd. 4. **Final decision.** (a) No site permit shall be issued by the commission: (1) in
136.20 violation of the site selection standards and criteria established in this section and in rules
136.21 adopted by the commission; or (2) if the commission determines that the proposed project
136.22 is not in the public interest. When the commission designates a site, the commission shall
136.23 issue a site permit to the applicant with any appropriate conditions. The commission shall
136.24 publish a notice of the commission's decision in the State Register within 30 days of issuance
136.25 of the site permit.

136.26 (b) No route permit shall be issued by the commission: (1) in violation of the route
136.27 selection standards and criteria established in this section and in rules adopted by the
136.28 commission; or (2) if the commission determines that the proposed project is not in the
136.29 public interest. When the commission designates a route, the commission shall issue a permit
136.30 for the construction of a high-voltage transmission line specifying the design, routing,
136.31 right-of-way preparation, and facility construction the commission deems necessary, and
136.32 with any other appropriate conditions. The commission may order the construction of
136.33 high-voltage transmission line facilities that are capable of expansion in transmission capacity
136.34 through multiple circuiting or design modifications. The commission shall publish a notice

137.1 of the commission's decision in the State Register within 30 days of issuance of the permit,
137.2 to the extent practicable.

137.3 (c) Immediately following the commission's vote granting an applicant a site or route
137.4 permit, and prior to issuance of a written commission order embodying that decision, the
137.5 applicant may submit to commission staff for review preconstruction compliance filings
137.6 specifying details of the applicant's proposed site operations.

137.7 Sec. 12. Minnesota Statutes 2022, section 216E.04, as amended by Laws 2023, chapter
137.8 7, section 29, and Laws 2023, chapter 60, article 12, section 55, is amended to read:

137.9 **216E.04 ALTERNATIVE APPLICATIONS; STANDARD REVIEW OF**
137.10 **APPLICATIONS.**

137.11 Subdivision 1. **Alternative Standard review.** An applicant who seeks a site permit or
137.12 route permit for one of the projects identified in this section shall have the option of following
137.13 the procedures in this section rather than the procedures in section ~~216E.03~~ 216E.035. The
137.14 applicant shall notify the commission at the time the application is submitted which procedure
137.15 the applicant chooses to follow.

137.16 Subd. 2. **Applicable projects.** The requirements and procedures in this section apply to
137.17 the following projects, as presented in the application submitted to the commission:

137.18 (1) large electric power generating plants with a capacity of less than 80 megawatts that
137.19 are not fueled by natural gas;

137.20 ~~(2) large electric power generating plants that are fueled by natural gas;~~

137.21 ~~(3) (2) high-voltage transmission lines of between 100 and 200 kilovolts~~ below 345
137.22 kilovolts and less than 30 miles of length in Minnesota;

137.23 (3) high-voltage transmission lines of between 100 and 300 kilovolts of any length;

137.24 ~~(4) high-voltage transmission lines in excess of 200 kilovolts and less than 30 miles in~~
137.25 ~~length in Minnesota;~~

137.26 ~~(5) high-voltage transmission lines in excess of 200 kilovolts if at least 80 percent of~~
137.27 ~~the distance of the line in Minnesota will be located along existing high-voltage transmission~~
137.28 ~~line right-of-way;~~

137.29 ~~(6) a high-voltage transmission line service extension to a single customer between 200~~
137.30 ~~and 300 kilovolts and less than ten miles in length;~~

138.1 ~~(7)~~ (4) a high-voltage transmission line rerouting to serve the demand of a single customer
138.2 when the rerouted line will be located at least 80 percent on property owned or controlled
138.3 by the customer or the owner of the transmission line;

138.4 ~~(8)~~ (5) large electric power generating plants that are powered by solar energy; ~~and~~

138.5 (6) a wind energy conversion system of five megawatts or greater alternating current
138.6 capacity; and

138.7 ~~(9)~~ (7) energy storage systems.

138.8 Subd. 3. **Application.** The applicant for a site or route permit for any of the projects
138.9 listed in subdivision 2 who chooses to follow these procedures shall submit information as
138.10 the commission may require, but the applicant shall not be required to propose a second
138.11 site or route for the project. The applicant shall identify in the application any other sites
138.12 or routes that were rejected by the applicant and the commission may identify additional
138.13 sites or routes to consider during the processing of the application. The commission shall
138.14 determine whether an application is complete and advise the applicant of any deficiencies.

138.15 Subd. 4. **Notice of application.** Upon submission of an application under this section,
138.16 the applicant shall provide the same notice as required ~~by~~ under section 216E.03, subdivision
138.17 4.

138.18 Subd. 5. **Environmental review.** ~~For the projects identified in subdivision 2 and~~
138.19 ~~following these procedures, the commissioner of the Department of Commerce~~ The applicant
138.20 shall prepare for the commission an environmental assessment for projects identified in
138.21 subdivision 2 that follows the procedures in section 216E.041. ~~The environmental assessment~~
138.22 ~~shall contain information on the human and environmental impacts of the proposed project~~
138.23 ~~and other sites or routes identified by the commission and shall address mitigating measures~~
138.24 ~~for all of the sites or routes considered. The environmental assessment shall be the only~~
138.25 ~~state environmental review document required to be prepared on the project.~~

138.26 Subd. 6. **Public hearing.** (a) In addition to the public meeting required under section
138.27 216E.03, subdivision 5a, the commission shall hold a public hearing in the area where the
138.28 facility is proposed to be located. The commission shall give notice of the public hearing
138.29 in the same manner as notice under section 216E.03, subdivision 6 216E.035, subdivision
138.30 2. The commission shall conduct the public hearing under procedures established by the
138.31 commission. The applicant shall be present at the hearing to present evidence and to answer
138.32 questions. The commission shall provide opportunity at the public hearing for any person
138.33 to present comments and to ask questions of the applicant and commission staff. The

139.1 commission shall also afford interested persons an opportunity to submit written comments
139.2 into the record.

139.3 (b) The commission must accept written comments submitted for at least ten days
139.4 following the hearing regarding project impact, permit conditions, and alternatives the
139.5 commission should evaluate when considering the application.

139.6 Subd. 7. **Timing.** (a) The commission shall make a final decision on an application
139.7 within 60 days after completion of the public hearing. A final decision on the request for a
139.8 site permit or route permit under this section shall be made within six months after the
139.9 commission's determination that an application is complete. The commission may extend
139.10 this time limit for up to three months for just cause or upon agreement of the applicant.

139.11 (b) To ensure that a final decision complies with the requirements of this subdivision,
139.12 the commission shall establish deadlines for the submission of comments by state agencies
139.13 on applications and environmental review documents that expedite the siting and route
139.14 permitting process.

139.15 ~~Subd. 8. **Considerations.** The considerations in section 216E.03, subdivision 7, shall~~
139.16 ~~apply to any projects subject to this section.~~

139.17 Subd. 9. **Final decision.** (a) No site permit shall be issued by the commission: (1) in
139.18 violation of the site selection standards and criteria established in this section and in rules
139.19 adopted by the commission; or (2) if the commission determines that the proposed project
139.20 is not in the public interest. When the commission designates a site, it shall issue a site
139.21 permit to the applicant with any appropriate conditions. The commission shall publish a
139.22 notice of its decision in the State Register within 30 days of issuance of the site permit.

139.23 (b) No route ~~designation shall be made~~ shall be issued: (1) in violation of the route
139.24 selection standards and criteria established in this section and in rules adopted by the
139.25 commission; or (2) if the commission determines that the proposed project is not in the
139.26 public interest. When the commission designates a route, it shall issue a permit for the
139.27 construction of a high-voltage transmission line specifying the design, routing, right-of-way
139.28 preparation, and facility construction it deems necessary and with any other appropriate
139.29 conditions. The commission may order the construction of high-voltage transmission line
139.30 facilities that are capable of expansion in transmission capacity through multiple circuiting
139.31 or design modifications. The commission shall publish a notice of its decision in the State
139.32 Register within 30 days of issuance of the permit.

139.33 (c) Immediately following the commission's vote granting an applicant a site or route
139.34 permit, and prior to issuance of a written commission order embodying the decision, the

140.1 applicant may submit to commission staff for review preconstruction compliance filings
140.2 specifying details of the applicant's proposed site operations.

140.3 **Sec. 13. [216E.041] ENVIRONMENTAL ASSESSMENT PREPARATION.**

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

140.6 (b) "Commissioner" means the commissioner of commerce.

140.7 (c) "General list" means a list maintained by the commission of persons who request to
140.8 be notified of the acceptance of applications for site permits or route permits.

140.9 (d) "Project contact list" means a list maintained by the commission of persons who
140.10 request to receive notices regarding a specific project for which a site permit or route permit
140.11 is sought.

140.12 **Subd. 2. Environmental assessment; content.** The applicant shall prepare and submit
140.13 with the permit application an environmental assessment on each proposed project being
140.14 reviewed under section 216E.04. The environmental assessment must contain, at a minimum:

140.15 (1) a general description of the proposed facility;

140.16 (2) a list of any alternative sites or routes that were considered and rejected by the
140.17 applicant;

140.18 (3) a discussion of the potential impacts of the proposed project and each alternative site
140.19 or route on the human and natural environment;

140.20 (4) a discussion of mitigative measures that could reasonably be implemented to eliminate
140.21 or minimize any adverse impacts identified for the proposed project and each alternative
140.22 site or route analyzed;

140.23 (5) an analysis of the feasibility of each alternative site or route considered; and

140.24 (6) a list of permits required for the project.

140.25 **Subd. 3. Environmental assessment; notification of availability.** Upon receipt of the
140.26 environmental assessment from the applicant, the commissioner shall publish notice in the
140.27 EQB Monitor of the availability of the environmental assessment and mail notice of the
140.28 availability of the document to those persons on the general list or the project contact list.
140.29 The commissioner shall provide a copy of the environmental assessment to any public
140.30 agency with authority to permit or approve the proposed project. The commissioner shall
140.31 post the environmental assessment on the agency's web page.

141.1 Subd. 4. **Environmental assessment; comments; addendum.** (a) The commissioner
141.2 shall provide the public with an opportunity to comment on the environmental assessment
141.3 by holding a public meeting and by soliciting public comments. The commissioner shall
141.4 mail notice of the meeting to those persons on either the general list or the project contact
141.5 list at least ten days before the meeting. The commissioner shall provide at least seven days
141.6 from the date of the public meeting for the public to submit comments on the environmental
141.7 assessment.

141.8 (b) Any person or any member agency of the Environmental Quality Board may, at the
141.9 public meeting or in written comments submitted to the commissioner, request that the
141.10 Department of Commerce analyze any of the following issues in an addendum to the
141.11 environmental assessment:

141.12 (1) one or more alternative sites or routes;

141.13 (2) additional mitigation measures for environmental impacts identified in the
141.14 environmental assessment; or

141.15 (3) specific human or environmental impacts that were not addressed or not addressed
141.16 adequately in the environmental assessment.

141.17 (c) A person requesting additional environmental analysis in an addendum under
141.18 paragraph (b) must submit to the commissioner (1) an explanation of why the request should
141.19 be accepted, and (2) all supporting information the person wants the commissioner to
141.20 consider. The commissioner shall provide the applicant with an opportunity to respond to
141.21 each request. The commissioner shall prepare an addendum in response to a request, or at
141.22 the commissioner's own discretion, only if the commissioner determines that the additional
141.23 analysis assists the commission's ultimate decision on the permit application, including the
141.24 establishment of permit conditions.

141.25 (d) In making the commission's final decision, the commission must consider the
141.26 environmental assessment, the addendum to the environmental assessment, if any, comments
141.27 received at or after the public meeting, and the entirety of the record on environmental and
141.28 human health impacts.

141.29 (e) The commissioner shall follow the notification procedures established for an
141.30 environmental assessment in subdivision 3 with respect to an addendum prepared under
141.31 subdivision 4.

141.32 Subd. 5. **Matters excluded.** If the commission has issued a certificate of need to an
141.33 applicant for a large electric power generating plant or high-voltage transmission line or

142.1 placed a high-voltage transmission line on the certified project list maintained by the
142.2 commission under section 216B.2425, subdivision 3, the environmental assessment of the
142.3 project shall not address (1) questions of need, including size, type, and timing; (2) questions
142.4 of alternative system configurations; or (3) questions of voltage.

142.5 Subd. 6. **No additional environmental review.** An environmental assessment and
142.6 addendum, if prepared, must be the only state environmental review documents required
142.7 to be prepared by the commissioner on a project qualifying for review under section 216E.04.
142.8 An environmental assessment worksheet or environmental impact statement is not required.
142.9 Environmental review at the certificate of need stage before the commission must be
142.10 performed in accordance with Minnesota Rules, parts 7849.1000 to 7849.2100.

142.11 Subd. 7. **Cost.** The commissioner shall assess the department's cost to prepare an
142.12 addendum to an environmental assessment to the applicant.

142.13 Sec. 14. **[216E.042] PERMIT AMENDMENTS.**

142.14 Subdivision 1. **Applicability.** (a) This section applies to a request by the owner of a
142.15 large electric power facility to modify any provision or condition of a site or route permit
142.16 issued by the commission, including permit amendments to:

142.17 (1) upgrade or rebuild an existing electric line and associated facilities to a voltage
142.18 capable of operating between 100 kilovolts and 300 kilovolts; or

142.19 (2) repower or refurbish a large electric power generating plant, a large wind energy
142.20 conversion system, a solar energy generating system, or an energy storage system that
142.21 increases the efficiency of the facility. For a large electric power generating plant, an increase
142.22 in efficiency means a reduction in the amount of British thermal units required to generate
142.23 a kilowatt hour of electricity at the facility.

142.24 (b) A permit amendment must not be approved under this section if the permit
142.25 amendment:

142.26 (1) results in significant changes in the environmental or human health impacts of the
142.27 facility;

142.28 (2) increases the developed area within the permitted site; or

142.29 (3) increases the facility's nameplate capacity above the nameplate capacity in the facility's
142.30 most recent interconnection agreement.

143.1 Subd. 2. **Application.** A person seeking a permit amendment under this section must
143.2 submit an application in writing to the commissioner on a form prescribed by the
143.3 commissioner. The application must describe:

143.4 (1) the permit modification sought;

143.5 (2) how the request meets the applicability criteria under subdivision 1; and

143.6 (3) any changes in environmental or health impacts that would result from implementation
143.7 of the amendment that were not addressed in the environmental document accompanying
143.8 the initial permit application.

143.9 Subd. 3. **Notice.** The commission must provide notice that the application was received
143.10 to persons on the general list and, if applicable, to persons on the project contact list.

143.11 Subd. 4. **Public comment.** The commission must accept written comments on the
143.12 application and requests to bring the amendment to the commission for consideration for
143.13 at least ten days following service of notice. The applicant must respond to comments within
143.14 seven days of the close of the comment period.

143.15 Subd. 5. **Timing.** Within 20 days of the date the public comment period closes, the
143.16 commission's designee must decide whether to authorize the permit amendment, bring the
143.17 matter to the commission for consideration, or determine that the application requires a
143.18 permitting decision under another section in this chapter.

143.19 Subd. 6. **Decision.** The commission may approve an amendment that places reasonable
143.20 conditions on the permittee. The commission must notify the applicant in writing of the
143.21 commission's decision and send a copy of the decision to any person who requested
143.22 notification or filed comments on the application.

143.23 Subd. 7. **Local review.** An owner or operator of a large electric power generating plant
143.24 or high-voltage transmission line that was not issued a permit by the commission may seek
143.25 approval to modify a project listed under subdivision 1, clause (1) or (2), from the local unit
143.26 of government if the facility qualifies for standard review under section 216E.04 or local
143.27 review under section 216E.05.

143.28 Sec. 15. **[216E.051] EXEMPT PROJECTS.**

143.29 Subdivision 1. **Permit not required.** A permit issued by the commission is not required
143.30 to construct:

143.31 (1) a small wind energy conversion system;

143.32 (2) a power plant or solar generating system with a capacity of less than 50 megawatts;

144.1 (3) an energy storage system with a capacity of less than ten megawatts;

144.2 (4) a transmission line that (i) has a capacity of 100 kilovolts or more, and (ii) is less
144.3 than 1,500 feet in length; or

144.4 (5) a transmission line that has a capacity of less than 100 kilovolts.

144.5 Subd. 2. **Other approval.** A person that proposes a facility listed in subdivision 1 must
144.6 (1) obtain any approval required by local, state, or federal units of government with
144.7 jurisdiction over the project, and (2) comply with the environmental review requirements
144.8 under chapter 116D and Minnesota Rules, chapter 4410.

144.9 Sec. 16. **[216E.055] COST AND ECONOMIC IMPACT REVIEW.**

144.10 Subdivision 1. **Applicability.** If a project proposed by a public utility applying for a site
144.11 or route permit under this chapter was not required to obtain a certificate of need under
144.12 section 216B.243, the commission must review the proposed cost of the project and the
144.13 project's estimated economic impact on Minnesota ratepayers. The commission may reject
144.14 a site or route permit application based solely on project costs that the commission determines
144.15 are not reasonable and prudent.

144.16 Subd. 2. **Review content.** In determining a proposed facility's cost and economic impact,
144.17 the commission must analyze and consider the following:

144.18 (1) the construction cost of the proposed facility and the cost of the energy the proposed
144.19 facility generates, compared to the costs of reasonable alternatives;

144.20 (2) the economic impact of the proposed facility, or a suitable modification of the
144.21 proposed facility, compared to:

144.22 (i) the impact of reasonable alternatives; and

144.23 (ii) not building the facility; and

144.24 (3) the cost and economic impact of the proposed facility compared with similar facilities
144.25 located elsewhere.

144.26 **EFFECTIVE DATE.** This section is effective the day following final enactment and
144.27 applies to any site or route permit filed by the commission on or after that date.

