

NOTE: ALL HOUSE SECTIONS BELOW WERE COPIED INTO THIS DOCUMENT AND ALSO APPEAR IN THE S2995-3/UES2995-2/H0238-3 SIDE BY SIDES.

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ARTICLE 1

HUMAN SERVICES LICENSING AND OFFICE OF INSPECTOR GENERAL

POLICY

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Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 4a, is amended to read:

Subd. 4a. **Background study required.** (a) The board must initiate background studies under section 245C.031 of:

(1) each navigator;

(2) each in-person assister; and

(3) each certified application counselor.

(b) The board may initiate the background studies required by paragraph (a) using the online NETStudy 2.0 system operated by the commissioner of human services.

(c) The board shall not permit any individual to provide any service or function listed in paragraph (a) until ~~the board has received notification from the commissioner of human services indicating that the individual:~~

(1) the board has evaluated any notification received from the commissioner of human services indicating the individual's potential disqualifications and has determined that the individual is not disqualified under chapter 245C; or

(2) the board has determined that the individual is disqualified; but has received granted a set aside ~~from the board~~ of that disqualification according to sections 245C.22 and 245C.23.

H0238-3

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ARTICLE 4

LICENSING

UES2995-2

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ARTICLE 9

DEPARTMENT OF HUMAN SERVICES OPERATIONS POLICY

THE FOLLOWING SECTION IS FROM UES2994-2 ARTICLE 9 AND ALSO APPEARS IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

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Section 1. Minnesota Statutes 2022, section 62V.05, subdivision 4a, is amended to read:

Subd. 4a. **Background study required.** (a) The board must initiate background studies under section 245C.031 of:

(1) each navigator;

(2) each in-person assister; and

(3) each certified application counselor.

(b) The board may initiate the background studies required by paragraph (a) using the online NETStudy 2.0 system operated by the commissioner of human services.

(c) The board shall not permit any individual to provide any service or function listed in paragraph (a) until ~~the board has received notification from the commissioner of human services indicating that the individual:~~

(1) the board has evaluated any notification received from the commissioner of human services indicating the individual's potential disqualifications and has determined that the individual is not disqualified under chapter 245C; or

(2) the board has determined that the individual is disqualified; but has received granted a set aside ~~from the board~~ of that disqualification according to sections 245C.22 and 245C.23.

2.21 (d) The board or its delegate shall review a reconsideration request of an individual in
2.22 paragraph (a), including granting a set aside, according to the procedures and criteria in
2.23 chapter 245C. The board shall notify the individual and the Department of Human Services
2.24 of the board's decision.

2.25 Sec. 2. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

2.26 (a) If a provider believes that the contents of the commissioner's correction order are in
2.27 error, the provider may ask the Department of Human Services to reconsider the parts of
2.28 the correction order that are alleged to be in error. The request for reconsideration must be
2.29 made in writing and must be postmarked and sent to the commissioner within 30 calendar
2.30 days from the date the correction order was mailed to the provider, and:

2.31 (1) specify the parts of the correction order that are alleged to be in error;

3.1 (2) explain why they are in error; and

3.2 (3) include documentation to support the allegation of error.

3.3 (b) A request for reconsideration does not stay any provisions or requirements of the
3.4 correction order. The commissioner's disposition of a request for reconsideration is final
3.5 and not subject to appeal under chapter 14. The commissioner's decision is appealable by
3.6 petition for writ of certiorari under chapter 606.

3.7 Sec. 3. Minnesota Statutes 2022, section 122A.18, subdivision 8, is amended to read:

3.8 Subd. 8. **Background studies.** (a) The Professional Educator Licensing and Standards
3.9 Board and the Board of School Administrators must initiate criminal history background
3.10 studies of all first-time applicants for educator and administrator licenses under their
3.11 jurisdiction. Applicants must include with their licensure applications:

3.12 (1) an executed criminal history consent form, including fingerprints; and

3.13 (2) payment to conduct the background study. The Professional Educator Licensing and
3.14 Standards Board must deposit payments received under this subdivision in an account in
3.15 the special revenue fund. Amounts in the account are annually appropriated to the

437.14 (d) The board or its delegate shall review a reconsideration request of an individual in
437.15 paragraph (a), including granting a set aside, according to the procedures and criteria in
437.16 chapter 245C. The board shall notify the individual and the Department of Human Services
437.17 of the board's decision.

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 1 AND ALSO
APPEARS IN THE ARTICLE 13 SIDE BY SIDE.

H0238-3

17.23 Sec. 23. **[119B.162] RECONSIDERATION OF CORRECTION ORDERS.**

17.24 (a) If a provider believes that the contents of the commissioner's correction order issued
17.25 under chapter 245E are in error, the provider may ask the commissioner to reconsider the
17.26 parts of the correction order that are alleged to be in error. The request for reconsideration
17.27 must be made in writing and must be postmarked and sent to the commissioner or submitted
17.28 in the provider licensing and reporting hub within 30 calendar days from the date the
17.29 correction order was mailed or issued through the hub to the provider, and:

17.30 (1) specify the parts of the correction order that are alleged to be in error;

17.31 (2) explain why they are in error; and

18.1 (3) include documentation to support the allegation of error.

18.2 (b) Upon implementation of the provider licensing and reporting hub, the provider must
18.3 use the hub to request reconsideration.

18.4 (c) A request for reconsideration does not stay any provisions or requirements of the
18.5 correction order. The commissioner's disposition of a request for reconsideration is final
18.6 and not subject to appeal under chapter 14. The commissioner's decision is appealable by
18.7 petition for writ of certiorari under chapter 606.

THE FOLLOWING TWO SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND
ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

437.18 Sec. 2. Minnesota Statutes 2022, section 122A.18, subdivision 8, is amended to read:

437.19 Subd. 8. **Background studies.** (a) The Professional Educator Licensing and Standards
437.20 Board and the Board of School Administrators must initiate criminal history background
437.21 studies of all first-time applicants for educator and administrator licenses under their
437.22 jurisdiction. Applicants must include with their licensure applications:

437.23 (1) an executed criminal history consent form, including fingerprints; and

437.24 (2) payment to conduct the background study. The Professional Educator Licensing and
437.25 Standards Board must deposit payments received under this subdivision in an account in
437.26 the special revenue fund. Amounts in the account are annually appropriated to the

3.16 Professional Educator Licensing and Standards Board to pay for the costs of background
3.17 studies on applicants for licensure.

3.18 (b) The background study for all first-time ~~teaching~~ applicants for ~~educator~~ licenses
3.19 must include a review of information from the Bureau of Criminal Apprehension, including
3.20 criminal history data as defined in section 13.87, and must also include a review of the
3.21 national criminal records repository. The superintendent of the Bureau of Criminal
3.22 Apprehension is authorized to exchange fingerprints with the Federal Bureau of Investigation
3.23 for purposes of the criminal history check.

3.24 (c) The Professional Educator Licensing and Standards Board may initiate criminal
3.25 history background studies through the commissioner of human services according to section
3.26 245C.031 to obtain background study data required under this chapter.

3.27 Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

3.28 Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a
3.29 program or service provider licensed under this chapter and the following individuals, if
3.30 applicable:

4.1 (1) each officer of the organization, including the chief executive officer and chief
4.2 financial officer;

4.3 (2) the individual designated as the authorized agent under section 245A.04, subdivision
4.4 1, paragraph (b);

4.5 (3) the individual designated as the compliance officer under section 256B.04, subdivision
4.6 21, paragraph (g);

4.7 (4) each managerial official whose responsibilities include the direction of the
4.8 management or policies of a program; ~~and~~

4.9 (5) the individual designated as the primary provider of care for a special family child
4.10 care program under section 245A.14, subdivision 4, paragraph (i); ~~and~~

4.11 (6) the president and treasurer of the board of directors of a nonprofit corporation.

4.12 (b) Controlling individual does not include:

4.13 (1) a bank, savings bank, trust company, savings association, credit union, industrial
4.14 loan and thrift company, investment banking firm, or insurance company unless the entity
4.15 operates a program directly or through a subsidiary;

4.16 (2) an individual who is a state or federal official, or state or federal employee, or a
4.17 member or employee of the governing body of a political subdivision of the state or federal
4.18 government that operates one or more programs, unless the individual is also an officer,
4.19 owner, or managerial official of the program, receives remuneration from the program, or
4.20 owns any of the beneficial interests not excluded in this subdivision;

437.27 Professional Educator Licensing and Standards Board to pay for the costs of background
437.28 studies on applicants for licensure.

437.29 (b) The background study for all first-time ~~teaching~~ applicants for ~~educator~~ licenses
437.30 must include a review of information from the Bureau of Criminal Apprehension, including
437.31 criminal history data as defined in section 13.87, and must also include a review of the
437.32 national criminal records repository. The superintendent of the Bureau of Criminal
438.1 Apprehension is authorized to exchange fingerprints with the Federal Bureau of Investigation
438.2 for purposes of the criminal history check.

438.3 (c) The Professional Educator Licensing and Standards Board may initiate criminal
438.4 history background studies through the commissioner of human services according to section
438.5 245C.031 to obtain background study data required under this chapter.

438.6 Sec. 3. Minnesota Statutes 2022, section 245A.02, subdivision 5a, is amended to read:

438.7 Subd. 5a. **Controlling individual.** (a) "Controlling individual" means an owner of a
438.8 program or service provider licensed under this chapter and the following individuals, if
438.9 applicable:

438.10 (1) each officer of the organization, including the chief executive officer and chief
438.11 financial officer;

438.12 (2) the individual designated as the authorized agent under section 245A.04, subdivision
438.13 1, paragraph (b);

438.14 (3) the individual designated as the compliance officer under section 256B.04, subdivision
438.15 21, paragraph (g);

438.16 (4) each managerial official whose responsibilities include the direction of the
438.17 management or policies of a program; ~~and~~

438.18 (5) the individual designated as the primary provider of care for a special family child
438.19 care program under section 245A.14, subdivision 4, paragraph (i); ~~and~~

438.20 (6) the president and treasurer of the board of directors of a nonprofit corporation.

438.21 (b) Controlling individual does not include:

438.22 (1) a bank, savings bank, trust company, savings association, credit union, industrial
438.23 loan and thrift company, investment banking firm, or insurance company unless the entity
438.24 operates a program directly or through a subsidiary;

438.25 (2) an individual who is a state or federal official, or state or federal employee, or a
438.26 member or employee of the governing body of a political subdivision of the state or federal
438.27 government that operates one or more programs, unless the individual is also an officer,
438.28 owner, or managerial official of the program, receives remuneration from the program, or
438.29 owns any of the beneficial interests not excluded in this subdivision;

4.21 (3) an individual who owns less than five percent of the outstanding common shares of
4.22 a corporation:
4.23 (i) whose securities are exempt under section 80A.45, clause (6); or
4.24 (ii) whose transactions are exempt under section 80A.46, clause (2);
4.25 (4) an individual who is a member of an organization exempt from taxation under section
4.26 290.05, unless the individual is also an officer, owner, or managerial official of the program
4.27 or owns any of the beneficial interests not excluded in this subdivision. This clause does
4.28 not exclude from the definition of controlling individual an organization that is exempt from
4.29 taxation; or
4.30 (5) an employee stock ownership plan trust, or a participant or board member of an
4.31 employee stock ownership plan, unless the participant or board member is a controlling
4.32 individual according to paragraph (a).
5.1 (c) For purposes of this subdivision, "managerial official" means an individual who has
5.2 the decision-making authority related to the operation of the program, and the responsibility
5.3 for the ongoing management of or direction of the policies, services, or employees of the
5.4 program. A site director who has no ownership interest in the program is not considered to
5.5 be a managerial official for purposes of this definition.

5.6 Sec. 5. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to
5.7 read:

5.8 Subd. 5b. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is
5.9 secured using blankets or other material such as fabric or leather sides and laces; and which
5.10 often has a frame extending to protect the infant's head. The infant is always placed with
5.11 its head facing outward and remains supervised in the cradleboard while sleeping or being
5.12 carried.

5.13 **EFFECTIVE DATE.** This section is effective January 1, 2024.

5.14 Sec. 6. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

5.15 Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or
5.16 indirect ownership interest of five percent or more in a program licensed under this chapter.
5.17 For purposes of this subdivision, "direct ownership interest" means the possession of equity

438.30 (3) an individual who owns less than five percent of the outstanding common shares of
438.31 a corporation:
439.1 (i) whose securities are exempt under section 80A.45, clause (6); or
439.2 (ii) whose transactions are exempt under section 80A.46, clause (2);
439.3 (4) an individual who is a member of an organization exempt from taxation under section
439.4 290.05, unless the individual is also an officer, owner, or managerial official of the program
439.5 or owns any of the beneficial interests not excluded in this subdivision. This clause does
439.6 not exclude from the definition of controlling individual an organization that is exempt from
439.7 taxation; or
439.8 (5) an employee stock ownership plan trust, or a participant or board member of an
439.9 employee stock ownership plan, unless the participant or board member is a controlling
439.10 individual according to paragraph (a).
439.11 (c) For purposes of this subdivision, "managerial official" means an individual who has
439.12 the decision-making authority related to the operation of the program, and the responsibility
439.13 for the ongoing management of or direction of the policies, services, or employees of the
439.14 program. A site director who has no ownership interest in the program is not considered to
439.15 be a managerial official for purposes of this definition.

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 4 AND ALSO
APPEARS IN THE ARTICLE 8 SIDE BY SIDE.

H0238-3

93.1 Sec. 3. Minnesota Statutes 2022, section 245A.02, is amended by adding a subdivision to
93.2 read:

93.3 Subd. 5b. **Cradleboard.** "Cradleboard" means a board or frame on which an infant is
93.4 secured using blankets or other material; such as fabric or leather sides; and laces and often
93.5 has a frame extending to protect the infant's head. The infant is always placed with the
93.6 infant's head facing outward, and the infant remains supervised in the cradleboard while
93.7 sleeping or being carried.

93.8 **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING TWO SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND
ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

439.16 Sec. 4. Minnesota Statutes 2022, section 245A.02, subdivision 10b, is amended to read:

439.17 Subd. 10b. **Owner.** "Owner" means an individual or organization that has a direct or
439.18 indirect ownership interest of five percent or more in a program licensed under this chapter.
439.19 For purposes of this subdivision, "direct ownership interest" means the possession of equity

5.18 in capital, stock, or profits of an organization, and "indirect ownership interest" means a
 5.19 direct ownership interest in an entity that has a direct or indirect ownership interest in a
 5.20 licensed program. For purposes of this chapter, "owner of a nonprofit corporation" means
 5.21 ~~the president and treasurer of the board of directors or, for an entity owned by an employee~~
 5.22 ~~stock ownership plan;"~~ means the president and treasurer of the entity. A government entity
 5.23 or nonprofit corporation that is issued a license under this chapter shall be designated the
 5.24 owner.

5.25 Sec. 7. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

5.26 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
 5.27 entity that is subject to licensure under section 245A.03 must apply for a license. The
 5.28 application must be made on the forms and in the manner prescribed by the commissioner.
 5.29 The commissioner shall provide the applicant with instruction in completing the application
 5.30 and provide information about the rules and requirements of other state agencies that affect
 5.31 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
 5.32 Minnesota must have a program office located within 30 miles of the Minnesota border.
 6.1 An applicant who intends to buy or otherwise acquire a program or services licensed under
 6.2 this chapter that is owned by another license holder must apply for a license under this
 6.3 chapter and comply with the application procedures in this section and section ~~245A.03~~
 6.4 245A.043.

6.5 The commissioner shall act on the application within 90 working days after a complete
 6.6 application and any required reports have been received from other state agencies or
 6.7 departments, counties, municipalities, or other political subdivisions. The commissioner
 6.8 shall not consider an application to be complete until the commissioner receives all of the
 6.9 required information.

6.10 When the commissioner receives an application for initial licensure that is incomplete
 6.11 because the applicant failed to submit required documents or that is substantially deficient
 6.12 because the documents submitted do not meet licensing requirements, the commissioner
 6.13 shall provide the applicant written notice that the application is incomplete or substantially
 6.14 deficient. In the written notice to the applicant the commissioner shall identify documents
 6.15 that are missing or deficient and give the applicant 45 days to resubmit a second application
 6.16 that is substantially complete. An applicant's failure to submit a substantially complete
 6.17 application after receiving notice from the commissioner is a basis for license denial under
 6.18 section 245A.05.

6.19 (b) An application for licensure must identify all controlling individuals as defined in
 6.20 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
 6.21 agent. The application must be signed by the authorized agent and must include the authorized
 6.22 agent's first, middle, and last name; mailing address; and email address. By submitting an
 6.23 application for licensure, the authorized agent consents to electronic communication with
 6.24 the commissioner throughout the application process. The authorized agent must be
 6.25 authorized to accept service on behalf of all of the controlling individuals. A government
 6.26 entity that holds multiple licenses under this chapter may designate one authorized agent

439.20 in capital, stock, or profits of an organization, and "indirect ownership interest" means a
 439.21 direct ownership interest in an entity that has a direct or indirect ownership interest in a
 439.22 licensed program. For purposes of this chapter, "owner of a nonprofit corporation" means
 439.23 ~~the president and treasurer of the board of directors or, for an entity owned by an employee~~
 439.24 ~~stock ownership plan;"~~ means the president and treasurer of the entity. A government entity
 439.25 or nonprofit corporation that is issued a license under this chapter shall be designated the
 439.26 owner.

439.27 Sec. 5. Minnesota Statutes 2022, section 245A.04, subdivision 1, is amended to read:

439.28 Subdivision 1. **Application for licensure.** (a) An individual, organization, or government
 439.29 entity that is subject to licensure under section 245A.03 must apply for a license. The
 439.30 application must be made on the forms and in the manner prescribed by the commissioner.
 439.31 The commissioner shall provide the applicant with instruction in completing the application
 439.32 and provide information about the rules and requirements of other state agencies that affect
 440.1 the applicant. An applicant seeking licensure in Minnesota with headquarters outside of
 440.2 Minnesota must have a program office located within 30 miles of the Minnesota border.
 440.3 An applicant who intends to buy or otherwise acquire a program or services licensed under
 440.4 this chapter that is owned by another license holder must apply for a license under this
 440.5 chapter and comply with the application procedures in this section and section ~~245A.03~~
 440.6 245A.043.

440.7 The commissioner shall act on the application within 90 working days after a complete
 440.8 application and any required reports have been received from other state agencies or
 440.9 departments, counties, municipalities, or other political subdivisions. The commissioner
 440.10 shall not consider an application to be complete until the commissioner receives all of the
 440.11 required information.

440.12 When the commissioner receives an application for initial licensure that is incomplete
 440.13 because the applicant failed to submit required documents or that is substantially deficient
 440.14 because the documents submitted do not meet licensing requirements, the commissioner
 440.15 shall provide the applicant written notice that the application is incomplete or substantially
 440.16 deficient. In the written notice to the applicant the commissioner shall identify documents
 440.17 that are missing or deficient and give the applicant 45 days to resubmit a second application
 440.18 that is substantially complete. An applicant's failure to submit a substantially complete
 440.19 application after receiving notice from the commissioner is a basis for license denial under
 440.20 section 245A.05.