145.1 Sec. 17. Minnesota Statutes 2023 Supplement, section 216E.10, subdivision 3, is amended
145.2 to read:

145.3 Subd. 3. **State agency participation.** (a) State agencies authorized to issue permits
145.4 required for construction or operation of large electric power facilities shall participate
145.5 during routing and siting at public hearings and all other activities of the commission on
145.6 specific site or route designations and design considerations of the commission, and shall
145.7 clearly state whether the site or route being considered for designation or permit and other
145.8 design matters under consideration for approval will be in compliance with state agency
145.9 standards, rules, or policies.

145.10 (b) An applicant for a permit under this section or under chapter 216G shall notify the
145.11 commissioner of agriculture if the proposed project will impact cultivated agricultural land,
145.12 as that term is defined in section 216G.01, subdivision 4. The commissioner may participate
145.13 and advise the commission as to whether to grant a permit for the project and the best options
145.14 for mitigating adverse impacts to agricultural lands if the permit is granted. The Department
145.15 of Agriculture shall be the lead agency on the development of any agricultural mitigation
145.16 plan required for the project.

145.17 (c) The State Historic Preservation Office must comply with the requirements of this
145.18 section. The commission's consideration of the State Historic Preservation Office's comments
145.19 satisfies the requirements of section 138.665, when applicable.

145.20 Sec. 18. Minnesota Statutes 2022, section 216F.02, is amended to read:

145.21 **216F.02 EXEMPTIONS.**

145.22 ~~(a) The requirements of chapter 216E do not apply to the siting of LWECs, except for~~
145.23 ~~sections 216E.01; 216E.03, subdivision 7; 216E.08; 216E.11; 216E.12; 216E.14; 216E.15;~~
145.24 ~~216E.17; and 216E.18, subdivision 3, which do apply.~~

145.25 ~~(b)~~ (a) Any person may construct an SWECS without complying with chapter 216E or
145.26 this chapter.

145.27 ~~(c)~~ (b) Nothing in this chapter shall preclude a local governmental unit from establishing
145.28 requirements for the siting and construction of SWECS.

145.29 Sec. 19. **GRID ENHANCING TECHNOLOGIES REPORT; PUBLIC UTILITIES**
145.30 **COMMISSION ORDER.**

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

146.1 (b) "Capacity" means the maximum amount of electricity that can flow through a
146.2 transmission line while observing industry safety standards.

146.3 (c) "Congestion" means a condition in which a lack of transmission line capacity prevents
146.4 the delivery of the lowest-cost electricity dispatched to meet load at a specific location.

146.5 (d) "Dynamic line rating" means hardware or software used to calculate the thermal
146.6 limit of existing transmission lines at a specific point in time by incorporating information
146.7 on real-time and forecasted weather conditions.

146.8 (e) "Grid enhancing technology" means hardware or software that reduces congestion
146.9 or enhances the flexibility of the transmission system by increasing the capacity of a
146.10 high-voltage transmission line or rerouting electricity from overloaded to uncongested lines,
146.11 while maintaining industry safety standards. Grid enhancing technologies include but are
146.12 not limited to dynamic line rating, advanced power flow controllers, and topology
146.13 optimization.

146.14 (f) "Line rating methodology" means a methodology used to calculate the maximum
146.15 amount of electricity that can be carried by a transmission line without exceeding thermal
146.16 limits designed to ensure safety.

146.17 (g) "Power flow controller" means hardware and software used to reroute electricity
146.18 from overloaded transmission lines to underutilized transmission lines.

146.19 (h) "Thermal limit" means the temperature a transmission line reaches when heat from
146.20 the electric current flow within the transmission line causes excessive sagging of the
146.21 transmission line.

146.22 (i) "Topology optimization" means a software technology that uses mathematical models
146.23 to identify reconfigurations in the transmission grid in order to reroute electricity from
146.24 overloaded transmission lines to underutilized transmission lines.

146.25 (j) "Transmission line" has the meaning given to "high-voltage transmission line" in
146.26 section 216E.01, subdivision 4.

146.27 (k) "Transmission system" means a network of high-voltage transmission lines owned
146.28 or operated by an entity subject to this section that transports electricity to Minnesota
146.29 customers.

146.30 Subd. 2. **Report; content.** An entity that owns more than 750 miles of transmission
146.31 lines in Minnesota, as reported in the state transmission report submitted to the Public
146.32 Utilities Commission under Minnesota Statutes, section 216B.2425, by November 1, 2025,
146.33 must include in that report information that:

147.1 (1) identifies, during each of the last three years, locations that experienced 168 hours
147.2 or more of congestion, or the ten locations at which the most costly congestion occurred,
147.3 whichever measure produces the greater number of locations;

147.4 (2) estimates the frequency of congestion at each location and the increased cost to
147.5 ratepayers resulting from the substitution of higher-priced electricity;

147.6 (3) identifies locations on each transmission system that are likely to experience high
147.7 levels of congestion during the next five years;

147.8 (4) evaluates the technical feasibility and estimates the cost of installing one or more
147.9 grid enhancing technologies to address each instance of grid congestion identified in clause
147.10 (1), and projects the grid enhancing technology's efficacy in reducing congestion;

147.11 (5) analyzes the cost-effectiveness of installing grid enhancing technologies to address
147.12 each instance of congestion identified in clause (1) by using the information developed in
147.13 clause (2) to calculate the payback period of each installation, using a methodology developed
147.14 by the commission;

147.15 (6) proposes an implementation plan, including a schedule and cost estimate, to install
147.16 grid enhancing technologies at each congestion point identified in clause (1) at which the
147.17 payback period is less than or equal to a value determined by the commission, in order to
147.18 maximize transmission system capacity; and

147.19 (7) explains the transmission owner's current line rating methodology.

147.20 Subd. 3. **Commission review; order.** (a) The commission shall review the
147.21 implementation plans proposed by each reporting entity as required in subdivision 2, clause
147.22 (6), and must:

147.23 (1) review, and may approve, reject, or modify, the plan; and

147.24 (2) issue an order requiring implementation of an approved plan.

147.25 (b) Within 90 days of the commission's issuance of an order under this subdivision each
147.26 public utility shall file with the commission a plan containing a workplan, cost estimate,
147.27 and schedule for implementing the elements of the plan approved by the commission that
147.28 are located within the public utility's electric service area. For each entity required to report
147.29 under this section that is not a public utility, the commission's order is advisory.

147.30 Subd. 4. **Cost recovery.** Notwithstanding any other provision of this chapter, the
147.31 commission may approve cost recovery under Minnesota Statutes, section 216B.16, including
147.32 an appropriate rate of return, of any prudent and reasonable investments made or expenses

148.1 incurred by a public utility to administer and implement a grid enhancing technologies plan
148.2 approved by the commission under this section.

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

148.4 Sec. 20. **REVISOR INSTRUCTION.**

148.5 The revisor of statutes shall renumber each section of Minnesota Statutes listed in column
148.6 A with the number listed in column B. The revisor shall also make necessary cross-reference
148.7 changes consistent with the renumbering.

	<u>Column A</u>	<u>Column B</u>
148.9	<u>216F.01, subdivision 2</u>	<u>216E.01, subdivision 6a</u>
148.10	<u>216F.01, subdivision 3</u>	<u>216E.01, subdivision 9b</u>
148.11	<u>216F.01, subdivision 4</u>	<u>216E.01, subdivision 11</u>
148.12	<u>216F.011</u>	<u>216E.022</u>
148.13	<u>216F.02</u>	<u>216E.023</u>
148.14	<u>216F.06</u>	<u>216E.055</u>
148.15	<u>216F.07</u>	<u>216E.10, subdivision 1a</u>
148.16	<u>216F.08</u>	<u>216E.05, subdivision 4</u>
148.17	<u>216F.081</u>	<u>216E.05, subdivision 5</u>
148.18	<u>216F.084</u>	<u>216E.125</u>

148.19 Sec. 21. **REPEALER.**

148.20 (a) Minnesota Statutes 2022, sections 216E.08, subdivisions 1 and 4; 216F.01, subdivision
148.21 1; 216F.012; 216F.015; and 216F.03, are repealed.

148.22 (b) Minnesota Statutes 2023 Supplement, section 216F.04, is repealed.

148.23 (c) Minnesota Rules, parts 7850.2400; and 7850.3600, are repealed.

148.24 **EFFECTIVE DATE.** This section is effective September 1, 2024, and applies to site
148.25 and route applications filed with the commission on or after that date.

148.26 **ARTICLE 13**
148.27 **SOLAR ENERGY**

148.28 Section 1. Minnesota Statutes 2022, section 216B.16, subdivision 7b, is amended to read:

148.29 Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of
148.30 this chapter, the commission may approve a tariff mechanism for the automatic annual
148.31 adjustment of charges for the Minnesota jurisdictional costs net of associated revenues of:

149.1 (1) new transmission facilities that have been separately filed and reviewed and approved
149.2 by the commission under section 216B.243 or new transmission or distribution facilities
149.3 that are certified as a priority project or deemed to be a priority transmission project under
149.4 section 216B.2425;

149.5 (2) new transmission facilities approved by the regulatory commission of the state in
149.6 which the new transmission facilities are to be constructed, to the extent approval is required
149.7 by the laws of that state, and determined by the Midcontinent Independent System Operator
149.8 to benefit the utility or integrated transmission system; and

149.9 (3) charges incurred by a utility under a federally approved tariff that accrue from other
149.10 transmission owners' regionally planned transmission projects that have been determined
149.11 by the Midcontinent Independent System Operator to benefit the utility or integrated
149.12 transmission system.

149.13 (b) Upon filing by a public utility or utilities providing transmission service, the
149.14 commission may approve, reject, or modify, after notice and comment, a tariff that:

149.15 (1) allows the utility to recover on a timely basis the costs net of revenues of facilities
149.16 approved under section 216B.243 or certified or deemed to be certified under section
149.17 216B.2425 or exempt from the requirements of section 216B.243;

149.18 (2) allows the utility to recover charges incurred under a federally approved tariff that
149.19 accrue from other transmission owners' regionally planned transmission projects that have
149.20 been determined by the Midcontinent Independent System Operator to benefit the utility or
149.21 integrated transmission system. These charges must be reduced or offset by revenues received
149.22 by the utility and by amounts the utility charges to other regional transmission owners, to
149.23 the extent those revenues and charges have not been otherwise offset;

149.24 (3) allows the utility to recover on a timely basis the costs net of revenues of facilities
149.25 approved by the regulatory commission of the state in which the new transmission facilities
149.26 are to be constructed and determined by the Midcontinent Independent System Operator to
149.27 benefit the utility or integrated transmission system;

149.28 (4) allows the utility to recover costs associated with distribution planning required under
149.29 section 216B.2425;

149.30 (5) allows the utility to recover costs associated with investments in distribution facilities
149.31 to modernize the utility's grid that have been certified by the commission under section
149.32 216B.2425;

150.1 (6) allows the utility to recover on a timely basis the costs of upgrades to distribution
150.2 facilities that are not allocated to participating owners of distributed generation facilities
150.3 under the cost-sharing interconnection process established by the commission order required
150.4 under section 3 of this article;

150.5 (7) allows a return on investment at the level approved in the utility's last general rate
150.6 case, unless a different return is found to be consistent with the public interest;

150.7 ~~(7)~~ (8) provides a current return on construction work in progress, provided that recovery
150.8 from Minnesota retail customers for the allowance for funds used during construction is
150.9 not sought through any other mechanism;

150.10 ~~(8)~~ (9) allows for recovery of other expenses if shown to promote a least-cost project
150.11 option or is otherwise in the public interest;

150.12 ~~(9)~~ (10) allocates project costs appropriately between wholesale and retail customers;

150.13 ~~(10)~~ (11) provides a mechanism for recovery above cost, if necessary to improve the
150.14 overall economics of the project or projects or is otherwise in the public interest; and

150.15 ~~(11)~~ (12) terminates recovery once costs have been fully recovered or have otherwise
150.16 been reflected in the utility's general rates.

150.17 (c) A public utility may file annual rate adjustments to be applied to customer bills paid
150.18 under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

150.19 (1) a description of and context for the facilities included for recovery;

150.20 (2) a schedule for implementation of applicable projects;

150.21 (3) the utility's costs for these projects;

150.22 (4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the
150.23 project; and

150.24 (5) calculations to establish that the rate adjustment is consistent with the terms of the
150.25 tariff established in paragraph (b).

150.26 (d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in
150.27 paragraph (b), the commission shall approve the annual rate adjustments provided that, after
150.28 notice and comment, the costs included for recovery through the tariff were or are expected
150.29 to be prudently incurred and achieve transmission system improvements at the lowest
150.30 feasible and prudent cost to ratepayers.

151.1 Sec. 2. **[216C.48] STANDARDIZED SOLAR PLAN REVIEW SOFTWARE;**
151.2 **TECHNICAL ASSISTANCE; FINANCIAL INCENTIVE.**

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

151.5 (b) "Energy storage system" has the meaning given in section 216B.2422, subdivision
151.6 1.

151.7 (c) "Permitting authority" means a unit of local government in Minnesota that has
151.8 authority to review and issue permits to install residential solar projects and solar plus energy
151.9 storage system projects within the unit of local government's jurisdiction.

151.10 (d) "Photovoltaic device" has the meaning given in section 216C.06, subdivision 16.

151.11 (e) "Residential solar project" means the installation of a photovoltaic device at a
151.12 residence located in Minnesota.

151.13 (f) "SolarAPP+" means the most recent version of the Solar Automated Permit Processing
151.14 Plus software, developed by the National Renewable Energy Laboratory and available free
151.15 to permitting authorities from the United States Department of Energy, that uses a web-based
151.16 portal to automate the solar project plan review and permit issuance processes for residential
151.17 solar projects that are compliant with applicable building and electrical codes.

151.18 (g) "Solar plus energy storage system project" means a residential solar project installed
151.19 in conjunction with an energy storage system at the same residence.

151.20 Subd. 2. **Program establishment.** A program is established in the department to provide
151.21 technical assistance and financial incentives to local units of government that issue permits
151.22 for residential solar projects and solar plus energy storage system projects in order to
151.23 incentivize a permitting authority to adopt the SolarAPP+ software to standardize, automate,
151.24 and streamline the review and permitting process.

151.25 Subd. 3. **Eligibility.** An incentive may be awarded under this section to a permitting
151.26 authority that has deployed SolarAPP+ and made SolarAPP+ available on the permitting
151.27 authority's website.

151.28 Subd. 4. **Application.** (a) A permitting authority must submit an application for a financial
151.29 incentive under this section to the commissioner on a form developed by the commissioner.

151.30 (b) An application may be submitted for a financial incentive under this section after
151.31 SolarAPP+ has become operational in the permitting authority's jurisdiction.

152.1 Subd. 5. **Review and grant award process.** The commissioner must develop
152.2 administrative procedures to govern the application review and incentive award process
152.3 under this section.

152.4 Subd. 6. **Incentive awards.** Beginning no later than March 1, 2025, the commissioner
152.5 may award a financial incentive to a permitting authority under this section only if the
152.6 commissioner has determined that the permitting authority meets verification requirements
152.7 established by the commissioner that ensure a permitting authority has made SolarAPP+
152.8 operational within the permitting authority's jurisdiction and that SolarAPP+ is available
152.9 on the permitting authority's website.

152.10 Subd. 7. **Incentive amount.** (a) An incentive awarded under this section must be no less
152.11 than \$5,000 and no greater than \$20,000.

152.12 (b) The commissioner may vary the amount of an incentive awarded under this section
152.13 by considering the following factors:

152.14 (1) the population of the permitting authority;

152.15 (2) the number of permits for solar projects issued by the permitting authority using
152.16 conventional review processes;

152.17 (3) whether the SolarAPP+ software has been adopted on a stand-alone basis or has been
152.18 integrated with other permit management software utilized by the permitting authority; and

152.19 (4) whether the permitting jurisdiction has participated in other sustainability programs,
152.20 including but not limited to GreenStep Cities and the United States Department of Energy's
152.21 SolSmart and Charging Smart programs.

152.22 Subd. 8. **Technical assistance.** The department must provide technical assistance to
152.23 eligible permitting authorities seeking to apply for an incentive under this section.

152.24 Subd. 9. **Program promotion.** The department must develop an education and outreach
152.25 program to make permitting authorities aware of the incentive offered under this section,
152.26 including by convening workshops, producing educational materials, and using other
152.27 mechanisms to promote the program, including but not limited to utilizing the efforts of the
152.28 League of Minnesota Cities, the Association of Minnesota Counties, the Community Energy
152.29 Resource Teams established under section 216C.385, and similar organizations to reach
152.30 permitting authorities.

152.31 Subd. 10. **Account established.** (a) The SolarAPP+ program account is established in
152.32 the special revenue account in the state treasury. The commissioner must credit to the account
152.33 appropriations and transfers to the account. Earnings, including interest, dividends, and any

153.1 other earnings arising from assets of the account, must be credited to the account. Money
153.2 remaining in the account at the end of a fiscal year does not cancel to the general fund but
153.3 remains in the account until June 30, 2028. The commissioner must manage the account.

153.4 (b) Money in the account is appropriated to the commissioner for the purposes of this
153.5 section and to reimburse the reasonable costs incurred by the department to administer this
153.6 section.