440.21 (b) An application for licensure must identify all controlling individuals as defined in
 440.22 section 245A.02, subdivision 5a, and must designate one individual to be the authorized
 440.23 agent. The application must be signed by the authorized agent and must include the authorized
 440.24 agent's first, middle, and last name; mailing address; and email address. By submitting an
 440.25 application for licensure, the authorized agent consents to electronic communication with
 440.26 the commissioner throughout the application process. The authorized agent must be
 440.27 authorized to accept service on behalf of all of the controlling individuals. A government
 440.28 entity that holds multiple licenses under this chapter may designate one authorized agent

6.27 for all licenses issued under this chapter or may designate a different authorized agent for
6.28 each license. Service on the authorized agent is service on all of the controlling individuals.
6.29 It is not a defense to any action arising under this chapter that service was not made on each
6.30 controlling individual. The designation of a controlling individual as the authorized agent
6.31 under this paragraph does not affect the legal responsibility of any other controlling individual
6.32 under this chapter.

6.33 (c) An applicant or license holder must have a policy that prohibits license holders,
6.34 employees, subcontractors, and volunteers, when directly responsible for persons served
6.35 by the program, from abusing prescription medication or being in any manner under the
7.1 influence of a chemical that impairs the individual's ability to provide services or care. The
7.2 license holder must train employees, subcontractors, and volunteers about the program's
7.3 drug and alcohol policy.

7.4 (d) An applicant and license holder must have a program grievance procedure that permits
7.5 persons served by the program and their authorized representatives to bring a grievance to
7.6 the highest level of authority in the program.

7.7 (e) The commissioner may limit communication during the application process to the
7.8 authorized agent or the controlling individuals identified on the license application and for
7.9 whom a background study was initiated under chapter 245C. The commissioner may require
7.10 the applicant, except for child foster care, to demonstrate competence in the applicable
7.11 licensing requirements by successfully completing a written examination. The commissioner
7.12 may develop a prescribed written examination format.

7.13 (f) When an applicant is an individual, the applicant must provide:

7.14 (1) the applicant's taxpayer identification numbers including the Social Security number
7.15 or Minnesota tax identification number, and federal employer identification number if the
7.16 applicant has employees;

7.17 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
7.18 of state that includes the complete business name, if any;

7.19 (3) if doing business under a different name, the doing business as (DBA) name, as
7.20 registered with the secretary of state;

7.21 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
7.22 Minnesota Provider Identifier (UMPI) number; and

7.23 (5) at the request of the commissioner, the notarized signature of the applicant or
7.24 authorized agent;

7.25 (g) When an applicant is an organization, the applicant must provide:

440.29 for all licenses issued under this chapter or may designate a different authorized agent for
440.30 each license. Service on the authorized agent is service on all of the controlling individuals.
440.31 It is not a defense to any action arising under this chapter that service was not made on each
440.32 controlling individual. The designation of a controlling individual as the authorized agent
440.33 under this paragraph does not affect the legal responsibility of any other controlling individual
440.34 under this chapter.

441.1 (c) An applicant or license holder must have a policy that prohibits license holders,
441.2 employees, subcontractors, and volunteers, when directly responsible for persons served
441.3 by the program, from abusing prescription medication or being in any manner under the
441.4 influence of a chemical that impairs the individual's ability to provide services or care. The
441.5 license holder must train employees, subcontractors, and volunteers about the program's
441.6 drug and alcohol policy.

441.7 (d) An applicant and license holder must have a program grievance procedure that permits
441.8 persons served by the program and their authorized representatives to bring a grievance to
441.9 the highest level of authority in the program.

441.10 (e) The commissioner may limit communication during the application process to the
441.11 authorized agent or the controlling individuals identified on the license application and for
441.12 whom a background study was initiated under chapter 245C. The commissioner may require
441.13 the applicant, except for child foster care, to demonstrate competence in the applicable
441.14 licensing requirements by successfully completing a written examination. The commissioner
441.15 may develop a prescribed written examination format.

441.16 (f) When an applicant is an individual, the applicant must provide:

441.17 (1) the applicant's taxpayer identification numbers including the Social Security number
441.18 or Minnesota tax identification number, and federal employer identification number if the
441.19 applicant has employees;

441.20 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
441.21 of state that includes the complete business name, if any;

441.22 (3) if doing business under a different name, the doing business as (DBA) name, as
441.23 registered with the secretary of state;

441.24 (4) if applicable, the applicant's National Provider Identifier (NPI) number and Unique
441.25 Minnesota Provider Identifier (UMPI) number; and

441.26 (5) at the request of the commissioner, the notarized signature of the applicant or
441.27 authorized agent; and

441.28 (6) except for family foster care providers, an email address that will be made public
441.29 subject to the requirements under section 13.46, subdivision 4, paragraph (b), clause (1),
441.30 item (i).

441.31 (g) When an applicant is an organization, the applicant must provide:

7.26 (1) the applicant's taxpayer identification numbers including the Minnesota tax
7.27 identification number and federal employer identification number;

7.28 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
7.29 of state that includes the complete business name, and if doing business under a different
7.30 name, the doing business as (DBA) name, as registered with the secretary of state;

7.31 (3) the first, middle, and last name, and address for all individuals who will be controlling
7.32 individuals, including all officers, owners, and managerial officials as defined in section
8.1 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
8.2 for each controlling individual;

8.3 (4) if applicable, the applicant's NPI number and UMPI number;

8.4 (5) the documents that created the organization and that determine the organization's
8.5 internal governance and the relations among the persons that own the organization, have
8.6 an interest in the organization, or are members of the organization, in each case as provided
8.7 or authorized by the organization's governing statute, which may include a partnership
8.8 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
8.9 or comparable documents as provided in the organization's governing statute; ~~and~~

8.10 (6) the notarized signature of the applicant or authorized agent;

8.11 (h) When the applicant is a government entity, the applicant must provide:

8.12 (1) the name of the government agency, political subdivision, or other unit of government
8.13 seeking the license and the name of the program or services that will be licensed;

8.14 (2) the applicant's taxpayer identification numbers including the Minnesota tax
8.15 identification number and federal employer identification number;

8.16 (3) a letter signed by the manager, administrator, or other executive of the government
8.17 entity authorizing the submission of the license application; and

8.18 (4) if applicable, the applicant's NPI number and UMPI number;

8.19 (i) At the time of application for licensure or renewal of a license under this chapter, the
8.20 applicant or license holder must acknowledge on the form provided by the commissioner
8.21 if the applicant or license holder elects to receive any public funding reimbursement from
8.22 the commissioner for services provided under the license that:

442.1 (1) the applicant's taxpayer identification numbers including the Minnesota tax
442.2 identification number and federal employer identification number;

442.3 (2) at the request of the commissioner, a copy of the most recent filing with the secretary
442.4 of state that includes the complete business name, and if doing business under a different
442.5 name, the doing business as (DBA) name, as registered with the secretary of state;

442.6 (3) the first, middle, and last name, and address for all individuals who will be controlling
442.7 individuals, including all officers, owners, and managerial officials as defined in section
442.8 245A.02, subdivision 5a, and the date that the background study was initiated by the applicant
442.9 for each controlling individual;

442.10 (4) if applicable, the applicant's NPI number and UMPI number;

442.11 (5) the documents that created the organization and that determine the organization's
442.12 internal governance and the relations among the persons that own the organization, have
442.13 an interest in the organization, or are members of the organization, in each case as provided
442.14 or authorized by the organization's governing statute, which may include a partnership
442.15 agreement, bylaws, articles of organization, organizational chart, and operating agreement,
442.16 or comparable documents as provided in the organization's governing statute; ~~and~~

442.17 (6) the notarized signature of the applicant or authorized agent; ~~and~~

442.18 (7) an email address that will be made public subject to the requirements under section
442.19 13.46, subdivision 4, paragraph (b), clause (1), item (i).

442.20 (h) When the applicant is a government entity, the applicant must provide:

442.21 (1) the name of the government agency, political subdivision, or other unit of government
442.22 seeking the license and the name of the program or services that will be licensed;

442.23 (2) the applicant's taxpayer identification numbers including the Minnesota tax
442.24 identification number and federal employer identification number;

442.25 (3) a letter signed by the manager, administrator, or other executive of the government
442.26 entity authorizing the submission of the license application; and

442.27 (4) if applicable, the applicant's NPI number and UMPI number; ~~and~~

442.28 (5) an email address that will be made public subject to the requirements under section
442.29 13.46, subdivision 4, paragraph (b), clause (1), item (i).

442.30 (i) At the time of application for licensure or renewal of a license under this chapter, the
442.31 applicant or license holder must acknowledge on the form provided by the commissioner
443.1 if the applicant or license holder elects to receive any public funding reimbursement from
443.2 the commissioner for services provided under the license that:

8.23 (1) the applicant's or license holder's compliance with the provider enrollment agreement
8.24 or registration requirements for receipt of public funding may be monitored by the
8.25 commissioner as part of a licensing investigation or licensing inspection; and

8.26 (2) noncompliance with the provider enrollment agreement or registration requirements
8.27 for receipt of public funding that is identified through a licensing investigation or licensing
8.28 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
8.29 reimbursement for a service, may result in:

8.30 (i) a correction order or a conditional license under section 245A.06, or sanctions under
8.31 section 245A.07;

9.1 (ii) nonpayment of claims submitted by the license holder for public program
9.2 reimbursement;

9.3 (iii) recovery of payments made for the service;

9.4 (iv) disenrollment in the public payment program; or

9.5 (v) other administrative, civil, or criminal penalties as provided by law.