153.7 **Sec. 3. INTERCONNECTION DOCKET; PUBLIC UTILITIES COMMISSION.**

153.8 (a) No later than September 1, 2024, the commission must initiate a proceeding to
153.9 establish by order generic standards for the sharing of utility costs necessary to upgrade a
153.10 utility's distribution system by increasing hosting capacity or applying other necessary
153.11 distribution system upgrades at a congested or constrained location in order to allow for the
153.12 interconnection of distributed generation facilities at the congested or constrained location
153.13 and to advance the achievement of the state's renewable and carbon-free energy goals in
153.14 Minnesota Statutes, section 216B.1691 and greenhouse gas emissions reduction goals in
153.15 Minnesota Statutes, section 216H.02. The tariff standards must reflect an interconnection
153.16 process designed to, at a minimum:

153.17 (1) accelerate the expansion of hosting capacity at multiple points on a utility's distribution
153.18 system by ensuring that the cost of upgrades is shared fairly among owners of distributed
153.19 generation projects seeking interconnection on a pro rata basis according to the amount of
153.20 the expanded capacity utilized by each interconnected distributed generation facility;

153.21 (2) reduce the capital burden on owners of trigger projects seeking interconnection;

153.22 (3) establish a minimum level of upgrade costs an expansion of hosting capacity must
153.23 reach in order to be eligible to participate in the cost-share process and below which a trigger
153.24 project must bear the full cost of the upgrade;

153.25 (4) establish a distributed generation facility's pro rata cost-share amount as the utility's
153.26 total cost of the upgrade divided by the incremental capacity resulting from the upgrade,
153.27 and multiplying the result by the capacity of the distributed generation facility seeking
153.28 interconnection;

153.29 (5) establish a minimum proportion of the total upgrade cost that a utility must receive
153.30 from one or more distributed generation facilities before initiating constructing an upgrade;

153.31 (6) allow trigger projects and any other distributed generation facilities to pay a utility
153.32 more than the trigger project's or distributed generation facility's pro rata cost-share amount
153.33 only if needed to meet the minimum threshold established in clause (6) and to receive refunds

154.1 for amounts paid beyond the trigger project's or distributed generation facility's pro rata
154.2 share of expansion costs from distributed generation projects that subsequently interconnect
154.3 at the applicable location, after which pro rata payments are paid to the utility for distribution
154.4 to ratepayers;

154.5 (7) prohibit owners of distributed generation facilities from using any unsubscribed
154.6 capacity at an interconnection that has undergone an upgrade without the distributed
154.7 generation owners paying the distributed generation owner's pro rata cost of the upgrade;
154.8 and

154.9 (8) establish an annual limit or a formula for determining an annual limit for the total
154.10 cost of upgrades that are not allocated to owners of participating generation facilities and
154.11 may be recovered from ratepayers under section 216B.16, subdivision 7b, clause (6).

154.12 (b) For the purposes of this section, the following terms have the meanings given:

154.13 (1) "distributed generation project" means an energy generating system with a capacity
154.14 no greater than ten megawatts;

154.15 (2) "hosting capacity" means the maximum capacity of a utility distribution system to
154.16 transport electricity at a specific location without compromising the safety or reliability of
154.17 the distribution system;

154.18 (3) "trigger project" means the initial distributed generation project whose application
154.19 for interconnection of a distributed generation project alerts a utility that an upgrade is
154.20 needed in order to accommodate the trigger project and any future interconnections at the
154.21 applicable location;

154.22 (4) "upgrade" means a modification of a utility's distribution system at a specific location
154.23 that is necessary to allow the interconnection of distributed generation projects by increasing
154.24 hosting capacity at the applicable location, including but not limited to installing or modifying
154.25 equipment at a substation or along a distribution line. Upgrade does not mean an expansion
154.26 of hosting capacity dedicated solely to the interconnection of a single distributed generation
154.27 project; and

154.28 (5) "utility" means a public utility, as defined in Minnesota Statutes, section 216B.02,
154.29 subdivision 4, that provides electric service.

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

155.1 Sec. 4. **POSITION ESTABLISHED; PUBLIC UTILITIES COMMISSION.**

155.2 **Subdivision 1. Position; duties.** (a) The Public Utilities Commission's Consumer Affairs
155.3 Office must establish a new full-time equivalent interconnection ombudsperson position to
155.4 assist applicants seeking to interconnect distributed generation projects to utility distribution
155.5 systems under the generic statewide standards developed by the commission under section
155.6 2. The Public Utilities Commission must (1) appoint a person to the position who possesses
155.7 mediation skills and technical expertise related to interconnection and interconnection
155.8 procedures, and (2) authorize the person to request and review all interconnection data from
155.9 utilities and applicants that are necessary to fulfill the duties of the position described in
155.10 this subdivision.

155.11 (b) The duties of the interconnection ombudsperson include but are not limited to:

155.12 (1) tracking interconnection disputes between applicants and utilities;

155.13 (2) facilitating the efficient and fair resolution of disputes between customers seeking
155.14 to interconnect and utilities;

155.15 (3) reviewing utility interconnection policies to assess opportunities to reduce
155.16 interconnection disputes, while considering the equitable distribution of distributed generation
155.17 facilities;

155.18 (4) convening stakeholder groups as necessary to facilitate effective communication
155.19 among interconnection stakeholders; and

155.20 (5) preparing reports that detail the number, type, resolution timelines, and outcome of
155.21 interconnection disputes.

155.22 (c) A utility must provide information requested under this section that the interconnection
155.23 ombudsperson determines is necessary to effectively carry out the duties of the position.

155.24 **Subd. 2. Definition.** For the purposes of this section, "utility" means a public utility, as
155.25 defined in Minnesota Statutes, section 216B.02, subdivision 4, that provides electric service.

155.26 **Subd. 3. Position; funding.** (a) A utility must assess and collect a surcharge of \$50 on
155.27 each application interconnection filed by an owner of a distributed generation facility located
155.28 in Minnesota. A utility must remit the full surcharge to the Public Utilities Commission
155.29 monthly, in a manner determined by the Public Utilities Commission, for each interconnection
155.30 application filed with the utility during the previous month.

155.31 (b) The interconnection ombudsperson account is established in the special revenue
155.32 account in the state treasury. The Public Utilities Commission must manage the account.

156.1 The Public Utilities Commission must deposit in the account all revenues received from
156.2 utilities from the surcharge on interconnection applications established under this section.
156.3 Money is appropriated from the account to the Public Utilities Commission for the sole
156.4 purpose of funding the ombudsperson position established in subdivision 1.

156.5 (c) The Public Utilities Commission must review the amount of revenues collected from
156.6 the surcharge each year and may adjust the level of the surcharge as necessary to ensure (1)
156.7 sufficient money is available to support the position, and (2) the reserve in the account does
156.8 not reach more than ten percent of the amount necessary to fully fund the position.

156.9 **EFFECTIVE DATE.** This section is effective the day following final enactment and
156.10 applies to applications for interconnections filed with a utility on or after that date.

156.11 **ARTICLE 14**

156.12 **MISCELLANEOUS ENERGY POLICY**

156.13 Section 1. Minnesota Statutes 2023 Supplement, section 116C.779, subdivision 1, is
156.14 amended to read:

156.15 Subdivision 1. **Renewable development account.** (a) The renewable development
156.16 account is established as a separate account in the special revenue fund in the state treasury.
156.17 Appropriations and transfers to the account shall be credited to the account. Earnings, such
156.18 as interest, dividends, and any other earnings arising from assets of the account, shall be
156.19 credited to the account. Funds remaining in the account at the end of a fiscal year are not
156.20 canceled to the general fund but remain in the account until expended. The account shall
156.21 be administered by the commissioner of management and budget as provided under this
156.22 section.

156.23 (b) On July 1, 2017, the public utility that owns the Prairie Island nuclear generating
156.24 plant must transfer all funds in the renewable development account previously established
156.25 under this subdivision and managed by the public utility to the renewable development
156.26 account established in paragraph (a). Funds awarded to grantees in previous grant cycles
156.27 that have not yet been expended and unencumbered funds required to be paid in calendar
156.28 year 2017 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, are not subject
156.29 to transfer under this paragraph.

156.30 (c) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
156.31 each January 15 thereafter, the public utility that owns the Prairie Island nuclear generating
156.32 plant must transfer to the renewable development account \$500,000 each year for each dry
156.33 cask containing spent fuel that is located at the Prairie Island power plant for each year the

157.1 plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by
157.2 the commission pursuant to paragraph (i). The fund transfer must be made if nuclear waste
157.3 is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any
157.4 part of a year. The total amount transferred annually under this paragraph must be reduced
157.5 by \$3,750,000.

157.6 (d) Except as provided in subdivision 1a, beginning January 15, 2018, and continuing
157.7 each January 15 thereafter, the public utility that owns the Monticello nuclear generating
157.8 plant must transfer to the renewable development account \$350,000 each year for each dry
157.9 cask containing spent fuel that is located at the Monticello nuclear power plant for each
157.10 year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered
157.11 by the commission pursuant to paragraph (i). The fund transfer must be made if nuclear
157.12 waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for
157.13 any part of a year.

157.14 (e) Each year, the public utility shall withhold from the funds transferred to the renewable
157.15 development account under paragraphs (c) and (d) the amount necessary to pay its obligations
157.16 under paragraphs (f) and (g), and sections 116C.7792 and 216C.41, for that calendar year.

157.17 (f) If the commission approves a new or amended power purchase agreement, the
157.18 termination of a power purchase agreement, or the purchase and closure of a facility under
157.19 section 216B.2424, subdivision 9, with an entity that uses poultry litter to generate electricity,
157.20 the public utility subject to this section shall enter into a contract with the city in which the
157.21 poultry litter plant is located to provide grants to the city for the purposes of economic
157.22 development on the following schedule: \$4,000,000 in fiscal year 2018; \$6,500,000 each
157.23 fiscal year in 2019 and 2020; and \$3,000,000 in fiscal year 2021. The grants shall be paid
157.24 by the public utility from funds withheld from the transfer to the renewable development
157.25 account, as provided in paragraphs (b) and (e).

157.26 (g) If the commission approves a new or amended power purchase agreement, or the
157.27 termination of a power purchase agreement under section 216B.2424, subdivision 9, with
157.28 an entity owned or controlled, directly or indirectly, by two municipal utilities located north
157.29 of Constitutional Route No. 8, that was previously used to meet the biomass mandate in
157.30 section 216B.2424, the public utility that owns a nuclear generating plant shall enter into a
157.31 grant contract with such entity to provide \$6,800,000 per year for five years, commencing
157.32 30 days after the commission approves the new or amended power purchase agreement, or
157.33 the termination of the power purchase agreement, and on each June 1 thereafter through
157.34 2021, to assist the transition required by the new, amended, or terminated power purchase

158.1 agreement. The grant shall be paid by the public utility from funds withheld from the transfer
158.2 to the renewable development account as provided in paragraphs (b) and (e).

158.3 (h) The collective amount paid under the grant contracts awarded under paragraphs (f)
158.4 and (g) is limited to the amount deposited into the renewable development account, and its
158.5 predecessor, the renewable development account, established under this section, that was
158.6 not required to be deposited into the account under Laws 1994, chapter 641, article 1, section
158.7 10.

158.8 (i) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello
158.9 nuclear plant and each year spent nuclear fuel is stored in dry cask at the discontinued
158.10 facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued
158.11 Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year
158.12 in which the commission finds, by the preponderance of the evidence, that the public utility
158.13 did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a
158.14 permanent or interim storage site out of the state. This determination shall be made at least
158.15 every two years.

158.16 (j) Funds in the account may be expended only for any of the following purposes:

158.17 (1) to stimulate research and development of renewable electric energy technologies;

158.18 (2) to encourage grid modernization, including, but not limited to, projects that implement
158.19 electricity storage, load control, and smart meter technology; and

158.20 (3) to stimulate other innovative energy projects that reduce demand and increase system
158.21 efficiency and flexibility.

158.22 Expenditures from the fund must benefit Minnesota ratepayers receiving electric service
158.23 from the utility that owns a nuclear-powered electric generating plant in this state or the
158.24 Prairie Island Indian community or its members.

158.25 The utility that owns a nuclear generating plant is eligible to apply for grants under this
158.26 subdivision.

158.27 (k) For the purposes of paragraph (j), the following terms have the meanings given:

158.28 (1) "renewable" has the meaning given in section 216B.2422, subdivision 1, paragraph
158.29 (c), clauses (1), (2), (4), and (5); and

158.30 (2) "grid modernization" means:

158.31 (i) enhancing the reliability of the electrical grid;

159.1 (ii) improving the security of the electrical grid against cyberthreats and physical threats;
159.2 and

159.3 (iii) increasing energy conservation opportunities by facilitating communication between
159.4 the utility and its customers through the use of two-way meters, control technologies, energy
159.5 storage and microgrids, technologies to enable demand response, and other innovative
159.6 technologies.

159.7 (l) A renewable development account advisory group that includes, among others,
159.8 representatives of the public utility and its ratepayers, and includes at least one representative
159.9 of the Prairie Island Indian community appointed by that community's tribal council, shall
159.10 develop recommendations on account expenditures. The advisory group must design a
159.11 request for proposal and evaluate projects submitted in response to a request for proposals.
159.12 The advisory group must utilize an independent third-party expert to evaluate proposals
159.13 submitted in response to a request for proposal, including all proposals made by the public
159.14 utility. A request for proposal for research and development under paragraph (j), clause (1),
159.15 may be limited to or include a request to higher education institutions located in Minnesota
159.16 for multiple projects authorized under paragraph (j), clause (1). The request for multiple
159.17 projects may include a provision that exempts the projects from the third-party expert review
159.18 and instead provides for project evaluation and selection by a merit peer review grant system.
159.19 In the process of determining request for proposal scope and subject and in evaluating
159.20 responses to request for proposals, the advisory group must strongly consider, where
159.21 reasonable:

159.22 (1) potential benefit to Minnesota citizens and businesses and the utility's ratepayers;
159.23 and

159.24 (2) the proposer's commitment to increasing the diversity of the proposer's workforce
159.25 and vendors.

159.26 (m) The advisory group shall submit funding recommendations to the public utility,
159.27 which has full and sole authority to determine which expenditures shall be submitted by
159.28 the advisory group to the legislature. The commission may approve proposed expenditures,
159.29 may disapprove proposed expenditures that it finds not to be in compliance with this
159.30 subdivision or otherwise not in the public interest, and may, if agreed to by the public utility,
159.31 modify proposed expenditures. The commission shall, by order, submit its funding
159.32 recommendations to the legislature as provided under paragraph (n).

159.33 (n) The commission shall present its recommended appropriations from the account to
159.34 the senate and house of representatives committees with jurisdiction over energy policy and

160.1 finance annually by February 15. Expenditures from the account must be appropriated by
160.2 law. In enacting appropriations from the account, the legislature:

160.3 (1) may approve or disapprove, but may not modify, the amount of an appropriation for
160.4 a project recommended by the commission; and

160.5 (2) may not appropriate money for a project the commission has not recommended
160.6 funding.

160.7 (o) A request for proposal for renewable energy generation projects must, when feasible
160.8 and reasonable, give preference to projects that are most cost-effective for a particular energy
160.9 source.

160.10 (p) The advisory group must annually, by February 15, report to the chairs and ranking
160.11 minority members of the legislative committees with jurisdiction over energy policy on
160.12 projects funded by the account for the prior year and all previous years. The report must,
160.13 to the extent possible and reasonable, itemize the actual and projected financial benefit to
160.14 the public utility's ratepayers of each project.

160.15 ~~(q) By February 1, 2018, and each February 1 thereafter, the commissioner of~~
160.16 ~~management and budget shall submit a written report regarding the availability of funds in~~
160.17 ~~and obligations of the account to the chairs and ranking minority members of the senate~~
160.18 ~~and house committees with jurisdiction over energy policy and finance, the public utility,~~
160.19 ~~and the advisory group.~~

160.20 ~~(†)~~ (q) A project receiving funds from the account must produce a written final report
160.21 that includes sufficient detail for technical readers and a clearly written summary for
160.22 nontechnical readers. The report must include an evaluation of the project's financial,
160.23 environmental, and other benefits to the state and the public utility's ratepayers. A project
160.24 receiving funds from the account must submit a report that meets the requirements of section
160.25 216C.51, subdivisions 3 and 4, each year the project funded by the account is in progress.

160.26 ~~(s)~~ (r) Final reports, any mid-project status reports, and renewable development account
160.27 financial reports must be posted online on a public website designated by the commissioner
160.28 of commerce.

160.29 ~~(†)~~ (s) All final reports must acknowledge that the project was made possible in whole
160.30 or part by the Minnesota renewable development account, noting that the account is financed
160.31 by the public utility's ratepayers.

160.32 ~~(†)~~ (t) Of the amount in the renewable development account, priority must be given to
160.33 making the payments required under section 216C.417.

161.1 ~~(v)~~ (u) Construction projects receiving funds from this account are subject to the
161.2 requirement to pay the prevailing wage rate, as defined in section 177.42 and the requirements
161.3 and enforcement provisions in sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
161.4 177.45.

161.5 Sec. 2. Minnesota Statutes 2022, section 216B.16, subdivision 6c, is amended to read:

161.6 Subd. 6c. **Incentive plan for energy conservation and efficient fuel-switching**
161.7 **improvement.** (a) The commission may order public utilities to develop and submit for
161.8 commission approval incentive plans that describe the method of recovery and accounting
161.9 for utility conservation and efficient fuel-switching expenditures and savings. For public
161.10 utilities that provide electric service, the commission must develop and implement incentive
161.11 plans designed to promote energy conservation separately from plans designed to promote
161.12 efficient fuel-switching. In developing the incentive plans the commission shall ensure the
161.13 effective involvement of interested parties.

161.14 (b) In approving incentive plans, the commission shall consider:

161.15 (1) whether the plan is likely to increase utility investment in cost-effective energy
161.16 conservation or efficient fuel switching;

161.17 (2) whether the plan is compatible with the interest of utility ratepayers and other
161.18 interested parties;

161.19 (3) whether the plan links the incentive to the utility's performance in achieving
161.20 cost-effective conservation or efficient fuel switching; ~~and~~

161.21 (4) whether the plan is in conflict with other provisions of this chapter;

161.22 (5) whether the plan conflicts with other provisions of this chapter; and

161.23 (6) the likely financial impacts of the conservation and efficient fuel-switching on the
161.24 utility.