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

9.7 Sec. 8. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

9.8 Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the
9.9 commissioner shall conduct an inspection of the program. The inspection must include but
9.10 is not limited to:

9.11 (1) an inspection of the physical plant;

9.12 (2) an inspection of records and documents;

9.13 (3) observation of the program in operation; and

9.14 (4) an inspection for the health, safety, and fire standards in licensing requirements for
9.15 a child care license holder.

9.16 (b) The observation in paragraph (a), clause (3), is not required prior to issuing a license
9.17 under subdivision 7. If the commissioner issues a license under this chapter, these
9.18 requirements must be completed within one year after the issuance of the license.

9.19 (c) Before completing a licensing inspection in a family child care program or child care
9.20 center, the licensing agency must offer the license holder an exit interview to discuss
9.21 violations or potential violations of law or rule observed during the inspection and offer
9.22 technical assistance on how to comply with applicable laws and rules. The commissioner

443.3 (1) the applicant's or license holder's compliance with the provider enrollment agreement
443.4 or registration requirements for receipt of public funding may be monitored by the
443.5 commissioner as part of a licensing investigation or licensing inspection; and

443.6 (2) noncompliance with the provider enrollment agreement or registration requirements
443.7 for receipt of public funding that is identified through a licensing investigation or licensing
443.8 inspection, or noncompliance with a licensing requirement that is a basis of enrollment for
443.9 reimbursement for a service, may result in:

443.10 (i) a correction order or a conditional license under section 245A.06, or sanctions under
443.11 section 245A.07;

443.12 (ii) nonpayment of claims submitted by the license holder for public program
443.13 reimbursement;

443.14 (iii) recovery of payments made for the service;

443.15 (iv) disenrollment in the public payment program; or

443.16 (v) other administrative, civil, or criminal penalties as provided by law.

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

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 4 AND ALSO
APPEARS IN THE ARTICLE 8 SIDE BY SIDE.

H0238-3

97.2 Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 4, is amended to read:

97.3 Subd. 4. **Inspections; waiver.** (a) Before issuing a license under this chapter, the
97.4 commissioner shall conduct an inspection of the program. The inspection must include but
97.5 is not limited to:

97.6 (1) an inspection of the physical plant;

97.7 (2) an inspection of records and documents;

97.8 (3) observation of the program in operation; and

97.9 (4) an inspection for the health, safety, and fire standards in licensing requirements for
97.10 a child care license holder.

97.11 (b) The observation in paragraph (a), clause (3), is not required prior to issuing a license
97.12 under subdivision 7. If the commissioner issues a license under this chapter, these
97.13 requirements must be completed within one year after the issuance of the license.

97.14 (c) Before completing a licensing inspection in a family child care program or child care
97.15 center, the licensing agency must offer the license holder an exit interview to discuss
97.16 violations or potential violations of law or rule observed during the inspection and offer
97.17 technical assistance on how to comply with applicable laws and rules. The commissioner

9.23 shall not issue a correction order or negative licensing action for violations of law or rule
9.24 not discussed in an exit interview, unless a license holder chooses not to participate in an
9.25 exit interview or not to complete the exit interview. If the license holder is unable to complete
9.26 the exit interview, the licensing agency must offer an alternate time for the license holder
9.27 to complete the exit interview.

9.28 (d) If a family child care license holder disputes a county licensor's interpretation of a
9.29 licensing requirement during a licensing inspection or exit interview, the license holder
9.30 may, within five business days after the exit interview or licensing inspection, request
9.31 clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
10.1 The license holder's request must describe the county licensor's interpretation of the licensing
10.2 requirement at issue, and explain why the license holder believes the county licensor's
10.3 interpretation is inaccurate. The commissioner and the county must include the license
10.4 holder in all correspondence regarding the disputed interpretation, and must provide an
10.5 opportunity for the license holder to contribute relevant information that may impact the
10.6 commissioner's decision. The county licensor must not issue a correction order related to
10.7 the disputed licensing requirement until the commissioner has provided clarification to the
10.8 license holder about the licensing requirement.

10.9 (e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar
10.10 year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502
10.11 or 9503, for compliance with applicable licensing standards.

10.12 (f) No later than November 19, 2017, the commissioner shall make publicly available
10.13 on the department's website the results of inspection reports of all child care providers
10.14 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
10.15 number of deaths, serious injuries, and instances of substantiated child maltreatment that
10.16 occurred in licensed child care settings each year.

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

10.18 Sec. 9. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

10.19 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
10.20 the program complies with all applicable rules and laws, the commissioner shall issue a
10.21 license consistent with this section or, if applicable, a temporary change of ownership license
10.22 under section 245A.043. At minimum, the license shall state:

- 10.23 (1) the name of the license holder;
10.24 (2) the address of the program;
10.25 (3) the effective date and expiration date of the license;

97.18 shall not issue a correction order or negative licensing action for violations of law or rule
97.19 not discussed in an exit interview, unless a license holder chooses not to participate in an
97.20 exit interview or not to complete the exit interview. If the license holder is unable to complete
97.21 the exit interview, the licensing agency must offer an alternate time for the license holder
97.22 to complete the exit interview.

97.23 (d) If a family child care license holder disputes a county licensor's interpretation of a
97.24 licensing requirement during a licensing inspection or exit interview, the license holder
97.25 may, within five business days after the exit interview or licensing inspection, request
97.26 clarification from the commissioner, in writing, in a manner prescribed by the commissioner.
97.27 The license holder's request must describe the county licensor's interpretation of the licensing
97.28 requirement at issue, and explain why the license holder believes the county licensor's
97.29 interpretation is inaccurate. The commissioner and the county must include the license
97.30 holder in all correspondence regarding the disputed interpretation, and must provide an
97.31 opportunity for the license holder to contribute relevant information that may impact the
97.32 commissioner's decision. The county licensor must not issue a correction order related to
98.1 the disputed licensing requirement until the commissioner has provided clarification to the
98.2 license holder about the licensing requirement.

98.3 (e) The commissioner or the county shall inspect at least ~~annually~~ once each calendar
98.4 year a child care provider licensed under this chapter and Minnesota Rules, chapter 9502
98.5 or 9503, for compliance with applicable licensing standards.

98.6 (f) No later than November 19, 2017, the commissioner shall make publicly available
98.7 on the department's website the results of inspection reports of all child care providers
98.8 licensed under this chapter and under Minnesota Rules, chapter 9502 or 9503, and the
98.9 number of deaths, serious injuries, and instances of substantiated child maltreatment that
98.10 occurred in licensed child care settings each year.

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

THE FOLLOWING TWO SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND
ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

443.18 Sec. 6. Minnesota Statutes 2022, section 245A.04, subdivision 7, is amended to read:

443.19 Subd. 7. **Grant of license; license extension.** (a) If the commissioner determines that
443.20 the program complies with all applicable rules and laws, the commissioner shall issue a
443.21 license consistent with this section or, if applicable, a temporary change of ownership license
443.22 under section 245A.043. At minimum, the license shall state:

- 443.23 (1) the name of the license holder;
443.24 (2) the address of the program;
443.25 (3) the effective date and expiration date of the license;

10.26 (4) the type of license;

10.27 (5) the maximum number and ages of persons that may receive services from the program;

10.28 and

10.29 (6) any special conditions of licensure;

10.30 (b) The commissioner may issue a license for a period not to exceed two years if:

11.1 (1) the commissioner is unable to conduct the ~~evaluation or~~ observation required by

11.2 subdivision 4, paragraph (a), clause ~~(4)~~ (3), because the program is not yet operational;

11.3 (2) certain records and documents are not available because persons are not yet receiving

11.4 services from the program; and

11.5 (3) the applicant complies with applicable laws and rules in all other respects.

11.6 (c) A decision by the commissioner to issue a license does not guarantee that any person

11.7 or persons will be placed or cared for in the licensed program.

11.8 (d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or

11.9 reissue a license if the applicant, license holder, or controlling individual has:

11.10 (1) been disqualified and the disqualification was not set aside and no variance has been

11.11 granted;

11.12 (2) been denied a license under this chapter, within the past two years;

11.13 (3) had a license issued under this chapter revoked within the past five years;

11.14 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement

11.15 for which payment is delinquent; or

11.16 (5) failed to submit the information required of an applicant under subdivision 1,

11.17 paragraph (f) ~~or~~ (g), or (h), after being requested by the commissioner.

11.18 When a license issued under this chapter is revoked under clause (1) or (3), the license

11.19 holder and controlling individual may not hold any license under chapter 245A for five

11.20 years following the revocation, and other licenses held by the applicant, license holder, or

11.21 controlling individual shall also be revoked.

11.22 (e) The commissioner shall not issue or reissue a license under this chapter if an individual

11.23 living in the household where the services will be provided as specified under section

11.24 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside

11.25 and no variance has been granted.

11.26 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued

11.27 under this chapter has been suspended or revoked and the suspension or revocation is under

11.28 appeal, the program may continue to operate pending a final order from the commissioner.

443.26 (4) the type of license;

443.27 (5) the maximum number and ages of persons that may receive services from the program;

443.28 and

443.29 (6) any special conditions of licensure; and

443.30 (7) the public email address of the program.

444.1 (b) The commissioner may issue a license for a period not to exceed two years if:

444.2 (1) the commissioner is unable to conduct the ~~evaluation or~~ observation required by

444.3 subdivision 4, paragraph (a), clause ~~(4)~~ (3), because the program is not yet operational;

444.4 (2) certain records and documents are not available because persons are not yet receiving

444.5 services from the program; and

444.6 (3) the applicant complies with applicable laws and rules in all other respects.