161.25 (c) The commission may set rates to encourage the vigorous and effective implementation
161.26 of utility conservation and efficient fuel-switching programs. The commission may:

161.27 (1) increase or decrease any otherwise allowed rate of return on net investment based
161.28 upon the utility's skill, efforts, and success in ~~conserving~~ improving the efficient use of
161.29 energy through energy conservation or efficient fuel switching;

161.30 (2) share between ratepayers and utilities the net savings resulting from energy
161.31 conservation and efficient fuel-switching programs to the extent justified by the utility's
161.32 skill, efforts, and success in ~~conserving~~ improving the efficient use of energy; and

162.1 (3) adopt any mechanism that satisfies the criteria of this subdivision, such that
162.2 implementation of cost-effective conservation or efficient fuel switching is a preferred
162.3 resource choice for the public utility considering the impact of conservation or efficient fuel
162.4 switching on earnings of the public utility.

162.5 (d) No later than March 1, 2025, and each March 1 thereafter, a public utility providing
162.6 fuel-switching incentives under this subdivision must submit a written report annually to
162.7 the chairs and ranking minority members of the senate and house of representatives
162.8 committees with jurisdiction over energy policy containing information on:

162.9 (1) the nature and amount of fuel-switching incentives offered by the utility;

162.10 (2) the number of customers receiving fuel-switching incentives; and

162.11 (3) the amount of fuel-switching incentives paid to customers, and the specific appliance
162.12 or end use whose fuel is being switched.

162.13 (e) Any incentives offered to electric utilities under this subdivision for efficient-fuel
162.14 switching projects expire December 31, 2032.

162.15 Sec. 3. Minnesota Statutes 2022, section 216B.2402, is amended by adding a subdivision
162.16 to read:

162.17 Subd. 3a. **Data mining facility.** "Data mining facility" means all buildings, structures,
162.18 equipment, and installations at a single site where electricity is used primarily by computers
162.19 to process transactions involving digital currency that is not issued by a central authority.

162.20 Sec. 4. Minnesota Statutes 2022, section 216B.2402, subdivision 4, is amended to read:

162.21 Subd. 4. **Efficient fuel-switching improvement.** "Efficient fuel-switching improvement"
162.22 means a project that:

162.23 (1) replaces a fuel used by a customer with electricity or natural gas delivered at retail
162.24 by a utility subject to section 216B.2403 or 216B.241;

162.25 (2) results in a net increase in the use of electricity or natural gas and a net decrease in
162.26 source energy consumption on a fuel-neutral basis;

162.27 (3) otherwise meets the criteria established for consumer-owned utilities in section
162.28 216B.2403, subdivision 8, and for public utilities under section 216B.241, subdivisions 11
162.29 and 12; and

162.30 (4) requires the installation of equipment that utilizes electricity or natural gas, resulting
162.31 in a reduction or elimination of the previous fuel used.

163.1 An efficient fuel-switching improvement is not an energy conservation improvement or
163.2 energy efficiency even if the efficient fuel-switching improvement results in a net reduction
163.3 in electricity or natural gas use. ~~An efficient fuel-switching improvement does not include,~~
163.4 ~~and must not count toward any energy savings goal from, energy conservation improvements~~
163.5 ~~when fuel switching would result in an increase of greenhouse gas emissions into the~~
163.6 ~~atmosphere on an annual basis.~~

163.7 Sec. 5. Minnesota Statutes 2022, section 216B.2402, subdivision 10, is amended to read:

163.8 Subd. 10. **Gross annual retail energy sales.** "Gross annual retail energy sales" means
163.9 a utility's annual electric sales to all Minnesota retail customers, or natural gas throughput
163.10 to all retail customers, including natural gas transportation customers, on a utility's
163.11 distribution system in Minnesota. Gross annual retail energy sales does not include:

163.12 (1) gas sales to:

163.13 (i) a large energy facility;

163.14 (ii) a large customer facility whose natural gas utility has been exempted by the
163.15 commissioner under section 216B.241, subdivision 1a, paragraph (a), with respect to natural
163.16 gas sales made to the large customer facility; and

163.17 (iii) a commercial gas customer facility whose natural gas utility has been exempted by
163.18 the commissioner under section 216B.241, subdivision 1a, paragraph (b), with respect to
163.19 natural gas sales made to the commercial gas customer facility;

163.20 (2) electric sales to:

163.21 (i) a large customer facility whose electric utility has been exempted by the commissioner
163.22 under section 216B.241, subdivision 1a, paragraph (a), with respect to electric sales made
163.23 to the large customer facility; ~~or~~ and

163.24 (ii) a data mining facility, if the facility:

163.25 (A) has provided a signed letter to the utility verifying the facility meets the definition
163.26 of a data mining facility; and

163.27 (B) imposes a peak electrical demand on a consumer-owned utility's system equal to or
163.28 greater than 40 percent of the peak electrical demand of the system, measured in the same
163.29 manner as the utility that serves the customer facility measures electric demand for billing
163.30 purposes; or

163.31 (3) the amount of electric sales prior to December 31, 2032, that are associated with a
163.32 utility's program, rate, or tariff for electric vehicle charging based on a methodology and

164.1 assumptions developed by the department in consultation with interested stakeholders no
164.2 later than December 31, 2021. After December 31, 2032, incremental sales to electric
164.3 vehicles must be included in calculating a public utility's gross annual retail sales.

164.4 Sec. 6. Minnesota Statutes 2022, section 216B.2403, subdivision 2, is amended to read:

164.5 Subd. 2. **Consumer-owned utility; energy-savings goal.** (a) Each individual
164.6 consumer-owned electric utility subject to this section has an annual energy-savings goal
164.7 equivalent to 1.5 percent of gross annual retail energy sales and each individual
164.8 consumer-owned natural gas utility subject to this section has an annual energy-savings
164.9 goal equivalent to one percent of gross annual retail energy sales, to be met with a minimum
164.10 of energy savings from energy conservation improvements equivalent to at least ~~0.95~~ 0.90
164.11 percent of the consumer-owned utility's gross annual retail energy sales. The balance of
164.12 energy savings toward the annual energy-savings goal may be achieved only by the following
164.13 consumer-owned utility activities:

164.14 (1) energy savings from additional energy conservation improvements;

164.15 (2) electric utility infrastructure projects, as defined in section 216B.1636, subdivision
164.16 1, that result in increased efficiency greater than would have occurred through normal
164.17 maintenance activity;

164.18 (3) net energy savings from efficient fuel-switching improvements that meet the criteria
164.19 under subdivision 8, which may contribute up to ~~0.55~~ 0.60 percent of the goal; or

164.20 (4) subject to department approval, demand-side natural gas or electric energy displaced
164.21 by use of waste heat recovered and used as thermal energy, including the recovered thermal
164.22 energy from a cogeneration or combined heat and power facility.

164.23 (b) The energy-savings goals specified in this section must be calculated based on
164.24 weather-normalized sales averaged over the most recent three years. A consumer-owned
164.25 utility may elect to carry forward energy savings in excess of 1.5 percent for a year to the
164.26 next three years, except that energy savings from electric utility infrastructure projects may
164.27 be carried forward for five years. A particular energy savings can only be used to meet one
164.28 year's goal.

164.29 (c) A consumer-owned utility subject to this section is not required to make energy
164.30 conservation improvements that are not cost-effective, even if the improvement is necessary
164.31 to attain the energy-savings goal. A consumer-owned utility subject to this section must
164.32 make reasonable efforts to implement energy conservation improvements that exceed the
164.33 minimum level established under this subdivision if cost-effective opportunities and funding

165.1 are available, considering other potential investments the consumer-owned utility intends
165.2 to make to benefit customers during the term of the plan filed under subdivision 3.

165.3 ~~(d) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~
165.4 ~~consumer-owned utility subject to this section on efficient fuel-switching improvements~~
165.5 ~~implemented to meet the annual energy savings goal under this section must not exceed~~
165.6 ~~0.55 percent per year, averaged over a three-year period, of the consumer-owned utility's~~
165.7 ~~gross annual retail energy sales.~~

165.8 Sec. 7. Minnesota Statutes 2022, section 216B.2403, subdivision 3, is amended to read:

165.9 Subd. 3. **Consumer-owned utility; energy conservation and optimization plans.** (a)
165.10 By June 1, 2022, and at least every three years thereafter, each consumer-owned utility must
165.11 file with the commissioner an energy conservation and optimization plan that describes the
165.12 programs for energy conservation, efficient fuel-switching, load management, and other
165.13 measures the consumer-owned utility intends to offer to achieve the utility's energy savings
165.14 goal.

165.15 (b) A plan's term may extend up to three years. A multiyear plan must identify the total
165.16 energy savings and energy savings resulting from energy conservation improvements that
165.17 are projected to be achieved in each year of the plan. A multiyear plan that does not, in each
165.18 year of the plan, meet both the minimum energy savings goal from energy conservation
165.19 improvements and the total energy savings goal of 1.5 percent, or lower goals adjusted by
165.20 the commissioner under paragraph (k), must:

165.21 (1) state why each goal is projected to be unmet; and

165.22 (2) demonstrate how the consumer-owned utility proposes to meet both goals on an
165.23 average basis over the duration of the plan.

165.24 (c) A plan filed under this subdivision must provide:

165.25 (1) for existing programs, an analysis of the cost-effectiveness of the consumer-owned
165.26 utility's programs offered under the plan, using a list of baseline energy- and capacity-savings
165.27 assumptions developed in consultation with the department; and

165.28 (2) for new programs, a preliminary analysis upon which the program will proceed, in
165.29 parallel with further development of assumptions and standards.

165.30 (d) The commissioner must evaluate a plan filed under this subdivision based on the
165.31 plan's likelihood to achieve the energy-savings goals established in subdivision 2. The
165.32 commissioner may make recommendations to a consumer-owned utility regarding ways to

166.1 increase the effectiveness of the consumer-owned utility's energy conservation activities
166.2 and programs under this subdivision. The commissioner may recommend that a
166.3 consumer-owned utility implement a cost-effective energy conservation or efficient
166.4 fuel-switching program, ~~including an energy conservation program~~ suggested by an outside
166.5 source such as a political subdivision, nonprofit corporation, or community organization.

166.6 (e) Beginning June 1, 2023, and every June 1 thereafter, each consumer-owned utility
166.7 must file: (1) an annual update identifying the status of the plan filed under this subdivision,
166.8 including: (i) total expenditures and investments made to date under the plan; and (ii) any
166.9 intended changes to the plan; and (2) a summary of the annual energy-savings achievements
166.10 under a plan. An annual filing made in the last year of a plan must contain a new plan that
166.11 complies with this section.

166.12 (f) When evaluating the cost-effectiveness of a consumer-owned utility's energy
166.13 conservation programs, the consumer-owned utility and the commissioner must consider
166.14 the costs and benefits to ratepayers, the utility, participants, and society. The commissioner
166.15 must also consider the rate at which the consumer-owned utility is increasing energy savings
166.16 and expenditures on energy conservation, and lifetime energy savings and cumulative energy
166.17 savings.

166.18 (g) A consumer-owned utility may annually spend and invest up to ten percent of the
166.19 total amount spent and invested on energy conservation, efficient fuel-switching, or load
166.20 management improvements on research and development projects that meet the applicable
166.21 definition of energy conservation, efficient fuel-switching, or load management improvement.

166.22 (h) A generation and transmission cooperative electric association or municipal power
166.23 agency that provides energy services to consumer-owned utilities may file a plan under this
166.24 subdivision on behalf of the consumer-owned utilities to which the association or agency
166.25 provides energy services and may make investments, offer conservation programs, and
166.26 otherwise fulfill the energy-savings goals and reporting requirements of this subdivision
166.27 for those consumer-owned utilities on an aggregate basis.

166.28 (i) A consumer-owned utility is prohibited from spending for or investing in energy
166.29 conservation improvements that directly benefit a large energy facility or a large electric
166.30 customer facility the commissioner has exempted under section 216B.241, subdivision 1a.

166.31 (j) The energy conservation and optimization plan of a consumer-owned utility may
166.32 include activities to improve energy efficiency in the public schools served by the utility.
166.33 These activities may include programs to:

166.34 (1) increase the efficiency of the school's lighting and heating and cooling systems;

167.1 (2) recommission buildings;

167.2 (3) train building operators; and

167.3 (4) provide opportunities to educate students, teachers, and staff regarding energy
167.4 efficiency measures implemented at the school.

167.5 (k) A consumer-owned utility may request that the commissioner adjust the
167.6 consumer-owned utility's minimum goal for energy savings from energy conservation
167.7 improvements under subdivision 2, paragraph (a), for the duration of the plan filed under
167.8 this subdivision. The request must be made by January 1 of the year when the
167.9 consumer-owned utility must file a plan under this subdivision. The request must be based
167.10 on:

167.11 (1) historical energy conservation improvement program achievements;

167.12 (2) customer class makeup;

167.13 (3) projected load growth;

167.14 (4) an energy conservation potential study that estimates the amount of cost-effective
167.15 energy conservation potential that exists in the consumer-owned utility's service territory;

167.16 (5) the cost-effectiveness and quality of the energy conservation programs offered by
167.17 the consumer-owned utility; and

167.18 (6) other factors the commissioner and consumer-owned utility determine warrant an
167.19 adjustment.

167.20 The commissioner must adjust the energy savings goal to a level the commissioner determines
167.21 is supported by the record, but must not approve a minimum energy savings goal from
167.22 energy conservation improvements that is less than an average of 0.95 percent per year over
167.23 the consecutive years of the plan's duration, including the year the minimum energy savings
167.24 goal is adjusted.

167.25 (l) A consumer-owned utility filing a conservation and optimization plan that includes
167.26 an efficient fuel-switching program to achieve the utility's energy savings goal must, as part
167.27 of the filing, demonstrate by a comparison of greenhouse gas emissions between the fuels
167.28 that the requirements of subdivision 8 are met, ~~using a full fuel-cycle energy analysis.~~

167.29 Sec. 8. Minnesota Statutes 2022, section 216B.2403, subdivision 5, is amended to read:

167.30 Subd. 5. **Energy conservation programs for low-income households.** (a) A
167.31 consumer-owned utility subject to this section must provide energy conservation programs

168.1 to low-income households. The commissioner must evaluate a consumer-owned utility's
168.2 plans under this section by considering the consumer-owned utility's historic spending on
168.3 energy conservation programs directed to low-income households, the rate of customer
168.4 participation in and the energy savings resulting from those programs, and the number of
168.5 low-income persons residing in the consumer-owned utility's service territory. A municipal
168.6 utility that furnishes natural gas service must spend at least 0.2 percent of the municipal
168.7 utility's most recent three-year average gross operating revenue from residential customers
168.8 in Minnesota on energy conservation programs for low-income households. Except as
168.9 provided in paragraph (j), a consumer-owned utility that furnishes electric service must
168.10 spend at least 0.2 percent of the consumer-owned utility's gross operating revenue from
168.11 residential customers in Minnesota on energy conservation programs for low-income
168.12 households. The requirement under this paragraph applies to each generation and transmission
168.13 cooperative association's aggregate gross operating revenue from the sale of electricity to
168.14 residential customers in Minnesota by all of the association's member distribution
168.15 cooperatives.

168.16 (b) To meet all or part of the spending requirements of paragraph (a), a consumer-owned
168.17 utility may contribute money to the energy and conservation account established in section
168.18 216B.241, subdivision 2a. An energy conservation optimization plan must state the amount
168.19 of contributions the consumer-owned utility plans to make to the energy and conservation
168.20 account. Contributions to the account must be used for energy conservation programs serving
168.21 low-income households, including renters, located in the service area of the consumer-owned
168.22 utility making the contribution. Contributions must be remitted to the commissioner by
168.23 February 1 each year.

168.24 (c) The commissioner must establish energy conservation programs for low-income
168.25 households funded through contributions to the energy and conservation account under
168.26 paragraph (b). When establishing energy conservation programs for low-income households,
168.27 the commissioner must consult political subdivisions, utilities, and nonprofit and community
168.28 organizations, including organizations providing energy and weatherization assistance to
168.29 low-income households. The commissioner must record and report expenditures and energy
168.30 savings achieved as a result of energy conservation programs for low-income households
168.31 funded through the energy and conservation account in the report required under section
168.32 216B.241, subdivision 1c, paragraph (f). The commissioner may contract with a political
168.33 subdivision, nonprofit or community organization, public utility, municipality, or
168.34 consumer-owned utility to implement low-income programs funded through the energy and
168.35 conservation account.

169.1 (d) A consumer-owned utility may petition the commissioner to modify the required
169.2 spending under this subdivision if the consumer-owned utility and the commissioner were
169.3 unable to expend the amount required for three consecutive years.

169.4 (e) The commissioner must develop and establish guidelines for determining the eligibility
169.5 of multifamily buildings to participate in energy conservation programs provided to
169.6 low-income households. Notwithstanding the definition of low-income household in section
169.7 216B.2402, a consumer-owned utility or association may apply the most recent guidelines
169.8 published by the department for purposes of determining the eligibility of multifamily
169.9 buildings to participate in low-income programs. The commissioner must convene a
169.10 stakeholder group to review and update these guidelines by August 1, 2021, and at least
169.11 once every five years thereafter. The stakeholder group must include but is not limited to
169.12 representatives of public utilities; municipal electric or gas utilities; electric cooperative
169.13 associations; multifamily housing owners and developers; and low-income advocates.

169.14 (f) Up to 15 percent of a consumer-owned utility's spending on low-income energy
169.15 conservation programs may be spent on preweatherization measures. A consumer-owned
169.16 utility is prohibited from claiming energy savings from preweatherization measures toward
169.17 the consumer-owned utility's energy savings goal.

169.18 (g) The commissioner must, by order, establish a list of preweatherization measures
169.19 eligible for inclusion in low-income energy conservation programs no later than March 15,
169.20 2022.

169.21 (h) A Healthy AIR (Asbestos Insulation Removal) account is established as a separate
169.22 account in the special revenue fund in the state treasury. A consumer-owned utility may
169.23 elect to contribute money to the Healthy AIR account to provide preweatherization measures
169.24 for households eligible for weatherization assistance from the state weatherization assistance
169.25 program in section 216C.264. Remediation activities must be executed in conjunction with
169.26 federal weatherization assistance program services. Money contributed to the account by a
169.27 consumer-owned utility counts toward: (1) the minimum low-income spending requirement
169.28 under paragraph (a); and (2) the cap on preweatherization measures under paragraph (f).
169.29 Money in the account is annually appropriated to the commissioner of commerce to pay for
169.30 Healthy AIR-related activities.

169.31 (i) This paragraph applies to a consumer-owned utility that supplies electricity to a
169.32 low-income household whose primary heating fuel is supplied by an entity other than a
169.33 public utility. Any spending on space and water heating energy conservation improvements
169.34 and efficient fuel-switching by the consumer-owned utility on behalf of the low-income

170.1 household may be applied to the consumer owned utility's spending requirement in paragraph
170.2 (a). To the maximum extent possible, a consumer-owned utility providing services under
170.3 this paragraph must offer the services in conjunction with weatherization services provided
170.4 under section 216C.264.

170.5 (j) An electric cooperative's spending on efficient fuel-switching improvements made
170.6 in low-income households may be applied to the electric cooperative's low-income
170.7 conservation spending requirement in paragraph (a).

170.8 Sec. 9. Minnesota Statutes 2022, section 216B.2403, subdivision 8, is amended to read:

170.9 Subd. 8. **Criteria for efficient fuel-switching improvements.** (a) A fuel-switching
170.10 improvement is deemed efficient if, applying the technical criteria established under section
170.11 216B.241, subdivision 1d, paragraph (e), the improvement, relative to the fuel being
170.12 displaced:

170.13 (1) results in a net reduction in the amount of source energy consumed for a particular
170.14 use, measured on a fuel-neutral basis, using (i) the consumer-owned utility's or the utility's
170.15 electricity supplier's annual system average efficiency, or (ii) if the utility elects, a seasonal,
170.16 monthly, or more granular level of analysis for the electric utility system over the measure's
170.17 life;

170.18 (2) results in a net reduction of statewide greenhouse gas emissions, as defined in section
170.19 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
170.20 improvement installed by an electric consumer-owned utility, the reduction in emissions
170.21 must be measured ~~based on the hourly emissions profile of the consumer-owned utility or~~
170.22 ~~the utility's electricity supplier, as reported in the most recent resource plan approved by~~
170.23 ~~the commission under section 216B.2422. If the hourly emissions profile is not available,~~
170.24 ~~the commissioner must develop a method consumer-owned utilities must use to estimate~~
170.25 that value using (i) the consumer-owned utility's or the utility's electricity supplier's annual
170.26 average emissions factor, or (ii) if the utility elects, a seasonal, monthly, or more granular
170.27 level of analysis for the electric utility system over the measure's life; and

170.28 (3) is cost-effective, considering the costs and benefits from the perspective of the
170.29 consumer-owned utility, participants, and society; ~~and.~~

170.30 ~~(4) is installed and operated in a manner that improves the consumer-owned utility's~~
170.31 ~~system load factor.~~

171.1 (b) For purposes of this subdivision, "source energy" means the total amount of primary
171.2 energy required to deliver energy services, adjusted for losses in generation, transmission,
171.3 and distribution, and expressed on a fuel-neutral basis.

171.4 Sec. 10. Minnesota Statutes 2022, section 216B.241, subdivision 1c, is amended to read:

171.5 Subd. 1c. **Public utility; energy-saving goals.** (a) The commissioner shall establish
171.6 energy-saving goals for energy conservation improvements and shall evaluate an energy
171.7 conservation improvement program on how well it meets the goals set.

171.8 (b) A public utility providing electric service has an annual energy-savings goal equivalent
171.9 to 1.75 percent of gross annual retail energy sales unless modified by the commissioner
171.10 under paragraph (c). A public utility providing natural gas service has an annual
171.11 energy-savings goal equivalent to one percent of gross annual retail energy sales, which
171.12 cannot be lowered by the commissioner. The savings goals must be calculated based on the
171.13 most recent three-year weather-normalized average. A public utility providing electric
171.14 service may elect to carry forward energy savings in excess of 1.75 percent for a year to
171.15 the succeeding three calendar years, except that savings from electric utility infrastructure
171.16 projects allowed under paragraph (d) may be carried forward for five years. A public utility
171.17 providing natural gas service may elect to carry forward energy savings in excess of one
171.18 percent for a year to the succeeding three calendar years. A particular energy savings can
171.19 only be used to meet one year's goal.

171.20 (c) In its energy conservation and optimization plan filing, a public utility may request
171.21 the commissioner to adjust its annual energy-savings percentage goal based on its historical
171.22 conservation investment experience, customer class makeup, load growth, a conservation
171.23 potential study, or other factors the commissioner determines warrants an adjustment.

171.24 (d) The commissioner may not approve a plan of a public utility that provides for an
171.25 annual energy-savings goal of less than one percent of gross annual retail energy sales from
171.26 energy conservation improvements.

171.27 The balance of the 1.75 percent annual energy savings goal may be achieved through
171.28 energy savings from:

171.29 (1) additional energy conservation improvements;

171.30 (2) electric utility infrastructure projects approved by the commission under section
171.31 216B.1636 that result in increased efficiency greater than would have occurred through
171.32 normal maintenance activity; or

172.1 (3) subject to department approval, demand-side natural gas or electric energy displaced
172.2 by use of waste heat recovered and used as thermal energy, including the recovered thermal
172.3 energy from a cogeneration or combined heat and power facility.

172.4 (e) A public utility is not required to make energy conservation investments to attain
172.5 the energy-savings goals of this subdivision that are not cost-effective even if the investment
172.6 is necessary to attain the energy-savings goals. For the purpose of this paragraph, in
172.7 determining cost-effectiveness, the commissioner shall consider: (1) the costs and benefits
172.8 to ratepayers, the utility, participants, and society; (2) the rate at which a public utility is
172.9 increasing both its energy savings and its expenditures on energy conservation; and (3) the
172.10 public utility's lifetime energy savings and cumulative energy savings.

172.11 (f) On an annual basis, the commissioner shall produce and make publicly available a
172.12 report on the annual energy and capacity savings and estimated carbon dioxide reductions
172.13 achieved by the programs under this section and section 216B.2403 for the two most recent
172.14 years for which data is available. The report must also include information regarding any
172.15 annual energy sales or generation capacity increases resulting from efficient fuel-switching
172.16 improvements. The commissioner shall report on program performance both in the aggregate
172.17 and for each entity filing an energy conservation improvement plan for approval or review
172.18 by the commissioner, and must estimate progress made toward the statewide energy-savings
172.19 goal under section 216B.2401.

172.20 ~~(g) Notwithstanding any provision to the contrary, until July 1, 2026, spending by a~~
172.21 ~~public utility subject to this section on efficient fuel-switching improvements to meet energy~~
172.22 ~~savings goals under this section must not exceed 0.35 percent per year, averaged over three~~
172.23 ~~years, of the public utility's gross annual retail energy sales.~~

172.24 Sec. 11. Minnesota Statutes 2022, section 216B.241, subdivision 2, is amended to read:

172.25 **Subd. 2. Public utility; energy conservation and optimization plans.** (a) The
172.26 commissioner may require a public utility to make investments and expenditures in energy
172.27 conservation improvements, explicitly setting forth the interest rates, prices, and terms under
172.28 which the improvements must be offered to the customers.

172.29 (b) A public utility shall file an energy conservation and optimization plan by June 1,
172.30 on a schedule determined by order of the commissioner, but at least every three years. As
172.31 provided in subdivisions 11 to 13, plans may include programs for efficient fuel-switching
172.32 improvements and load management. An individual utility program may combine elements
172.33 of energy conservation, load management, or efficient fuel-switching. The plan must estimate
172.34 the lifetime energy savings and cumulative lifetime energy savings projected to be achieved

173.1 under the plan. A plan filed by a public utility by June 1 must be approved or approved as
173.2 modified by the commissioner by December 1 of that same year.

173.3 (c) The commissioner shall evaluate the plan on the basis of cost-effectiveness and the
173.4 reliability of technologies employed. The commissioner's order must provide to the extent
173.5 practicable for a free choice, by consumers participating in an energy conservation program,
173.6 of the device, method, material, or project constituting the energy conservation improvement
173.7 and for a free choice of the seller, installer, or contractor of the energy conservation
173.8 improvement, provided that the device, method, material, or project seller, installer, or
173.9 contractor is duly licensed, certified, approved, or qualified, including under the residential
173.10 conservation services program, where applicable.

173.11 (d) The commissioner may require a utility subject to subdivision 1c to make an energy
173.12 conservation improvement investment or expenditure whenever the commissioner finds
173.13 that the improvement will result in energy savings at a total cost to the utility less than the
173.14 cost to the utility to produce or purchase an equivalent amount of new supply of energy.

173.15 (e) Each public utility subject to this subdivision may spend and invest annually up to
173.16 ten percent of the total amount ~~spent and invested~~ that the public utility spends and invests
173.17 on energy conservation, efficient fuel-switching, or load management improvements under
173.18 this section by the public utility on research and development projects that meet the applicable
173.19 definition of energy conservation, efficient fuel-switching, or load management improvement.

173.20 (f) The commissioner shall consider and may require a public utility to undertake an
173.21 energy conservation ~~program~~ or efficient fuel-switching program, subject to the requirements
173.22 of subdivisions 11 and 12, that is suggested by an outside source, including a political
173.23 subdivision, a nonprofit corporation, or community organization. In approving a proposal
173.24 under this paragraph, the commissioner must consider the qualifications and experience of
173.25 the entity proposing the program and any other criteria the commissioner deems relevant.

173.26 (g) A public utility, a political subdivision, or a nonprofit or community organization
173.27 that has suggested an energy conservation program, the attorney general acting on behalf
173.28 of consumers and small business interests, or a public utility customer that has suggested
173.29 an energy conservation program and is not represented by the attorney general under section
173.30 8.33 may petition the commission to modify or revoke a department decision under this
173.31 section, and the commission may do so if it determines that the energy conservation program
173.32 is not cost-effective, does not adequately address the residential conservation improvement
173.33 needs of low-income persons, has a long-range negative effect on one or more classes of
173.34 customers, or is otherwise not in the public interest. The commission shall reject a petition

174.1 that, on its face, fails to make a reasonable argument that an energy conservation program
174.2 is not in the public interest.

174.3 (h) The commissioner may order a public utility to include, with the filing of the public
174.4 utility's annual status report, the results of an independent audit of the public utility's
174.5 conservation improvement programs and expenditures performed by the department or an
174.6 auditor with experience in the provision of energy conservation and energy efficiency
174.7 services approved by the commissioner and chosen by the public utility. The audit must
174.8 specify the energy savings or increased efficiency in the use of energy within the service
174.9 territory of the public utility that is the result of the public utility's spending and investments.
174.10 The audit must evaluate the cost-effectiveness of the public utility's conservation programs.

174.11 (i) The energy conservation and optimization plan of each public utility subject to this
174.12 section must include activities to improve energy efficiency in public schools served by the
174.13 utility. As applicable to each public utility, at a minimum the activities must include programs
174.14 to increase the efficiency of the school's lighting and heating and cooling systems, and to
174.15 provide for building recommissioning, building operator training, and opportunities to
174.16 educate students, teachers, and staff regarding energy efficiency measures implemented at
174.17 the school.

174.18 (j) The commissioner may require investments or spending greater than the amounts
174.19 proposed in a plan filed under this subdivision or section 216C.17 for a public utility whose
174.20 most recent advanced forecast required under section 216B.2422 projects a peak demand
174.21 deficit of 100 megawatts or more within five years under midrange forecast assumptions.

174.22 (k) A public utility filing a conservation and optimization plan that includes an efficient
174.23 fuel-switching program ~~to achieve the utility's energy savings goal~~ must, as part of the filing,
174.24 demonstrate ~~by a comparison of greenhouse gas emissions between the fuels that the~~
174.25 requirements of subdivisions 11 or 12 are met, as applicable, ~~using a full fuel-cycle energy~~
174.26 ~~analysis.~~

174.27 Sec. 12. Minnesota Statutes 2022, section 216B.241, subdivision 11, is amended to read:

174.28 Subd. 11. **Programs for efficient fuel-switching improvements; electric utilities.** (a)
174.29 A public utility providing electric service at retail may include in the plan required under
174.30 subdivision 2 a proposed goal for efficient fuel-switching improvements that the utility
174.31 expects to achieve under the plan and the programs to implement efficient fuel-switching
174.32 improvements or combinations of energy conservation improvements, fuel-switching
174.33 improvements, and load management. For each program, the public utility must provide a

175.1 proposed budget, an analysis of the program's cost-effectiveness, and estimated net energy
175.2 and demand savings.

175.3 (b) The department may approve proposed programs for efficient fuel-switching
175.4 improvements if the department determines the improvements meet the requirements of
175.5 paragraph (d). ~~For fuel-switching improvements that require the deployment of electric~~
175.6 ~~technologies, the department must also consider whether the fuel-switching improvement~~
175.7 ~~can be operated in a manner that facilitates the integration of variable renewable energy~~
175.8 ~~into the electric system. The net benefits from an efficient fuel-switching improvement that~~
175.9 ~~is integrated with an energy efficiency program approved under this section may be counted~~
175.10 ~~toward the net benefits of the energy efficiency program, if the department determines the~~
175.11 ~~primary purpose and effect of the program is energy efficiency.~~

175.12 (c) A public utility may file a rate schedule with the commission that provides for annual
175.13 cost recovery of reasonable and prudent costs to implement and promote efficient
175.14 fuel-switching programs. The utility, department, or other entity may propose, and the
175.15 commission may not approve, modify, or reject, a proposal for a financial incentive to
175.16 encourage efficient fuel-switching programs operated by a public utility providing electric
175.17 service approved under this subdivision. When making a decision on the financial incentive
175.18 proposal, the commission must apply the considerations established in section 216B.16,
175.19 subdivision 6c, paragraphs (b) and (c).

175.20 (d) A fuel-switching improvement is deemed efficient if, applying the technical criteria
175.21 established under section 216B.241, subdivision 1d, paragraph (e), the improvement meets
175.22 the following criteria, relative to the fuel that is being displaced:

175.23 (1) results in a net reduction in the amount of source energy consumed for a particular
175.24 use, measured on a fuel-neutral basis, using (i) the utility's annual system average efficiency,
175.25 or (ii) if the utility elects, a seasonal, monthly, or more granular level of analysis for the
175.26 electric utility system over the measure's life;

175.27 (2) results in a net reduction of statewide greenhouse gas emissions as defined in section
175.28 216H.01, subdivision 2, over the lifetime of the improvement. For an efficient fuel-switching
175.29 improvement installed by an electric utility, the reduction in emissions must be measured
175.30 ~~based on the hourly emission profile of the electric utility, using the hourly emissions profile~~
175.31 ~~in the most recent resource plan approved by the commission under section 216B.2422~~
175.32 using (i) the utility's annual average emissions factor, or (ii) if the utility elects, a seasonal,
175.33 monthly or more granular level of analysis, for the electric utility system over the measure's
175.34 life; and

176.1 (3) is cost-effective, considering the costs and benefits from the perspective of the utility,
176.2 participants, and society; ~~and.~~

176.3 ~~(4) is installed and operated in a manner that improves the utility's system load factor.~~

176.4 (e) For purposes of this subdivision, "source energy" means the total amount of primary
176.5 energy required to deliver energy services, adjusted for losses in generation, transmission,
176.6 and distribution, and expressed on a fuel-neutral basis.

176.7 Sec. 13. Minnesota Statutes 2022, section 216B.241, subdivision 12, is amended to read:

176.8 Subd. 12. **Programs for efficient fuel-switching improvements; natural gas**
176.9 **utilities.** (a) As part of a public utility's plan filed under subdivision 2, a public utility that
176.10 provides natural gas service to Minnesota retail customers may propose one or more programs
176.11 to install electric technologies that reduce the consumption of natural gas by the utility's
176.12 retail customers as an energy conservation improvement. The commissioner may approve
176.13 a proposed program if the commissioner, applying the technical criteria developed under
176.14 section 216B.241, subdivision 1d, paragraph (e), determines that:

176.15 (1) the electric technology to be installed meets the criteria established under section
176.16 216B.241, subdivision 11, paragraph (d), clauses (1) and (2); and

176.17 (2) the program is cost-effective, considering the costs and benefits to ratepayers, the
176.18 utility, participants, and society.

176.19 (b) If a program is approved by the commission under this subdivision, the public utility
176.20 may count the program's energy savings toward its energy savings goal under section
176.21 216B.241, subdivision 1c. Notwithstanding section 216B.2402, subdivision 4, efficient
176.22 fuel-switching achieved through programs approved under this subdivision is energy
176.23 conservation.

176.24 (c) A public utility may file rate schedules with the commission that provide annual
176.25 cost-recovery for programs approved by the department under this subdivision, including
176.26 reasonable and prudent costs to implement and promote the programs.

176.27 (d) The commission may approve, modify, or reject a proposal made by the department
176.28 or a utility for an incentive plan to encourage efficient fuel-switching programs approved
176.29 under this subdivision, applying the considerations established under section 216B.16,
176.30 subdivision 6c, paragraphs (b) and (c). The commission may approve a financial incentive
176.31 mechanism that is calculated based on the combined energy savings and net benefits that
176.32 the commission has determined have been achieved by a program approved under this

177.1 subdivision, provided the commission determines that the financial incentive mechanism
177.2 is in the ratepayers' interest.