444.7 (c) A decision by the commissioner to issue a license does not guarantee that any person

444.8 or persons will be placed or cared for in the licensed program.

444.9 (d) Except as provided in paragraphs (f) and (g), the commissioner shall not issue or

444.10 reissue a license if the applicant, license holder, or controlling individual has:

444.11 (1) been disqualified and the disqualification was not set aside and no variance has been

444.12 granted;

444.13 (2) been denied a license under this chapter, within the past two years;

444.14 (3) had a license issued under this chapter revoked within the past five years;

444.15 (4) an outstanding debt related to a license fee, licensing fine, or settlement agreement

444.16 for which payment is delinquent; or

444.17 (5) failed to submit the information required of an applicant under subdivision 1,

444.18 paragraph (f) ~~or~~ (g), or (h), after being requested by the commissioner.

444.19 When a license issued under this chapter is revoked under clause (1) or (3), the license

444.20 holder and controlling individual may not hold any license under chapter 245A for five

444.21 years following the revocation, and other licenses held by the applicant, license holder, or

444.22 controlling individual shall also be revoked.

444.23 (e) The commissioner shall not issue or reissue a license under this chapter if an individual

444.24 living in the household where the services will be provided as specified under section

444.25 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside

444.26 and no variance has been granted.

444.27 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued

444.28 under this chapter has been suspended or revoked and the suspension or revocation is under

444.29 appeal, the program may continue to operate pending a final order from the commissioner.

11.29 If the license under suspension or revocation will expire before a final order is issued, a
11.30 temporary provisional license may be issued provided any applicable license fee is paid
11.31 before the temporary provisional license is issued.

12.1 (g) Notwithstanding paragraph (f), when a revocation is based on the disqualification
12.2 of a controlling individual or license holder, and the controlling individual or license holder
12.3 is ordered under section 245C.17 to be immediately removed from direct contact with
12.4 persons receiving services or is ordered to be under continuous, direct supervision when
12.5 providing direct contact services, the program may continue to operate only if the program
12.6 complies with the order and submits documentation demonstrating compliance with the
12.7 order. If the disqualified individual fails to submit a timely request for reconsideration, or
12.8 if the disqualification is not set aside and no variance is granted, the order to immediately
12.9 remove the individual from direct contact or to be under continuous, direct supervision
12.10 remains in effect pending the outcome of a hearing and final order from the commissioner.

12.11 (h) For purposes of reimbursement for meals only, under the Child and Adult Care Food
12.12 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
12.13 relocation within the same county by a licensed family day care provider, shall be considered
12.14 an extension of the license for a period of no more than 30 calendar days or until the new
12.15 license is issued, whichever occurs first, provided the county agency has determined the
12.16 family day care provider meets licensure requirements at the new location.

12.17 (i) Unless otherwise specified by statute, all licenses issued under this chapter expire at
12.18 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
12.19 apply for and be granted a new license to operate the program or the program must not be
12.20 operated after the expiration date.

12.21 (j) The commissioner shall not issue or reissue a license under this chapter if it has been
12.22 determined that a tribal licensing authority has established jurisdiction to license the program
12.23 or service.

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

12.25 Sec. 10. Minnesota Statutes 2022, section 245A.041, is amended by adding a subdivision
12.26 to read:

12.27 Subd. 6. **First date of direct contact; documentation requirements.** Except for family
12.28 child care, family foster care for children, and family adult day services that the license
12.29 holder provides in the license holder's residence, license holders must document the first
12.30 date that a background study subject has direct contact, as defined in section 245C.02,
12.31 subdivision 11, with a person served by the license holder's program. Unless this chapter
12.32 otherwise requires, if the license holder does not maintain the documentation required by
12.33 this subdivision in the license holder's personnel files, the license holder must provide the
12.34 documentation to the commissioner upon the commissioner's request.

13.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

444.30 If the license under suspension or revocation will expire before a final order is issued, a
444.31 temporary provisional license may be issued provided any applicable license fee is paid
444.32 before the temporary provisional license is issued.

445.1 (g) Notwithstanding paragraph (f), when a revocation is based on the disqualification
445.2 of a controlling individual or license holder, and the controlling individual or license holder
445.3 is ordered under section 245C.17 to be immediately removed from direct contact with
445.4 persons receiving services or is ordered to be under continuous, direct supervision when
445.5 providing direct contact services, the program may continue to operate only if the program
445.6 complies with the order and submits documentation demonstrating compliance with the
445.7 order. If the disqualified individual fails to submit a timely request for reconsideration, or
445.8 if the disqualification is not set aside and no variance is granted, the order to immediately
445.9 remove the individual from direct contact or to be under continuous, direct supervision
445.10 remains in effect pending the outcome of a hearing and final order from the commissioner.

445.11 (h) For purposes of reimbursement for meals only, under the Child and Adult Care Food
445.12 Program, Code of Federal Regulations, title 7, subtitle B, chapter II, subchapter A, part 226,
445.13 relocation within the same county by a licensed family day care provider, shall be considered
445.14 an extension of the license for a period of no more than 30 calendar days or until the new
445.15 license is issued, whichever occurs first, provided the county agency has determined the
445.16 family day care provider meets licensure requirements at the new location.

445.17 (i) Unless otherwise specified by statute, all licenses issued under this chapter expire at
445.18 12:01 a.m. on the day after the expiration date stated on the license. A license holder must
445.19 apply for and be granted a new license to operate the program or the program must not be
445.20 operated after the expiration date.

445.21 (j) The commissioner shall not issue or reissue a license under this chapter if it has been
445.22 determined that a tribal licensing authority has established jurisdiction to license the program
445.23 or service.

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

445.25 Sec. 7. Minnesota Statutes 2022, section 245A.041, is amended by adding a subdivision
445.26 to read:

445.27 Subd. 6. **First date of direct contact; documentation requirements.** Except for family
445.28 child care, family foster care for children, and family adult day services that the license
445.29 holder provides in the license holder's residence, license holders must document the first
445.30 date that a background study subject has direct contact, as defined in section 245C.02,
445.31 subdivision 11, with a person served by the license holder's program. Unless this chapter
445.32 otherwise requires, if the license holder does not maintain the documentation required by
445.33 this subdivision in the license holder's personnel files, the license holder must provide the
445.34 documentation to the commissioner upon the commissioner's request.

446.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING TWO SECTIONS ARE FROM H0238-3 ARTICLE 4 AND ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.

H0238-3

13.2 Sec. 11. Minnesota Statutes 2022, section 245A.05, is amended to read:

13.3 **245A.05 DENIAL OF APPLICATION.**

13.4 (a) The commissioner may deny a license if an applicant or controlling individual:

13.5 (1) fails to submit a substantially complete application after receiving notice from the

13.6 commissioner under section 245A.04, subdivision 1;

13.7 (2) fails to comply with applicable laws or rules;

13.8 (3) knowingly withholds relevant information from or gives false or misleading

13.9 information to the commissioner in connection with an application for a license or during

13.10 an investigation;

13.11 (4) has a disqualification that has not been set aside under section 245C.22 and no

13.12 variance has been granted;

13.13 (5) has an individual living in the household who received a background study under

13.14 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that

13.15 has not been set aside under section 245C.22, and no variance has been granted;

13.16 (6) is associated with an individual who received a background study under section

13.17 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to

13.18 children or vulnerable adults, and who has a disqualification that has not been set aside

13.19 under section 245C.22, and no variance has been granted;

13.20 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

13.21 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision

13.22 6;

13.23 (9) has a history of noncompliance as a license holder or controlling individual with

13.24 applicable laws or rules, including but not limited to this chapter and chapters 119B and

13.25 245C;

13.26 (10) is prohibited from holding a license according to section 245.095; or

13.27 (11) for a family foster setting, has or has an individual who is living in the household

13.28 where the licensed services are provided or is otherwise subject to a background study who

13.29 has nondisqualifying background study information, as described in section 245C.05,

13.30 subdivision 4, that reflects on the individual's applicant's ability to safely provide care to

13.31 foster children.

98.12 Sec. 7. Minnesota Statutes 2022, section 245A.05, is amended to read:

98.13 **245A.05 DENIAL OF APPLICATION.**

98.14 (a) The commissioner may deny a license if an applicant or controlling individual:

98.15 (1) fails to submit a substantially complete application after receiving notice from the

98.16 commissioner under section 245A.04, subdivision 1;

98.17 (2) fails to comply with applicable laws or rules;

98.18 (3) knowingly withholds relevant information from or gives false or misleading

98.19 information to the commissioner in connection with an application for a license or during

98.20 an investigation;

98.21 (4) has a disqualification that has not been set aside under section 245C.22 and no

98.22 variance has been granted;

98.23 (5) has an individual living in the household who received a background study under

98.24 section 245C.03, subdivision 1, paragraph (a), clause (2), who has a disqualification that

98.25 has not been set aside under section 245C.22, and no variance has been granted;

98.26 (6) is associated with an individual who received a background study under section

98.27 245C.03, subdivision 1, paragraph (a), clause (6), who may have unsupervised access to

98.28 children or vulnerable adults, and who has a disqualification that has not been set aside

98.29 under section 245C.22, and no variance has been granted;

98.30 (7) fails to comply with section 245A.04, subdivision 1, paragraph (f) or (g);

99.1 (8) fails to demonstrate competent knowledge as required by section 245A.04, subdivision

99.2 6;

99.3 (9) has a history of noncompliance as a license holder or controlling individual with

99.4 applicable laws or rules, including but not limited to this chapter and chapters 119B and

99.5 245C;

99.6 (10) is prohibited from holding a license according to section 245.095; or

99.7 (11) for a family foster setting, has or has an individual who is living in the household

99.8 where the licensed services are provided or is otherwise subject to a background study who

99.9 has nondisqualifying background study information, as described in section 245C.05,

99.10 subdivision 4, that reflects on the individual's applicant's ability to safely provide care to

99.11 foster children.