177.3 ~~(e) A public utility is not eligible for a financial incentive for an efficient fuel-switching~~
177.4 ~~program under this subdivision in any year in which the utility achieves energy savings~~
177.5 ~~below one percent of gross annual retail energy sales, excluding savings achieved through~~
177.6 ~~fuel-switching programs.~~

177.7 Sec. 14. Minnesota Statutes 2023 Supplement, section 216C.08, is amended to read:

177.8 **216C.08 JURISDICTION.**

177.9 (a) The commissioner has sole authority and responsibility for the administration of
177.10 sections 216C.05 to 216C.30 and 216C.375 to administer this chapter. Other laws
177.11 notwithstanding, the authority granted to the commissioner shall supersede under this section
177.12 supersedes the authority given any other agency whenever overlapping, duplication, or
177.13 additional administrative or legal procedures might occur in ~~the administration of sections~~
177.14 ~~216C.05 to 216C.30 and 216C.375~~ administering this chapter. The commissioner shall
177.15 consult with other state departments or agencies in matters related to energy and shall
177.16 contract with ~~them~~ the other state departments or agencies to provide appropriate services
177.17 to effectuate the purposes of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter. Any
177.18 other department, agency, or official of this state or political subdivision thereof which
177.19 would in any way affect the administration or enforcement of ~~sections 216C.05 to 216C.30~~
177.20 ~~and 216C.375~~ this chapter shall cooperate and coordinate all activities with the commissioner
177.21 to assure orderly and efficient administration and enforcement of ~~sections 216C.05 to~~
177.22 ~~216C.30 and 216C.375~~ this chapter.

177.23 (b) The commissioner shall designate a liaison officer whose duty shall be to insure the
177.24 maximum possible consistency in procedures and to eliminate duplication between the
177.25 commissioner and the other agencies that may be involved in energy.

177.26 Sec. 15. Minnesota Statutes 2023 Supplement, section 216C.09, is amended to read:

177.27 **216C.09 COMMISSIONER DUTIES.**

177.28 (a) The commissioner shall:

177.29 (1) manage the department as the central repository within the state government for the
177.30 collection of data on energy;

178.1 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the
178.2 event of an impending serious shortage of energy, or a threat to public health, safety, or
178.3 welfare;

178.4 (3) undertake a continuing assessment of trends in the consumption of all forms of energy
178.5 and analyze the social, economic, and environmental consequences of these trends;

178.6 (4) carry out energy ~~conservation~~ measures as specified by the legislature and recommend
178.7 to the governor and the legislature additional energy policies and conservation measures as
178.8 required to meet the objectives of ~~sections 216C.05 to 216C.30 and 216C.375~~ this chapter;

178.9 (5) collect and analyze data relating to present and future demands and resources for all
178.10 sources of energy;

178.11 (6) evaluate policies governing the establishment of rates and prices for energy as related
178.12 to energy conservation, and other goals and policies of ~~sections 216C.05 to 216C.30 and~~
178.13 ~~216C.375~~ this chapter, and make recommendations for changes in energy pricing policies
178.14 and rate schedules;

178.15 (7) study the impact and relationship of the state energy policies to international, national,
178.16 and regional energy policies;

178.17 (8) design and implement a state program for the conservation of energy; this program
178.18 shall include but not be limited to, general commercial, industrial, and residential, and
178.19 transportation areas; such program shall also provide for the evaluation of energy systems
178.20 as they relate to lighting, heating, refrigeration, air conditioning, building design and
178.21 operation, and appliance manufacturing and operation;

178.22 (9) inform and educate the public about the sources and uses of energy and the ways in
178.23 which persons can conserve energy;

178.24 (10) dispense funds made available for the purpose of research studies and projects of
178.25 professional and civic orientation, which are related to either energy conservation, resource
178.26 recovery, or the development of alternative energy technologies which conserve
178.27 nonrenewable energy resources while creating minimum environmental impact;

178.28 (11) charge other governmental departments and agencies involved in energy-related
178.29 activities with specific information gathering goals and require that those goals be met;

178.30 (12) design a comprehensive program for the development of indigenous energy
178.31 resources. The program shall include, but not be limited to, providing technical,
178.32 informational, educational, and financial services and materials to persons, businesses,
178.33 municipalities, and organizations involved in the development of solar, wind, hydropower,

179.1 peat, fiber fuels, biomass, and other alternative energy resources. The program shall be
179.2 evaluated by the alternative energy technical activity; and

179.3 (13) dispense loans, grants, or other financial aid from money received from litigation
179.4 or settlement of alleged violations of federal petroleum-pricing regulations made available
179.5 to the department for that purpose.

179.6 (b) Further, the commissioner may participate fully in hearings before the Public Utilities
179.7 Commission on matters pertaining to rate design, cost allocation, efficient resource utilization,
179.8 utility conservation investments, small power production, cogeneration, and other rate issues.
179.9 The commissioner shall support the policies stated in section 216C.05 and shall prepare
179.10 and defend testimony proposed to encourage energy conservation improvements as defined
179.11 in section 216B.241.

179.12 Sec. 16. Minnesota Statutes 2022, section 216C.10, is amended to read:

179.13 **216C.10 COMMISSIONER POWERS.**

179.14 (a) The commissioner may:

179.15 (1) adopt rules under chapter 14 as necessary to carry out the purposes of ~~sections~~
179.16 ~~216C.05 to 216C.30~~ this chapter;

179.17 (2) make all contracts under ~~sections 216C.05 to 216C.30~~ this chapter and do all things
179.18 necessary to cooperate with the United States government, and to qualify for, accept, and
179.19 disburse any grant intended for the administration of ~~sections 216C.05 to 216C.30~~ to
179.20 administer this chapter;

179.21 (3) provide on-site technical assistance to units of local government in order to enhance
179.22 local capabilities for dealing with energy problems;

179.23 (4) administer for the state, energy programs under federal law, regulations, or guidelines,
179.24 and coordinate the programs and activities with other state agencies, units of local
179.25 government, and educational institutions;

179.26 (5) develop a state energy investment plan with yearly energy conservation and alternative
179.27 energy development goals, investment targets, and marketing strategies;

179.28 (6) perform market analysis studies relating to conservation, alternative and renewable
179.29 energy resources, and energy recovery;

179.30 (7) assist with the preparation of proposals for innovative conservation, renewable,
179.31 alternative, or energy recovery projects;

180.1 (8) manage and disburse funds made available for the purpose of research studies or
180.2 demonstration projects related to energy conservation or other activities deemed appropriate
180.3 by the commissioner;

180.4 (9) intervene in certificate of need proceedings before the Public Utilities Commission;

180.5 (10) collect fees from recipients of loans, grants, or other financial aid from money
180.6 received from litigation or settlement of alleged violations of federal petroleum-pricing
180.7 regulations, which fees must be used to pay the department's costs in administering those
180.8 financial aids; and

180.9 (11) collect fees from proposers and operators of conservation and other energy-related
180.10 programs that are reviewed, evaluated, or approved by the department, other than proposers
180.11 that are political subdivisions or community or nonprofit organizations, to cover the
180.12 department's cost in making the reviewal, evaluation, or approval and in developing additional
180.13 programs for others to operate.

180.14 (b) Notwithstanding any other law, the commissioner is designated the state agent to
180.15 apply for, receive, and accept federal or other funds made available to the state for the
180.16 purposes of ~~sections 216C.05 to 216C.30~~ this chapter.

180.17 Sec. 17. Minnesota Statutes 2023 Supplement, section 216C.331, subdivision 1, is amended
180.18 to read:

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

180.21 (b) "Aggregated customer energy use data" means customer energy use data that is
180.22 combined into one collective data point per time interval. Aggregated customer energy use
180.23 data is data with any unique identifiers or other personal information removed that a
180.24 qualifying utility collects and aggregates in at least monthly intervals for an entire building
180.25 on a covered property.

180.26 (c) "Benchmark" means to electronically input into a benchmarking tool ~~the total~~ whole
180.27 building energy use data and other descriptive information about a building that is required
180.28 by a benchmarking tool.

180.29 (d) "Benchmarking information" means data related to a building's energy use generated
180.30 by a benchmarking tool, and other information about the building's physical and operational
180.31 characteristics. Benchmarking information includes but is not limited to the building's:

180.32 (1) address;

181.1 (2) owner and, if applicable, the building manager responsible for operating the building's
181.2 physical systems;

181.3 (3) total floor area, expressed in square feet;

181.4 (4) energy use intensity;

181.5 (5) greenhouse gas emissions; and

181.6 (6) energy performance score comparing the building's energy use with that of similar
181.7 buildings.

181.8 (e) "Benchmarking tool" means the United States Environmental Protection Agency's
181.9 Energy Star Portfolio Manager tool or an equivalent tool determined by the commissioner.

181.10 (f) "Covered property" means any property that is served by an investor-owned utility
181.11 in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city
181.12 outside the metropolitan area with a population of over 50,000 residents, as determined by
181.13 the Minnesota State Demographic Center, served by a municipal energy utility or
181.14 investor-owned utility, and that has one or more buildings containing in sum 50,000 gross
181.15 square feet or greater. Covered property does not include:

181.16 (1) a residential property containing fewer than five dwelling units;

181.17 (2) a property that is: (i) classified as manufacturing under the North American Industrial
181.18 Classification System; (ii) an energy-intensive trade-exposed customer, as defined in section
181.19 216B.1696; (iii) an electric power generation facility; (iv) a mining facility; or (v) an
181.20 industrial building otherwise incompatible with benchmarking in the benchmarking tool,
181.21 as determined by the commissioner;

181.22 (3) an agricultural building;

181.23 (4) a multitenant building that is served by a utility that ~~cannot supply~~ is not supplying
181.24 aggregated customer usage data under subdivision 8 or is not using a customer usage data
181.25 aggregation program to supply aggregated customer usage data to the benchmarking tool;

181.26 or

181.27 (5) other property types that do not meet the purposes of this section, as determined by
181.28 the commissioner.

181.29 (g) "Customer energy use data" means data collected from utility customer meters that
181.30 reflect the quantity, quality, or timing of customers' energy use.

181.31 (h) "Energy" means electricity, natural gas, steam, or another product used to: (1) provide
181.32 heating, cooling, lighting, or water heating; or (2) power other end uses in a building.

182.1 (i) "Energy performance score" means a numerical value from one to 100 that the Energy
182.2 Star Portfolio Manager tool calculates to rate a building's energy efficiency against that of
182.3 comparable buildings nationwide.

182.4 (j) "Energy Star Portfolio Manager" means an interactive resource management tool
182.5 developed by the United States Environmental Protection Agency that (1) enables the
182.6 periodic entry of a building's energy use data and other descriptive information about a
182.7 building, and (2) rates a building's energy efficiency against that of comparable buildings
182.8 nationwide.

182.9 (k) "Energy use intensity" means the total annual energy consumed in a building divided
182.10 by the building's total floor area.

182.11 (l) "Financial distress" means a covered property that, at the time benchmarking is
182.12 conducted:

182.13 (1) is the subject of a qualified tax lien sale or public auction due to property tax
182.14 arrearages;

182.15 (2) is controlled by a court-appointed receiver based on financial distress;

182.16 (3) is owned by a financial institution through default by the borrower;

182.17 (4) has been acquired by deed in lieu of foreclosure; or

182.18 (5) has a senior mortgage that is subject to a notice of default.

182.19 (m) "Local government" means a statutory or home rule municipality or county.

182.20 (n) "Owner" means:

182.21 (1) an individual or entity that possesses title to a covered property; or

182.22 (2) an agent authorized to act on behalf of the covered property owner.

182.23 (o) "Qualifying utility" means ~~a utility serving the covered property, including:~~

182.24 (1) an electric or gas utility, including:

182.25 (i) an investor-owned electric or gas utility serving customers in Anoka, Carver, Dakota,
182.26 Hennepin, Ramsey, Scott, or Washington County, or in any city outside the metropolitan
182.27 area with a population of over 50,000 residents, as determined by the Minnesota State
182.28 Demographic Center, and serving properties with one or more buildings containing in sum
182.29 50,000 gross square feet or greater; or

182.30 (ii) a municipally owned electric or gas utility serving customers in any city with a
182.31 population of over 50,000 residents, as determined by the Minnesota State Demographic

183.1 Center, and serving properties with one or more buildings containing in sum 50,000 gross
183.2 square feet or greater;

183.3 (2) a natural gas supplier with five or more active commercial connections, accounts,
183.4 or customers in the state and serving customers in Anoka, Carver, Dakota, Hennepin,
183.5 Ramsey, Scott, or Washington County, or in any city outside the metropolitan area with a
183.6 population of over 50,000 residents, as determined by the Minnesota State Demographic
183.7 Center, and serving properties with one or more buildings containing in sum 50,000 gross
183.8 square feet or greater; or

183.9 (3) a district steam, hot water, or chilled water provider serving customers in Anoka,
183.10 Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County, or in any city outside
183.11 the metropolitan area with a population of over 50,000 residents, as determined by the
183.12 Minnesota State Demographic Center, and serving properties with one or more buildings
183.13 containing in sum 50,000 gross square feet or greater.

183.14 (p) "Tenant" means a person that occupies or holds possession of a building or part of
183.15 a building or premises pursuant to a lease agreement.

183.16 (q) "Total floor area" means the sum of gross square footage inside a building's envelope,
183.17 measured between the outside exterior walls of the building. Total floor area includes covered
183.18 parking structures.

183.19 (r) "Utility customer" means the building owner or tenant listed on the utility's records
183.20 as the customer liable for payment of the utility service or additional charges assessed on
183.21 the utility account.

183.22 (s) "Whole building energy use data" means all energy consumed in a building, whether
183.23 purchased from a third party or generated at the building site or from any other source.

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

183.25 Sec. 18. Minnesota Statutes 2022, section 216C.435, subdivision 3a, is amended to read:

183.26 Subd. 3a. ~~Cost-effective Energy improvements.~~ "Cost-effective Energy improvements"
183.27 means:

183.28 (1) any new construction, renovation, or retrofitting of qualifying commercial real
183.29 property to improve energy efficiency that: (i) is permanently affixed to the property; and
183.30 (ii) results in a net reduction in energy consumption without altering the principal source
183.31 of energy, and has been identified or greenhouse gas emissions, as documented in an energy

184.1 ~~audit as repaying the purchase and installation costs in 20 years or less~~, based on the amount
184.2 of future energy saved ~~and estimated future energy prices~~ or emissions avoided;

184.3 (2) any renovation or retrofitting of qualifying residential real property that is permanently
184.4 affixed to the property and is eligible to receive an incentive through a program offered by
184.5 the electric or natural gas utility that provides service under section 216B.241 to the property
184.6 or is otherwise determined to be ~~a cost-effective~~ an eligible energy improvement by the
184.7 commissioner under section 216B.241, subdivision 1d, paragraph (a);

184.8 (3) permanent installation of new or upgraded electrical circuits and related equipment
184.9 to enable electrical vehicle charging; or

184.10 (4) a solar voltaic or solar thermal energy system attached to, installed within, or
184.11 proximate to a building that generates electrical or thermal energy from a renewable energy
184.12 source that has been ~~identified~~ documented in an energy audit or renewable energy system
184.13 feasibility study ~~as repaying their purchase and installation costs in 20 years or less, based~~
184.14 ~~on the amount of future energy saved and estimated future energy prices~~, along with the
184.15 estimated amount of related renewable energy production.

184.16 Sec. 19. Minnesota Statutes 2022, section 216C.435, subdivision 3b, is amended to read:

184.17 Subd. 3b. **Commercial PACE loan contractor.** "Commercial PACE loan contractor"
184.18 means a person or entity that installs ~~cost-effective energy~~ eligible improvements financed
184.19 under a commercial PACE loan program.

184.20 Sec. 20. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
184.21 to read:

184.22 Subd. 3e. **Eligible improvement.** "Eligible improvement" means one or more energy
184.23 improvements, resiliency improvements, or water improvements made to qualifying real
184.24 property.

184.25 Sec. 21. Minnesota Statutes 2022, section 216C.435, subdivision 4, is amended to read:

184.26 Subd. 4. **Energy audit.** "Energy audit" means a formal evaluation of the energy
184.27 consumption of a building by a certified energy auditor, whose certification is approved by
184.28 the commissioner, for the purpose of identifying appropriate energy improvements that
184.29 could be made to the building and including an estimate of the ~~length of time a specific~~
184.30 ~~energy improvement will take to repay its purchase and installation costs, based on the~~
184.31 ~~amount of energy saved and estimated future energy prices~~ effective useful life, the reduction

185.1 of energy consumption, and the related avoided greenhouse gas emissions resulting from
185.2 the proposed eligible improvements.

185.3 Sec. 22. Minnesota Statutes 2023 Supplement, section 216C.435, subdivision 8, is amended
185.4 to read:

185.5 Subd. 8. **Qualifying commercial real property.** "Qualifying commercial real property"
185.6 means a multifamily residential dwelling, a commercial or industrial building, or farmland,
185.7 as defined in section 216C.436, subdivision 1b, that the implementing entity has determined,
185.8 after review of an energy audit, renewable energy system feasibility study, water
185.9 improvement study, resiliency improvement study, or agronomic assessment, as defined in
185.10 section 216C.436, subdivision 1b, can benefit from ~~the installation of cost-effective energy~~
185.11 installing eligible improvements or land and water improvements, as defined in section
185.12 216C.436, subdivision 1b. Qualifying commercial real property includes new construction.

185.13 Sec. 23. Minnesota Statutes 2022, section 216C.435, subdivision 10, is amended to read:

185.14 Subd. 10. **Renewable energy system feasibility study.** "Renewable energy system
185.15 feasibility study" means a written study, conducted by a contractor trained to perform that
185.16 analysis, for the purpose of determining the feasibility of installing a renewable energy
185.17 system in a building, including an estimate of the ~~length of time a specific~~ effective useful
185.18 life, the production of renewable energy, and any related avoided greenhouse gas emissions
185.19 of the proposed renewable energy system will take to repay its purchase and installation
185.20 costs, based on the amount of energy saved and estimated future energy prices. For a
185.21 geothermal energy improvement, the feasibility study must calculate net savings in terms
185.22 of nongeothermal energy and costs.

185.23 Sec. 24. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
185.24 to read:

185.25 Subd. 11a. **Resiliency improvement.** "Resiliency improvement" means one or more
185.26 installations or modifications to eligible commercial real property that are designed to
185.27 improve a property's resiliency by improving the eligible real property's:

185.28 (1) structural integrity for seismic events;

185.29 (2) indoor air quality;

185.30 (3) durability to resist wind, fire, and flooding;

185.31 (4) ability to withstand an electric power outage;

- 186.1 (5) stormwater control measures, including structural and nonstructural measures to
186.2 mitigate stormwater runoff;
- 186.3 (6) ability to mitigate the impacts of extreme temperatures; or
- 186.4 (7) ability to mitigate greenhouse gas embodied emissions from the eligible real property.

186.5 Sec. 25. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
186.6 to read:

186.7 Subd. 11b. **Resiliency improvement feasibility study.** "Resiliency improvement
186.8 feasibility study" means a written study that is conducted by a contractor trained to perform
186.9 the analysis to:

- 186.10 (1) determine the feasibility of installing a resiliency improvement;
- 186.11 (2) document the improved resiliency capabilities of the property; and
- 186.12 (3) estimate the effective useful life of the proposed resiliency improvements.

186.13 Sec. 26. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
186.14 to read:

186.15 Subd. 14. **Water improvement.** "Water improvement" means one or more installations
186.16 or modifications to qualifying commercial real property that are designed to improve water
186.17 efficiency or water quality by:

- 186.18 (1) reducing water consumption;
- 186.19 (2) improving the quality, potability, or safety of water for the qualifying property; or
- 186.20 (3) conserving or remediating water, in whole or in part, on qualifying real property.

186.21 Sec. 27. Minnesota Statutes 2022, section 216C.435, is amended by adding a subdivision
186.22 to read:

186.23 Subd. 15. **Water improvement feasibility study.** "Water improvement feasibility study"
186.24 means a written study that is conducted by a contractor trained to perform the analysis to:

- 186.25 (1) determine the appropriate water improvements that could be made to the building;
186.26 and
- 186.27 (2) estimate the effective useful life, the reduction of water consumption, and any
186.28 improvement in water quality resulting from the proposed water improvements.

187.1 Sec. 28. Minnesota Statutes 2022, section 216C.436, subdivision 1, is amended to read:

187.2 Subdivision 1. **Program purpose and authority.** An implementing entity may establish
187.3 a commercial PACE loan program to finance ~~cost-effective~~ energy, water, and resiliency
187.4 improvements to enable owners of qualifying commercial real property to pay for ~~the~~
187.5 ~~cost-effective energy~~ eligible improvements to the qualifying real property with the net
187.6 proceeds and interest earnings of revenue bonds authorized in this section. An implementing
187.7 entity may limit the number of qualifying commercial real properties for which a property
187.8 owner may receive program financing.

187.9 Sec. 29. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 1b, is
187.10 amended to read:

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

187.13 (b) "Agronomic assessment" means a study by an independent third party that assesses
187.14 the environmental impacts of proposed land and water improvements on farmland.

187.15 (c) "Farmland" means land classified as 2a, 2b, or 2c for property tax purposes under
187.16 section 273.13, subdivision 23.

187.17 (d) "Land and water improvement" means:

187.18 (1) an improvement to farmland that:

187.19 (i) is permanent;

187.20 (ii) results in improved agricultural profitability or resiliency;

187.21 (iii) reduces the environmental impact of agricultural production; and

187.22 (iv) if the improvement affects drainage, complies with the most recent versions of the
187.23 applicable following conservation practice standards issued by the United States Department
187.24 of Agriculture's Natural Resources Conservation Service: Drainage Water Management
187.25 (Code 554), Saturated Buffer (Code 604), Denitrifying Bioreactor (Code 605), and
187.26 Constructed Wetland (Code 656); or

187.27 (2) water conservation and quality measures, which include permanently affixed
187.28 equipment, appliances, or improvements that reduce a property's water consumption or that
187.29 enable water to be managed more efficiently.

187.30 (e) "Resiliency" means:

188.1 (1) the ability of farmland to maintain and enhance profitability, soil health, and water
188.2 quality;

188.3 (2) the ability to mitigate greenhouse gas embodied emissions from an eligible real
188.4 property; or

188.5 (3) an increase in building resilience through flood mitigation, stormwater management,
188.6 wildfire and wind resistance, energy storage use, or microgrid use.

188.7 Sec. 30. Minnesota Statutes 2023 Supplement, section 216C.436, subdivision 2, is amended
188.8 to read:

188.9 Subd. 2. **Program requirements.** A commercial PACE loan program must:

188.10 (1) impose requirements and conditions on financing arrangements to ensure timely
188.11 repayment;

188.12 (2) require an energy audit, renewable energy system feasibility study, resiliency
188.13 improvement study, water improvement study, or agronomic or soil health assessment to
188.14 be conducted on the qualifying commercial real property and reviewed by the implementing
188.15 entity prior to approval of the financing;

188.16 (3) require the inspection or verification of all ~~installations and a performance verification~~
188.17 ~~of at least ten percent of the cost-effective energy eligible~~ improvements or land and water
188.18 improvements financed by the program;

188.19 (4) not prohibit the financing of all ~~cost-effective energy eligible~~ improvements or land
188.20 and water improvements not otherwise prohibited by this section;

188.21 (5) require that all ~~cost-effective energy eligible~~ improvements or land and water
188.22 improvements be made to a qualifying commercial real property prior to, or in conjunction
188.23 with, an applicant's repayment of financing for ~~cost-effective energy eligible~~ improvements
188.24 or land and water improvements for ~~that~~ the qualifying commercial real property;

188.25 (6) have ~~cost-effective energy eligible~~ improvements or land and water improvements
188.26 financed by the program performed by a licensed contractor as required by chapter 326B
188.27 or other law or ordinance;

188.28 (7) require disclosures in the loan document to borrowers by the implementing entity
188.29 of: (i) the risks involved in borrowing, including the risk of foreclosure if a tax delinquency
188.30 results from a default; and (ii) all the terms and conditions of the commercial PACE loan
188.31 and the installation of ~~cost-effective energy eligible~~ improvements or land and water
188.32 improvements, including the interest rate being charged on the loan;

189.1 (8) provide financing only to those who demonstrate an ability to repay;

189.2 (9) not provide financing for a qualifying commercial real property in which the owner
189.3 is not current on mortgage or real property tax payments;

189.4 (10) require a petition to the implementing entity by all owners of the qualifying
189.5 commercial real property requesting collections of repayments as a special assessment under
189.6 section 429.101;

189.7 (11) provide that payments and assessments are not accelerated due to a default and that
189.8 a tax delinquency exists only for assessments not paid when due;

189.9 (12) require that liability for special assessments related to the financing runs with the
189.10 qualifying commercial real property; and

189.11 (13) prior to financing any improvements to or imposing any assessment upon qualifying
189.12 commercial real property, require notice to and written consent from the mortgage lender
189.13 of any mortgage encumbering or otherwise secured by the qualifying commercial real
189.14 property.

189.15 Sec. 31. Minnesota Statutes 2022, section 216C.436, subdivision 4, is amended to read:

189.16 Subd. 4. **Financing terms.** Financing provided under this section must have:

189.17 (1) a cost-weighted average maturity not exceeding the useful life of the energy eligible
189.18 improvements installed, as determined by the implementing entity, but in no event may a
189.19 term exceed ~~20~~ 30 years;

189.20 (2) a principal amount not to exceed the lesser of:

189.21 (i) the greater of ~~20~~ 30 percent of the assessed value of the real property on which the
189.22 improvements are to be installed or ~~20~~ 30 percent of the real property's appraised value,
189.23 accepted or approved by the mortgage lender; or

189.24 (ii) the actual cost of installing the energy eligible improvements, including the costs of
189.25 necessary equipment, materials, and labor; ~~the costs of each related energy audit or,~~
189.26 renewable energy system feasibility study, water improvement study, or resiliency
189.27 improvement study; and the cost of verification of installation; and

189.28 (3) an interest rate sufficient to pay the financing costs of the program, including the
189.29 issuance of bonds and any financing delinquencies.

190.1 Sec. 32. Minnesota Statutes 2022, section 216C.436, subdivision 7, is amended to read:

190.2 Subd. 7. **Repayment.** An implementing entity that finances an ~~energy~~ eligible
190.3 improvement under this section must:

190.4 (1) secure payment with a lien against the qualifying commercial real property; and

190.5 (2) collect repayments as a special assessment as provided for in section 429.101 or by
190.6 charter, provided that special assessments may be made payable in up to ~~20~~ 30 equal annual
190.7 installments.

190.8 If the implementing entity is an authority, the local government that authorized the
190.9 authority to act as implementing entity shall impose and collect special assessments necessary
190.10 to pay debt service on bonds issued by the implementing entity under subdivision 8, and
190.11 shall transfer all collections of the assessments upon receipt to the authority.

190.12 Sec. 33. Minnesota Statutes 2022, section 216C.436, subdivision 8, is amended to read:

190.13 Subd. 8. **Bond issuance; repayment.** (a) An implementing entity may issue revenue
190.14 bonds as provided in chapter 475 for the purposes of this section and section 216C.437,
190.15 provided the revenue bond must not be payable more than ~~20~~ 30 years from the date of
190.16 issuance.

190.17 (b) The bonds must be payable as to both principal and interest solely from the revenues
190.18 from the assessments established in subdivision 7 and section 216C.437, subdivision 28.

190.19 (c) No holder of bonds issued under this subdivision may compel any exercise of the
190.20 taxing power of the implementing entity that issued the bonds to pay principal or interest
190.21 on the bonds, and if the implementing entity is an authority, no holder of the bonds may
190.22 compel any exercise of the taxing power of the local government. Bonds issued under this
190.23 subdivision are not a debt or obligation of the issuer or any local government that issued
190.24 them, nor is the payment of the bonds enforceable out of any money other than the revenue
190.25 pledged to the payment of the bonds.

190.26 Sec. 34. Minnesota Statutes 2022, section 216C.436, subdivision 10, is amended to read:

190.27 Subd. 10. **Improvements; real property or fixture.** ~~A cost-effective energy~~ An eligible
190.28 improvement financed under a PACE loan program, including all equipment purchased in
190.29 whole or in part with loan proceeds under a loan program, is deemed real property or a
190.30 fixture attached to the real property.

191.1 **Sec. 35. DECOMMISSIONING AND REPURPOSING PLAN.**

191.2 A public utility that owns an electric generation facility powered by coal that the public
191.3 utility has scheduled for retirement must include, in the public utility's next integrated
191.4 resource plan filed under Minnesota Statutes, section 216B.2422, subdivision 2, a schedule
191.5 for the retirement and a plan for the repurposing of each coal-powered facility. The public
191.6 utility must provide a copy of the plan and schedule to the governing body of the municipality
191.7 where the electric generation facility is located on the same date the plan is submitted to
191.8 the Public Utilities Commission. If a resource plan is not filed or required before February
191.9 1, 2026, the plan and schedule must be submitted to the Public Utilities Commission as a
191.10 separate filing and to the municipality by February 1, 2026.

191.11 **ARTICLE 15**

191.12 **ENVIRONMENTAL REVIEW AND PERMITTING**

191.13 **Section 1. [84.0265] ENVIRONMENTAL REVIEW AND PERMITTING;**
191.14 **COORDINATED PROJECT PLANS.**

191.15 Subdivision 1. **Definitions.** In this section, the following terms have the meanings given:

191.16 (1) "commissioner" means the commissioner of natural resources;

191.17 (2) "coordinated project plan" or "plan" means a plan to ensure that any required
191.18 environmental review and associated required state agency actions are completed efficiently
191.19 by coordinating and establishing deadlines for all necessary state agency actions;

191.20 (3) "eligible project" means a project that requires the commissioner to prepare an
191.21 environmental assessment worksheet or an environmental impact statement under chapter
191.22 116D and associated permits, unless the project is sponsored by the Department of Natural
191.23 Resources; and

191.24 (4) "state agency" means the department or any other office, board, commission, authority,
191.25 department, or other agency of the executive branch of state government.

191.26 Subd. 2. **State policy.** It is the goal of the state to maximize the coordination,
191.27 effectiveness, transparency, and accountability of environmental review, associated
191.28 environmental permitting, and other regulatory actions for facilities in Minnesota.

191.29 Subd. 3. **Early communication; identifying issues.** To the extent practicable, the
191.30 commissioner must establish and provide an expeditious process for a person that requests
191.31 to confer with the department and other state agencies about an eligible project. The
191.32 department must provide information about any identified challenging issues regarding the

192.1 potential environmental impacts related to an eligible project, including any issues that
192.2 could substantially delay a state agency from completing agency decisions; and issues that
192.3 must be addressed before an environmental assessment worksheet, environmental impact
192.4 statement, final scoping decision, permit action, or other required action by a state agency
192.5 can be started.

192.6 Subd. 4. **Plan preparation; participating agencies.** (a) A person who submits an
192.7 application for an eligible project to the commissioner may request that the commissioner
192.8 prepare a coordinated project plan to complete any required environmental review and
192.9 associated agency actions for the eligible project.

192.10 (b) Within 60 days of receiving a request under paragraph (a), the commissioner must
192.11 prepare a coordinated project plan in consultation with the requestor and other state agencies
192.12 identified under paragraph (c). If an eligible project requires or otherwise includes the
192.13 preparation of an environmental impact statement, the commissioner is required to prepare
192.14 a coordinated project plan that first covers the period through a final scoping decision.
192.15 Within 60 days of completion of the final scoping decision, the commissioner must update
192.16 the coordinated project plan to include the remainder of the environmental review process
192.17 as well as applicable state permits and other state regulatory decisions. The coordinated
192.18 project plan is subject to modification in accordance with subdivision 7.

192.19 (c) Any state agency that must make permitting or other regulatory decisions over the
192.20 eligible project must participate in developing a coordinated project plan.

192.21 (d) If an eligible project requires environmental review and the Department of Natural
192.22 Resources is the responsible governmental unit, then the Department of Natural Resources
192.23 is the lead agency responsible for preparation of a coordinated project plan under this section.
192.24 If an eligible project requires environmental review and the Pollution Control Agency is
192.25 the responsible governmental unit, then the Pollution Control Agency is the lead agency
192.26 responsible for preparation of a coordinated project under section 116.035.

192.27 Subd. 5. **Plan contents; synchronization; updates.** (a) A coordinated project plan must
192.28 include:

192.29 (1) a list of all state agencies known to have environmental review, permitting, or other
192.30 regulatory authority over the eligible project and an explanation of each agency's specific
192.31 role and responsibilities for actions under the coordinated project plan;

192.32 (2) a schedule for any formal public meetings; and

193.1 (3) a comprehensive schedule of deadlines by which all environmental reviews, permits,
193.2 and other state agency actions must be completed. The deadlines established under this
193.3 clause must include intermediate and final completion deadlines for actions by each state
193.4 agency and must be consistent with subdivision 6, subject to modification in accordance
193.5 with subdivision 7.

193.6 (b) The commissioner must update a coordinated project plan quarterly.

193.7 Subd. 6. **Required deadlines.** (a) Deadlines established in a coordinated project plan
193.8 must comply with this subdivision, unless an alternative time period is agreed upon by the
193.9 commissioner and proposer.

193.10 (b) When an environmental assessment worksheet is prepared for an eligible project for
193.11 which an environmental impact statement is not mandatory under Minnesota Rules, chapter
193.12 4410, the decision on the need for an environmental impact statement must be made as
193.13 expeditiously as possible but no later than 18 months after the environmental assessment
193.14 worksheet is deemed complete by the commissioner.

193.15 (c) When an environmental impact statement is prepared for an eligible project, the
193.16 decision on the adequacy of the final environmental impact statement must be made as
193.17 expeditiously as possible but no later than four years after the data submitted for the
193.18 environmental assessment worksheet is deemed complete.

193.19 (d) If the commissioner includes plan deadlines that are inconsistent with paragraphs
193.20 (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the
193.21 chairs and ranking minority members of the legislative committees and divisions with
193.22 jurisdiction over natural resources policy to explain how deadlines were established and
193.23 why the deadlines under paragraphs (b) and (c) are not attainable.

193.24 Subd. 7. **Deadline compliance; modification.** (a) A state agency that participates in the
193.25 commissioner's development of a coordinated project plan must comply with deadlines
193.26 established in the plan. If a participating state agency fails to meet a deadline established
193.27 in the coordinated project plan or anticipates failing to meet a deadline, the state agency
193.28 must immediately notify the commissioner to explain the reason for the failure or anticipated
193.29 failure and to propose a date for a modified deadline.

193.30 (b) The commissioner may modify a deadline established in the coordinated project plan
193.31 if the project proposer fails to meet a deadline established in the coordinated project plan
193.32 or provides inadequate information to meet that deadline; or if:

194.1 (1) the commissioner provides the person that requested the plan with a written
194.2 justification for the modification; and

194.3 (2) the commissioner and the state agency, after consultation with the person that
194.4 requested the plan, mutually agree on a different deadline.

194.5 (c) If the combined modifications to one or more deadlines established in a coordinated
194.6 project plan extend the initially anticipated final decision date for an eligible project
194.7 application by more than 20 percent, the commissioner must report to the chairs and ranking
194.8 minority members of the legislative committees and divisions with jurisdiction over natural
194.9 resources policy within 30 days to explain the reason the modifications are necessary. The
194.10 commissioner must also notify the chairs and ranking minority members within 30 days of
194.11 any subsequent extensions to the final decision date. The notification must include the reason
194.12 for the extension and the history of any prior extensions. For purposes of calculating the
194.13 percentage of time that modifications have extended the anticipated final decision date,
194.14 modifications made necessary by reasons wholly outside the control of state agencies must
194.15 not be considered.