14.1 (b) An applicant whose application has been denied by the commissioner must be given
14.2 notice of the denial, which must state the reasons for the denial in plain language. Notice
14.3 must be given by certified mail or personal service. The notice must state the reasons the
14.4 application was denied and must inform the applicant of the right to a contested case hearing
14.5 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may
14.6 appeal the denial by notifying the commissioner in writing by certified mail or personal
14.7 service. If mailed, the appeal must be postmarked and sent to the commissioner within 20
14.8 calendar days after the applicant received the notice of denial. If an appeal request is made
14.9 by personal service, it must be received by the commissioner within 20 calendar days after
14.10 the applicant received the notice of denial. Section 245A.08 applies to hearings held to
14.11 appeal the commissioner's denial of an application.

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

14.13 Sec. 12. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

14.14 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
14.15 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
14.16 or secure an injunction against the continuing operation of the program of a license holder
14.17 who:

14.18 (1) does not comply with applicable law or rule, ~~or who~~;

14.19 (2) has nondisqualifying background study information, as described in section 245C.05,
14.20 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
14.21 children; ~~or~~

14.22 (3) has an individual living in the household where the licensed services are provided
14.23 or is otherwise subject to a background study and the individual has nondisqualifying
14.24 background study information, as described in section 245C.05, subdivision 4, that reflects
14.25 on the license holder's ability to safely provide care to foster children.

14.26 When applying sanctions authorized under this section, the commissioner shall consider
14.27 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
14.28 on the health, safety, or rights of persons served by the program.

14.29 (b) If a license holder appeals the suspension or revocation of a license and the license
14.30 holder continues to operate the program pending a final order on the appeal, the commissioner
14.31 shall issue the license holder a temporary provisional license. Unless otherwise specified
14.32 by the commissioner, variances in effect on the date of the license sanction under appeal
14.33 continue under the temporary provisional license. If a license holder fails to comply with
15.1 applicable law or rule while operating under a temporary provisional license, the
15.2 commissioner may impose additional sanctions under this section and section 245A.06, and
15.3 may terminate any prior variance. If a temporary provisional license is set to expire, a new
15.4 temporary provisional license shall be issued to the license holder upon payment of any fee
15.5 required under section 245A.10. The temporary provisional license shall expire on the date

99.12 (b) An applicant whose application has been denied by the commissioner must be given
99.13 notice of the denial, which must state the reasons for the denial in plain language. Notice
99.14 must be given by certified mail or personal service. The notice must state the reasons the
99.15 application was denied and must inform the applicant of the right to a contested case hearing
99.16 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The applicant may
99.17 appeal the denial by notifying the commissioner in writing by certified mail or personal
99.18 service. If mailed, the appeal must be postmarked and sent to the commissioner within 20
99.19 calendar days after the applicant received the notice of denial. If an appeal request is made
99.20 by personal service, it must be received by the commissioner within 20 calendar days after
99.21 the applicant received the notice of denial. Section 245A.08 applies to hearings held to
99.22 appeal the commissioner's denial of an application.

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

100.10 Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 1, is amended to read:

100.11 Subdivision 1. **Sanctions; appeals; license.** (a) In addition to making a license conditional
100.12 under section 245A.06, the commissioner may suspend or revoke the license, impose a fine,
100.13 or secure an injunction against the continuing operation of the program of a license holder
100.14 who:

100.15 (1) does not comply with applicable law or rule, ~~or who~~;

100.16 (2) has nondisqualifying background study information, as described in section 245C.05,
100.17 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
100.18 children; ~~or~~

100.19 (3) has an individual living in the household where the licensed services are provided
100.20 or is otherwise subject to a background study, and the individual has nondisqualifying
100.21 background study information, as described in section 245C.05, subdivision 4, that reflects
100.22 on the license holder's ability to safely provide care to foster children.

100.23 When applying sanctions authorized under this section, the commissioner shall consider
100.24 the nature, chronicity, or severity of the violation of law or rule and the effect of the violation
100.25 on the health, safety, or rights of persons served by the program.

100.26 (b) If a license holder appeals the suspension or revocation of a license and the license
100.27 holder continues to operate the program pending a final order on the appeal, the commissioner
100.28 shall issue the license holder a temporary provisional license. Unless otherwise specified
100.29 by the commissioner, variances in effect on the date of the license sanction under appeal
100.30 continue under the temporary provisional license. If a license holder fails to comply with
100.31 applicable law or rule while operating under a temporary provisional license, the
100.32 commissioner may impose additional sanctions under this section and section 245A.06, and
101.1 may terminate any prior variance. If a temporary provisional license is set to expire, a new
101.2 temporary provisional license shall be issued to the license holder upon payment of any fee
101.3 required under section 245A.10. The temporary provisional license shall expire on the date

15.6 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
15.7 license shall be issued for the remainder of the current license period.

15.8 (c) If a license holder is under investigation and the license issued under this chapter is
15.9 due to expire before completion of the investigation, the program shall be issued a new
15.10 license upon completion of the reapplication requirements and payment of any applicable
15.11 license fee. Upon completion of the investigation, a licensing sanction may be imposed
15.12 against the new license under this section, section 245A.06, or 245A.08.

15.13 (d) Failure to reapply or closure of a license issued under this chapter by the license
15.14 holder prior to the completion of any investigation shall not preclude the commissioner
15.15 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
15.16 of the investigation.

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

15.18 Sec. 13. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

15.19 Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of
15.20 receipt of the license holder's timely appeal, the commissioner shall request assignment of
15.21 an administrative law judge. The request must include a proposed date, time, and place of
15.22 a hearing. A hearing must be conducted by an administrative law judge within 30 calendar
15.23 days of the request for assignment, unless an extension is requested by either party and
15.24 granted by the administrative law judge for good cause. The commissioner shall issue a
15.25 notice of hearing by certified mail or personal service at least ten working days before the
15.26 hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary
15.27 immediate suspension should remain in effect pending the commissioner's final order under
15.28 section 245A.08, regarding a licensing sanction issued under subdivision 3 following the
15.29 immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the
15.30 burden of proof in expedited hearings under this subdivision shall be limited to the
15.31 commissioner's demonstration that reasonable cause exists to believe that the license holder's
15.32 actions or failure to comply with applicable law or rule poses, or the actions of other
15.33 individuals or conditions in the program poses an imminent risk of harm to the health, safety,
15.34 or rights of persons served by the program. "Reasonable cause" means there exist specific
16.1 articulable facts or circumstances which provide the commissioner with a reasonable
16.2 suspicion that there is an imminent risk of harm to the health, safety, or rights of persons
16.3 served by the program. When the commissioner has determined there is reasonable cause
16.4 to order the temporary immediate suspension of a license based on a violation of safe sleep
16.5 requirements, as defined in section 245A.1435, the commissioner is not required to
16.6 demonstrate that an infant died or was injured as a result of the safe sleep violations. For
16.7 suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited

101.4 the final order is issued. If the license holder prevails on the appeal, a new nonprovisional
101.5 license shall be issued for the remainder of the current license period.

101.6 (c) If a license holder is under investigation and the license issued under this chapter is
101.7 due to expire before completion of the investigation, the program shall be issued a new
101.8 license upon completion of the reapplication requirements and payment of any applicable
101.9 license fee. Upon completion of the investigation, a licensing sanction may be imposed
101.10 against the new license under this section, section 245A.06, or 245A.08.

101.11 (d) Failure to reapply or closure of a license issued under this chapter by the license
101.12 holder prior to the completion of any investigation shall not preclude the commissioner
101.13 from issuing a licensing sanction under this section or section 245A.06 at the conclusion
101.14 of the investigation.

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

THE FOLLOWING SECTION IS FROM UES2995-2 ARTICLE 9 AND ALSO
APPEARS IN THE HOUSE ARTICLE 9 SIDE BY SIDE.
UES2995-2

446.2 Sec. 8. Minnesota Statutes 2022, section 245A.07, subdivision 2a, is amended to read:

446.3 Subd. 2a. **Immediate suspension expedited hearing.** (a) Within five working days of
446.4 receipt of the license holder's timely appeal, the commissioner shall request assignment of
446.5 an administrative law judge. The request must include a proposed date, time, and place of
446.6 a hearing. A hearing must be conducted by an administrative law judge within 30 calendar
446.7 days of the request for assignment, unless an extension is requested by either party and
446.8 granted by the administrative law judge for good cause. The commissioner shall issue a
446.9 notice of hearing by certified mail or personal service at least ten working days before the
446.10 hearing. The scope of the hearing shall be limited solely to the issue of whether the temporary
446.11 immediate suspension should remain in effect pending the commissioner's final order under
446.12 section 245A.08, regarding a licensing sanction issued under subdivision 3 following the
446.13 immediate suspension. For suspensions under subdivision 2, paragraph (a), clause (1), the
446.14 burden of proof in expedited hearings under this subdivision shall be limited to the
446.15 commissioner's demonstration that reasonable cause exists to believe that the license holder's
446.16 actions or failure to comply with applicable law or rule poses, or the actions of other
446.17 individuals or conditions in the program poses an imminent risk of harm to the health, safety,
446.18 or rights of persons served by the program. "Reasonable cause" means there exist specific
446.19 articulable facts or circumstances which provide the commissioner with a reasonable
446.20 suspicion that there is an imminent risk of harm to the health, safety, or rights of persons
446.21 served by the program. When the commissioner has determined there is reasonable cause
446.22 to order the temporary immediate suspension of a license based on a violation of safe sleep
446.23 requirements, as defined in section 245A.1435, the commissioner is not required to
446.24 demonstrate that an infant died or was injured as a result of the safe sleep violations. For
446.25 suspensions under subdivision 2, paragraph (a), clause (2), the burden of proof in expedited

16.8 hearings under this subdivision shall be limited to the commissioner's demonstration by a
 16.9 preponderance of the evidence that, since the license was revoked, the license holder
 16.10 committed additional violations of law or rule which may adversely affect the health or
 16.11 safety of persons served by the program.