194.16 Subd. 8. **Annual report.** As part of the annual permitting efficiency report required
194.17 under section 84.027, the commissioner must report on progress toward required actions
194.18 described in this section.

194.19 Subd. 9. **Relation to other law.** Nothing in this section is to be construed to require an
194.20 act that conflicts with applicable state or federal law. Nothing in this section affects the
194.21 specific statutory obligations of a state agency to comply with criteria or standards of
194.22 environmental quality.

194.23 Sec. 2. **[116.035] ENVIRONMENTAL REVIEW AND PERMITTING;**
194.24 **COORDINATED PROJECT PLANS.**

194.25 Subdivision 1. **Definitions.** In this section, the following terms have the meanings given:

194.26 (1) "commissioner" means the commissioner of the Pollution Control Agency;

194.27 (2) "coordinated project plan" or "plan" means a plan to ensure that any required
194.28 environmental review and associated required state agency actions are completed efficiently
194.29 by coordinating and establishing deadlines for all necessary state agency actions;

194.30 (3) "eligible project" means a project that requires the commissioner to prepare an
194.31 environmental assessment worksheet or an environmental impact statement under chapter
194.32 116D and associated permits; and

195.1 (4) "state agency" means the agency or any other office, board, commission, authority,
195.2 department, or other agency of the executive branch of state government.

195.3 Subd. 2. **State policy.** It is the goal of the state to maximize the coordination,
195.4 effectiveness, transparency, and accountability of environmental review, associated
195.5 environmental permitting, and other regulatory actions for facilities in Minnesota.

195.6 Subd. 3. **Early communication; identifying issues.** To the extent practicable, the
195.7 commissioner must establish and provide an expeditious process for a person that requests
195.8 to confer with the agency and other state agencies about an eligible project. The agency
195.9 must provide information about any identified challenging issues regarding the potential
195.10 environmental impacts related to an eligible project, including any issues that could
195.11 substantially delay a state agency from completing agency decisions and issues that must
195.12 be addressed before an environmental assessment worksheet, environmental impact statement,
195.13 final scoping decision, permit action, or other required action by a state agency can be
195.14 started.

195.15 Subd. 4. **Plan preparation; participating agencies.** (a) A person who submits an
195.16 application for an eligible project to the commissioner may request that the commissioner
195.17 prepare a coordinated project plan to complete any required environmental review and
195.18 associated agency actions for the eligible project.

195.19 (b) Within 60 days of receiving a request under paragraph (a), the commissioner must
195.20 prepare a coordinated project plan in consultation with the requestor and other state agencies
195.21 identified under paragraph (c). If an eligible project requires or otherwise includes the
195.22 preparation of an environmental impact statement, the commissioner is required to prepare
195.23 a coordinated project plan that first covers the period through a final scoping decision.
195.24 Within 60 days of completion of the final scoping decision, the commissioner must update
195.25 the coordinated project plan to include the remainder of the environmental review process
195.26 as well as applicable state permits and other state regulatory decisions. The coordinated
195.27 project plan is subject to modification in accordance with subdivision 7.

195.28 (c) Any state agency that must make permitting or other regulatory decisions over the
195.29 eligible project must participate in developing a coordinated project plan.

195.30 (d) If an eligible project requires environmental review and the Department of Natural
195.31 Resources is the responsible governmental unit, then the Department of Natural Resources
195.32 is the lead agency responsible for preparation of a coordinated project plan under section
195.33 84.0265. If an eligible project requires environmental review and the Pollution Control

196.1 Agency is the responsible governmental unit, then the Pollution Control Agency is the lead
196.2 agency responsible for preparation of a coordinated project under this section.

196.3 Subd. 5. **Plan contents; synchronization; updates.** (a) A coordinated project plan must
196.4 include:

196.5 (1) a list of all state agencies known to have environmental review, permitting, or other
196.6 regulatory authority over the eligible project and an explanation of each agency's specific
196.7 role and responsibilities for actions under the coordinated project plan;

196.8 (2) a schedule for any formal public meetings; and

196.9 (3) a comprehensive schedule of deadlines by which all environmental reviews, permits,
196.10 and other state agency actions must be completed. The deadlines established under this
196.11 clause must include intermediate and final completion deadlines for actions by each state
196.12 agency and must be consistent with subdivision 6, subject to modification in accordance
196.13 with subdivision 7.

196.14 (b) The commissioner must update a coordinated project plan quarterly.

196.15 Subd. 6. **Required deadlines.** (a) Deadlines established in a coordinated project plan
196.16 must comply with this subdivision unless an alternative time period is agreed upon by the
196.17 commissioner and proposer.

196.18 (b) When an environmental assessment worksheet is prepared for an eligible project for
196.19 which an environmental impact statement is not mandatory under Minnesota Rules, chapter
196.20 4410, the decision on the need for an environmental impact statement must be made as
196.21 expeditiously as possible but no later than 18 months after the environmental assessment
196.22 worksheet is deemed complete by the commissioner.

196.23 (c) When an environmental impact statement is prepared for an eligible project, the
196.24 decision on the adequacy of the final environmental impact statement must be made as
196.25 expeditiously as possible but no later than four years after the submitted data for the
196.26 environmental assessment worksheet is deemed complete.

196.27 (d) If the commissioner includes plan deadlines that are inconsistent with paragraphs
196.28 (b) and (c), then within 30 days of finalizing the plan, the commissioner must report to the
196.29 chairs and ranking minority members of the legislative committees and divisions with
196.30 jurisdiction over natural resources policy to explain how deadlines were established and
196.31 why the deadlines under paragraphs (b) and (c) are not attainable.

196.32 Subd. 7. **Deadline compliance; modification.** (a) A state agency that participates in the
196.33 commissioner's development of a coordinated project plan must comply with deadlines

197.1 established in the plan. If a participating state agency fails to meet a deadline established
197.2 in the coordinated project plan or anticipates failing to meet a deadline, the state agency
197.3 must immediately notify the commissioner to explain the reason for the failure or anticipated
197.4 failure and to propose a date for a modified deadline.

197.5 (b) The commissioner may modify a deadline established in the coordinated project plan
197.6 if the project proposer fails to meet a deadline established in the coordinated project plan
197.7 or provides inadequate information to meet that deadline; or if:

197.8 (1) the commissioner provides the person that requested the plan with a written
197.9 justification for the modification; and

197.10 (2) the commissioner and the state agency, after consultation with the person that
197.11 requested the plan, mutually agree on a different deadline.

197.12 (c) If the combined modifications to one or more deadlines established in a coordinated
197.13 project plan extend the initially anticipated final decision date for an eligible project
197.14 application by more than 20 percent, the commissioner must report to the chairs and ranking
197.15 minority members of the legislative committees and divisions with jurisdiction over natural
197.16 resources policy within 30 days to explain the reason the modifications are necessary. The
197.17 commissioner must also notify the chairs and ranking minority members within 30 days of
197.18 any subsequent extensions to the final decision date. The notification must include the reason
197.19 for the extension and the history of any prior extensions. For purposes of calculating the
197.20 percentage of time that modifications have extended the anticipated final decision date,
197.21 modifications made necessary by reasons wholly outside the control of state agencies must
197.22 not be considered.

197.23 Subd. 8. **Annual report.** As part of the annual permitting efficiency report required
197.24 under section 116.03, the commissioner must report on progress toward required actions
197.25 described in this section.

197.26 Subd. 9. **Relation to other law.** Nothing in this section is to be construed to require an
197.27 act that conflicts with applicable state or federal law. Nothing in this section affects the
197.28 specific statutory obligations of a state agency to comply with criteria or standards of
197.29 environmental quality.

3.7371 COMPENSATION FOR CROP OR FENCE DAMAGE CAUSED BY ELK.

Subd. 7. **Rules.** The commissioner shall adopt rules and may amend rules to carry out this section. The commissioner may use the expedited rulemaking process in section 14.389 to adopt and amend rules authorized in this section. The rules must include:

- (1) methods of valuation of crops damaged or destroyed;
- (2) criteria for determination of the cause of the crop damage or destruction;
- (3) notice requirements by the owner of the damaged or destroyed crop;
- (4) compensation rates for fence damage or destruction that must not exceed \$1,800 per claimant per fiscal year; and
- (5) any other matters determined necessary by the commissioner to carry out this section.

34.07 BEVERAGE INSPECTION ACCOUNT; APPROPRIATION.

A beverage inspection account is created in the agricultural fund. All fees and fines collected under this chapter shall be credited to the beverage inspection account. Money in the account is appropriated to the commissioner for inspection and supervision under this chapter.

216E.08 PUBLIC PARTICIPATION.

Subdivision 1. **Advisory task force.** The commission may appoint one or more advisory task forces to assist it in carrying out its duties. Task forces appointed to evaluate sites or routes considered for designation shall be comprised of as many persons as may be designated by the commission, but at least one representative from each of the following: Regional development commissions, counties and municipal corporations and one town board member from each county in which a site or route is proposed to be located. No officer, agent, or employee of a utility shall serve on an advisory task force. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees. The task forces expire as provided in section 15.059, subdivision 6. At the time the task force is appointed, the commission shall specify the charge to the task force. The task force shall expire upon completion of its charge, upon designation by the commission of alternative sites or routes to be included in the environmental impact statement, or upon the specific date identified by the commission in the charge, whichever occurs first.

Subd. 4. **Scientific advisory task force.** The commission may appoint one or more advisory task forces composed of technical and scientific experts to conduct research and make recommendations concerning generic issues such as health and safety, underground routes, double circuiting and long-range route and site planning. Reimbursement for expenses incurred shall be made pursuant to the rules governing reimbursement of state employees. The task forces expire as provided in section 15.059, subdivision 6. The time allowed for completion of a specific site or route procedure may not be extended to await the outcome of these generic investigations.

216F.01 DEFINITIONS.

Subdivision 1. **Scope.** As used in this chapter, the terms defined in section 216E.01 and this section have the meanings given them, unless otherwise provided or indicated by the context or by this section.

216F.012 SIZE ELECTION.

(a) A wind energy conversion system of less than 25 megawatts of nameplate capacity as determined under section 216F.011 is a small wind energy conversion system if, by July 1, 2009, the owner so elects in writing and submits a completed application for zoning approval and the written election to the county or counties in which the project is proposed to be located. The owner must notify the Public Utilities Commission of the election at the time the owner submits the election to the county.

(b) Notwithstanding paragraph (a), a wind energy conversion system with a nameplate capacity exceeding five megawatts that is proposed to be located wholly or partially within a wind access buffer adjacent to state lands that are part of the outdoor recreation system, as enumerated in section 86A.05, is a large wind energy conversion system. The Department of Natural Resources shall negotiate in good faith with a system owner regarding siting and may support the system owner in seeking a variance from the system setback requirements if it determines that a variance is in the public interest.

216F.015 REQUIREMENTS CODED ELSEWHERE.

Requirements governing certain towers are established in section 360.915.

216F.03 SITING OF LWECS.

The legislature declares it to be the policy of the state to site LWECS in an orderly manner compatible with environmental preservation, sustainable development, and the efficient use of resources.

216F.04 SITE PERMIT.

(a) No person may construct an LWECS without a site permit issued by the Public Utilities Commission.

(b) Any person seeking to construct an LWECS shall submit an application to the commission for a site permit in accordance with this chapter and any rules adopted by the commission. The permitted site need not be contiguous land.

(c) The commission shall make a final decision on an application for a site permit for an LWECS within 180 days after acceptance of a complete application by the commission. The commission may extend this deadline for cause.

(d) The commission may place conditions in a permit and may deny, modify, suspend, or revoke a permit.

(e) The commission must require as a condition of permit issuance, including issuance of a modified permit for a repowering project, as defined in section 216B.243, subdivision 8, paragraph (b), that the recipient of a site permit to construct an LWECS with a nameplate capacity above 25,000 kilowatts, including all of the permit recipient's construction contractors and subcontractors on the project: (1) pay no less than the prevailing wage rate, as defined in section 177.42; and (2) be subject to the requirements and enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and 177.45.

1506.0010 AUTHORITY.

Parts 1506.0010 to 1506.0040 are prescribed under Minnesota Statutes, section 3.7371, by the commissioner of agriculture to implement procedures to compensate agricultural crop owners for crops that are damaged or destroyed by elk. The procedures in parts 1506.0010 to 1506.0040 are in addition to those in Minnesota Statutes, section 3.7371.

1506.0015 DEFINITIONS.

Subpart 1. **Applicability.** The definitions in this part apply to parts 1506.0010 to 1506.0040.

Subp. 2. **Claim form.** "Claim form" means a form provided by the commissioner, to be completed by the crop owner and the county extension agent or federal crop adjuster, containing information upon which payment for a loss must be based.

Subp. 3. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized agent.

Subp. 4. **Crop owner.** "Crop owner" means an individual, firm, corporation, copartnership, or association with an interest in crops damaged or destroyed by elk.

Subp. 5. **County extension agent.** "County extension agent" means the University of Minnesota Agricultural Extension Service's county extension agent for the county in which the crop owner resides.

Subp. 6. **Federal crop adjuster.** "Federal crop adjuster" means a crop insurance adjuster having a contract with the Federal Crop Insurance Corporation.

Subp. 7. **Market price.** "Market price" means the commodity price published daily by the Minneapolis Grain Exchange in the daily record of prices and receipts.

Subp. 8. **Target price.** "Target price" means the federal commodity price available from the Agricultural Stabilization and Conservation Service office.

1506.0020 REPORTING.

The crop owner shall notify either the federal crop adjuster or the county extension agent of suspected crop loss or damage within 24 hours of the discovery of a loss. The crop owner shall also complete the appropriate part of the claim form which must be available at the county extension office. The crop owner shall provide all information required to investigate the loss or damage to the federal crop adjuster or the county extension agent. A telephone call or personal contact constitutes notification.

1506.0025 INVESTIGATION AND CROP VALUATION.

Subpart 1. **Whether damaged by elk.** The federal crop adjuster or the county extension agent shall investigate the loss in a timely manner and shall make a finding in writing on the appropriate part of the claim form regarding whether the crop was destroyed or damaged by elk. The finding must be based on physical and circumstantial evidence including:

- A. the condition of the crop;
- B. elk tracks;
- C. the area of the state where the loss occurred;
- D. sightings of elk in the area; and
- E. any other circumstances considered pertinent by the federal crop adjuster or the county extension agent.

The absence of affirmative evidence may be grounds for denial of a claim.

Subp. 2. **Extent of damage.** The federal crop adjuster or the county extension agent shall make a written finding on the claim form of the extent of damage or the amount of crop destroyed. The crop owner may choose to have the federal crop adjuster or county extension agent use the method in item A or B to complete the claim form and determine the amount of crop loss.

A. To submit the claim form at the time the suspected elk damage is discovered, the federal crop adjuster or county extension agent must determine the potential yield, per acre, for the field and record this information on the form in the column labeled "normal yield" and the average yield, per acre, expected from the damaged acres and record this information on the form in the column labeled "average yield expected from damaged acres."

B. To submit the claim form at the time the crop is harvested:

(1) the crop owner shall report the loss to the federal crop adjuster or county extension agent within 24 hours of discovery, and the loss must be investigated by the federal crop adjuster or county extension agent in a timely manner;

(2) the crop owner and federal crop adjuster or county extension agent shall complete the claim form at the time of the investigation, entering the percent of crop loss from damage in the column labeled "normal yield" and leaving the column labeled "average yield expected from damaged acres" blank; and

(3) when the crop is harvested the federal crop adjuster or county extension agent shall enter the actual yield of the damaged field in the column labeled "average yield expected from damaged acres," enter the date in the same column, and submit the form to the commissioner.

1506.0030 COMPLETION AND SIGNING OF CLAIM FORM.

A completed claim form must be signed by the owner and county extension agent or the federal crop adjuster and submitted by the crop owner to the commissioner for review and payment. The commissioner shall return an incomplete claim form to the crop owner, indicating the information necessary for proper completion.

1506.0035 INSURANCE COVERAGE.

If insurance coverage exists on the crop, the commissioner shall withhold payment under parts 1506.0010 to 1506.0040 until the insurance claim has been paid and evidence of payment has been submitted to the commissioner, at which time that insurance payment must be deducted from the determined value. Payment must not be made for claims of less than \$100 per claim or more than \$20,000 in a calendar year.

1506.0040 PAYMENT.

After procedures in parts 1506.0020 to 1506.0035 are completed, the commissioner shall make payment to the crop owners.

7850.2400 CITIZEN ADVISORY TASK FORCE.

Subpart 1. **Authority.** The commission has the authority to appoint a citizen advisory task force. The commission shall determine whether to appoint such a task force as early in the process as possible. The commission shall establish the size of the task force and appoint its members in accordance with Minnesota Statutes, section 216E.08. The commission shall advise of the appointment of the task force at the next monthly commission meeting.

Subp. 2. **Commission decision.** If the commission decides not to appoint a citizen advisory task force and a person would like such a task force appointed, the person may request that the commission create a citizen advisory task force and appoint its members. Upon receipt of such a request, the commission shall place the matter on the agenda for the next regular monthly commission meeting.

Subp. 3. **Task force responsibilities.** Upon appointment of a citizen advisory task force, the commission shall specify in writing the charge to the task force. The charge shall include the identification of additional sites or routes or particular impacts to be evaluated in the environmental impact statement. The commission may establish additional charges, including a request that the task force express a preference for a specific site or route if it has one.

Subp. 4. **Termination of task force.** The task force expires upon completion of its charge, designation by the commission of alternative sites or routes to be included in the environmental impact statement, or the specific date identified by the commission in the charge, whichever occurs first.

7850.3600 CITIZEN ADVISORY TASK FORCE.

Part 7850.2400, regarding the appointment of a citizen advisory task force, applies to projects being considered under the alternative permitting process.