16.12 (b) The administrative law judge shall issue findings of fact, conclusions, and a
 16.13 recommendation within ten working days from the date of hearing. The parties shall have
 16.14 ten calendar days to submit exceptions to the administrative law judge's report. The record
 16.15 shall close at the end of the ten-day period for submission of exceptions. The commissioner's
 16.16 final order shall be issued within ten working days from the close of the record. When an
 16.17 appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner
 16.18 shall issue a final order affirming the temporary immediate suspension within ten calendar
 16.19 days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days
 16.20 after an immediate suspension has been issued and the license holder has not submitted a
 16.21 timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final
 16.22 order affirming an immediate suspension, the commissioner shall make a determination
 16.23 regarding determine:

16.24 (1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a),
 16.25 clauses (1) to (6). The license holder shall continue to be prohibited from operation of the
 16.26 program during this 90-day period; or

16.27 (2) whether the outcome of related, ongoing investigations or judicial proceedings are
 16.28 necessary to determine if a final licensing sanction under subdivision 3, paragraph (a),
 16.29 clauses (1) to (6), will be issued, and persons served by the program remain at an imminent
 16.30 risk of harm during the investigation period or proceedings. If so, the commissioner shall
 16.31 issue a suspension order under subdivision 3, paragraph (a), clause (7).

16.32 (c) When the final order under paragraph (b) affirms an immediate suspension or the
 16.33 license holder does not submit a timely appeal of the immediate suspension, and a final
 16.34 licensing sanction is issued under subdivision 3 and the license holder appeals that sanction,
 16.35 the license holder continues to be prohibited from operation of the program pending a final
 17.1 commissioner's order under section 245A.08, subdivision 5, regarding the final licensing
 17.2 sanction.

17.3 (d) The license holder shall continue to be prohibited from operation of the program
 17.4 while a suspension order issued under paragraph (b), clause (2), remains in effect.

17.5 ~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of
 17.6 proof in expedited hearings under this subdivision shall be limited to the commissioner's
 17.7 demonstration by a preponderance of the evidence that a criminal complaint and warrant
 17.8 or summons was issued for the license holder that was not dismissed, and that the criminal
 17.9 charge is an offense that involves fraud or theft against a program administered by the
 17.10 commissioner.

446.26 hearings under this subdivision shall be limited to the commissioner's demonstration by a
 446.27 preponderance of the evidence that, since the license was revoked, the license holder
 446.28 committed additional violations of law or rule which may adversely affect the health or
 446.29 safety of persons served by the program.

446.30 (b) The administrative law judge shall issue findings of fact, conclusions, and a
 446.31 recommendation within ten working days from the date of hearing. The parties shall have
 446.32 ten calendar days to submit exceptions to the administrative law judge's report. The record
 446.33 shall close at the end of the ten-day period for submission of exceptions. The commissioner's
 446.34 final order shall be issued within ten working days from the close of the record. When an
 446.35 appeal of a temporary immediate suspension is withdrawn or dismissed, the commissioner
 447.1 shall issue a final order affirming the temporary immediate suspension within ten calendar
 447.2 days of the commissioner's receipt of the withdrawal or dismissal. Within 90 calendar days
 447.3 after an immediate suspension has been issued and the license holder has not submitted a
 447.4 timely appeal under subdivision 2, paragraph (b), or within 90 calendar days after a final
 447.5 order affirming an immediate suspension, the commissioner shall make a determination
 447.6 regarding determine:

447.7 (1) whether a final licensing sanction shall be issued under subdivision 3, paragraph (a),
 447.8 clauses (1) to (5). The license holder shall continue to be prohibited from operation of the
 447.9 program during this 90-day period; or

447.10 (2) whether the outcome of related, ongoing investigations or judicial proceedings are
 447.11 necessary to determine if a final licensing sanction under subdivision 3, paragraph (a),
 447.12 clauses (1) to (5), will be issued, and persons served by the program remain at an imminent
 447.13 risk of harm during the investigation period or proceedings. If so, the commissioner shall
 447.14 issue a suspension order under subdivision 3, paragraph (a), clause (6).

447.15 (c) When the final order under paragraph (b) affirms an immediate suspension or the
 447.16 license holder does not submit a timely appeal of the immediate suspension, and a final
 447.17 licensing sanction is issued under subdivision 3 and the license holder appeals that sanction,
 447.18 the license holder continues to be prohibited from operation of the program pending a final
 447.19 commissioner's order under section 245A.08, subdivision 5, regarding the final licensing
 447.20 sanction.

447.21 (d) The license holder shall continue to be prohibited from operation of the program
 447.22 while a suspension order issued under paragraph (b), clause (2), remains in effect.

447.23 ~~(d)~~ (e) For suspensions under subdivision 2, paragraph (a), clause (3), the burden of
 447.24 proof in expedited hearings under this subdivision shall be limited to the commissioner's
 447.25 demonstration by a preponderance of the evidence that a criminal complaint and warrant
 447.26 or summons was issued for the license holder that was not dismissed, and that the criminal
 447.27 charge is an offense that involves fraud or theft against a program administered by the
 447.28 commissioner.

SECTIONS FROM BOTH UES2995-2 ARTICLE 9 AND H0238-3 ARTICLE 4
MATCH WITH S2819-2 ARTICLE 1, SECTION 14. THEY ALSO APPEAR IN
THE HOUSE ARTICLE 9 AND ARTICLE 8 SIDE BY SIDES, RESPECTIVELY.

17.11 Sec. 14. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

17.12 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend

17.13 or revoke a license, or impose a fine if:

17.14 (1) a license holder fails to comply fully with applicable laws or rules including but not

17.15 limited to the requirements of this chapter and chapter 245C;

17.16 (2) a license holder, a controlling individual, or an individual living in the household

17.17 where the licensed services are provided or is otherwise subject to a background study has

17.18 been disqualified and the disqualification was not set aside and no variance has been granted;

17.19 (3) a license holder knowingly withholds relevant information from or gives false or

17.20 misleading information to the commissioner in connection with an application for a license,

17.21 in connection with the background study status of an individual, during an investigation,

17.22 or regarding compliance with applicable laws or rules;

17.23 (4) a license holder is excluded from any program administered by the commissioner

17.24 under section 245.095; ~~or~~

17.25 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d);

17.26 (6) for a family foster setting, a license holder, or an individual living in the household

17.27 where the licensed services are provided or who is otherwise subject to a background study

17.28 has nondisqualifying background study information, as described in section 245C.05,

17.29 subdivision 4, that reflects on the license holder's ability to safely provide care to foster

17.30 children; or

17.31 (7) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

18.1 A license holder who has had a license issued under this chapter suspended, revoked, or

18.2 has been ordered to pay a fine must be given notice of the action by certified mail or personal

18.3 service. If mailed, the notice must be mailed to the address shown on the application or the

18.4 last known address of the license holder. The notice must state in plain language the reasons

18.5 the license was suspended or revoked, or a fine was ordered.

18.6 (b) If the license was suspended or revoked, the notice must inform the license holder

18.7 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts

18.8 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking

18.9 a license. The appeal of an order suspending or revoking a license must be made in writing

18.10 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to

18.11 the commissioner within ten calendar days after the license holder receives notice that the

18.12 license has been suspended or revoked. If a request is made by personal service, it must be

18.13 received by the commissioner within ten calendar days after the license holder received the

447.29 Sec. 9. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

447.30 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend

447.31 or revoke a license, or impose a fine if:

447.32 (1) a license holder fails to comply fully with applicable laws or rules including but not

447.33 limited to the requirements of this chapter and chapter 245C;

448.1 (2) a license holder, a controlling individual, or an individual living in the household

448.2 where the licensed services are provided or is otherwise subject to a background study has

448.3 been disqualified and the disqualification was not set aside and no variance has been granted;

448.4 (3) a license holder knowingly withholds relevant information from or gives false or

448.5 misleading information to the commissioner in connection with an application for a license,

448.6 in connection with the background study status of an individual, during an investigation,

448.7 or regarding compliance with applicable laws or rules;

448.8 (4) a license holder is excluded from any program administered by the commissioner

448.9 under section 245.095; ~~or~~

448.10 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); or

448.11 (6) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

448.12 A license holder who has had a license issued under this chapter suspended, revoked,

448.13 or has been ordered to pay a fine must be given notice of the action by certified mail or

448.14 personal service. If mailed, the notice must be mailed to the address shown on the application

448.15 or the last known address of the license holder. The notice must state in plain language the

448.16 reasons the license was suspended or revoked, or a fine was ordered.

448.17 (b) If the license was suspended or revoked, the notice must inform the license holder

448.18 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts

448.19 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking

448.20 a license. The appeal of an order suspending or revoking a license must be made in writing

448.21 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to

448.22 the commissioner within ten calendar days after the license holder receives notice that the

448.23 license has been suspended or revoked. If a request is made by personal service, it must be

448.24 received by the commissioner within ten calendar days after the license holder received the

18.14 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
18.15 timely appeal of an order suspending or revoking a license, the license holder may continue
18.16 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
18.17 (g), until the commissioner issues a final order on the suspension or revocation.

18.18 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
18.19 holder of the responsibility for payment of fines and the right to a contested case hearing
18.20 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
18.21 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
18.22 the appeal must be postmarked and sent to the commissioner within ten calendar days after
18.23 the license holder receives notice that the fine has been ordered. If a request is made by
18.24 personal service, it must be received by the commissioner within ten calendar days after
18.25 the license holder received the order.

18.26 (2) The license holder shall pay the fines assessed on or before the payment date specified.
18.27 If the license holder fails to fully comply with the order, the commissioner may issue a
18.28 second fine or suspend the license until the license holder complies. If the license holder
18.29 receives state funds, the state, county, or municipal agencies or departments responsible for
18.30 administering the funds shall withhold payments and recover any payments made while the
18.31 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
18.32 until the commissioner issues a final order.

18.33 (3) A license holder shall promptly notify the commissioner of human services, in writing,
18.34 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
18.35 commissioner determines that a violation has not been corrected as indicated by the order
19.1 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
19.2 the license holder by certified mail or personal service that a second fine has been assessed.
19.3 The license holder may appeal the second fine as provided under this subdivision.

19.4 (4) Fines shall be assessed as follows:

19.5 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
19.6 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
19.7 for which the license holder is determined responsible for the maltreatment under section
19.8 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

19.9 (ii) if the commissioner determines that a determination of maltreatment for which the
19.10 license holder is responsible is the result of maltreatment that meets the definition of serious
19.11 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
19.12 \$5,000;

19.13 (iii) for a program that operates out of the license holder's home and a program licensed
19.14 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
19.15 holder shall not exceed \$1,000 for each determination of maltreatment;

19.16 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
19.17 governing matters of health, safety, or supervision, including but not limited to the provision

448.25 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
448.26 timely appeal of an order suspending or revoking a license, the license holder may continue
448.27 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
448.28 (g), until the commissioner issues a final order on the suspension or revocation.

448.29 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
448.30 holder of the responsibility for payment of fines and the right to a contested case hearing
448.31 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
448.32 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
448.33 the appeal must be postmarked and sent to the commissioner within ten calendar days after
448.34 the license holder receives notice that the fine has been ordered. If a request is made by
449.1 personal service, it must be received by the commissioner within ten calendar days after
449.2 the license holder received the order.

449.3 (2) The license holder shall pay the fines assessed on or before the payment date specified.
449.4 If the license holder fails to fully comply with the order, the commissioner may issue a
449.5 second fine or suspend the license until the license holder complies. If the license holder
449.6 receives state funds, the state, county, or municipal agencies or departments responsible for
449.7 administering the funds shall withhold payments and recover any payments made while the
449.8 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
449.9 until the commissioner issues a final order.

449.10 (3) A license holder shall promptly notify the commissioner of human services, in writing,
449.11 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
449.12 commissioner determines that a violation has not been corrected as indicated by the order
449.13 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
449.14 the license holder by certified mail or personal service that a second fine has been assessed.
449.15 The license holder may appeal the second fine as provided under this subdivision.

449.16 (4) Fines shall be assessed as follows:

449.17 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
449.18 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
449.19 for which the license holder is determined responsible for the maltreatment under section
449.20 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

449.21 (ii) if the commissioner determines that a determination of maltreatment for which the
449.22 license holder is responsible is the result of maltreatment that meets the definition of serious
449.23 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
449.24 \$5,000;

449.25 (iii) for a program that operates out of the license holder's home and a program licensed
449.26 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
449.27 holder shall not exceed \$1,000 for each determination of maltreatment;

449.28 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
449.29 governing matters of health, safety, or supervision, including but not limited to the provision

19.18 of adequate staff-to-child or adult ratios, and failure to comply with background study
19.19 requirements under chapter 245C; and

19.20 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
19.21 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

19.22 For purposes of this section, "occurrence" means each violation identified in the
19.23 commissioner's fine order. Fines assessed against a license holder that holds a license to
19.24 provide home and community-based services, as identified in section 245D.03, subdivision
19.25 1, and a community residential setting or day services facility license under chapter 245D
19.26 where the services are provided, may be assessed against both licenses for the same
19.27 occurrence, but the combined amount of the fines shall not exceed the amount specified in
19.28 this clause for that occurrence.

19.29 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
19.30 selling, or otherwise transferring the licensed program to a third party. In such an event, the
19.31 license holder will be personally liable for payment. In the case of a corporation, each
19.32 controlling individual is personally and jointly liable for payment.

20.1 (d) Except for background study violations involving the failure to comply with an order
20.2 to immediately remove an individual or an order to provide continuous, direct supervision,
20.3 the commissioner shall not issue a fine under paragraph (c) relating to a background study
20.4 violation to a license holder who self-corrects a background study violation before the
20.5 commissioner discovers the violation. A license holder who has previously exercised the
20.6 provisions of this paragraph to avoid a fine for a background study violation may not avoid
20.7 a fine for a subsequent background study violation unless at least 365 days have passed
20.8 since the license holder self-corrected the earlier background study violation.

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

17.11 Sec. 14. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

17.12 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
17.13 or revoke a license, or impose a fine if:

17.14 (1) a license holder fails to comply fully with applicable laws or rules including but not
17.15 limited to the requirements of this chapter and chapter 245C;

17.16 (2) a license holder, a controlling individual, or an individual living in the household
17.17 where the licensed services are provided or is otherwise subject to a background study has
17.18 been disqualified and the disqualification was not set aside and no variance has been granted;

17.19 (3) a license holder knowingly withholds relevant information from or gives false or
17.20 misleading information to the commissioner in connection with an application for a license,
17.21 in connection with the background study status of an individual, during an investigation,
17.22 or regarding compliance with applicable laws or rules;

449.30 of adequate staff-to-child or adult ratios, and failure to comply with background study
449.31 requirements under chapter 245C; and

449.32 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
449.33 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

450.1 For purposes of this section, "occurrence" means each violation identified in the
450.2 commissioner's fine order. Fines assessed against a license holder that holds a license to
450.3 provide home and community-based services, as identified in section 245D.03, subdivision
450.4 1, and a community residential setting or day services facility license under chapter 245D
450.5 where the services are provided, may be assessed against both licenses for the same
450.6 occurrence, but the combined amount of the fines shall not exceed the amount specified in
450.7 this clause for that occurrence.

450.8 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
450.9 selling, or otherwise transferring the licensed program to a third party. In such an event, the
450.10 license holder will be personally liable for payment. In the case of a corporation, each
450.11 controlling individual is personally and jointly liable for payment.

450.12 (d) Except for background study violations involving the failure to comply with an order
450.13 to immediately remove an individual or an order to provide continuous, direct supervision,
450.14 the commissioner shall not issue a fine under paragraph (c) relating to a background study
450.15 violation to a license holder who self-corrects a background study violation before the
450.16 commissioner discovers the violation. A license holder who has previously exercised the
450.17 provisions of this paragraph to avoid a fine for a background study violation may not avoid
450.18 a fine for a subsequent background study violation unless at least 365 days have passed
450.19 since the license holder self-corrected the earlier background study violation.

H0238-3

101.16 Sec. 10. Minnesota Statutes 2022, section 245A.07, subdivision 3, is amended to read:

101.17 Subd. 3. **License suspension, revocation, or fine.** (a) The commissioner may suspend
101.18 or revoke a license, or impose a fine if:

101.19 (1) a license holder fails to comply fully with applicable laws or rules including but not
101.20 limited to the requirements of this chapter and chapter 245C;

101.21 (2) a license holder, a controlling individual, or an individual living in the household
101.22 where the licensed services are provided or is otherwise subject to a background study has
101.23 been disqualified and the disqualification was not set aside and no variance has been granted;

101.24 (3) a license holder knowingly withholds relevant information from or gives false or
101.25 misleading information to the commissioner in connection with an application for a license,
101.26 in connection with the background study status of an individual, during an investigation,
101.27 or regarding compliance with applicable laws or rules;

17.23 (4) a license holder is excluded from any program administered by the commissioner
 17.24 under section 245.095; ~~or~~

17.25 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d);

17.26 (6) for a family foster setting, a license holder, or an individual living in the household
 17.27 where the licensed services are provided or who is otherwise subject to a background study
 17.28 has nondisqualifying background study information, as described in section 245C.05,
 17.29 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
 17.30 children; or

17.31 (7) suspension is necessary under subdivision 2a, paragraph (b), clause (2).

18.1 A license holder who has had a license issued under this chapter suspended, revoked, or
 18.2 has been ordered to pay a fine must be given notice of the action by certified mail or personal
 18.3 service. If mailed, the notice must be mailed to the address shown on the application or the
 18.4 last known address of the license holder. The notice must state in plain language the reasons
 18.5 the license was suspended or revoked, or a fine was ordered.

18.6 (b) If the license was suspended or revoked, the notice must inform the license holder
 18.7 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
 18.8 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
 18.9 a license. The appeal of an order suspending or revoking a license must be made in writing
 18.10 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to
 18.11 the commissioner within ten calendar days after the license holder receives notice that the
 18.12 license has been suspended or revoked. If a request is made by personal service, it must be
 18.13 received by the commissioner within ten calendar days after the license holder received the
 18.14 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
 18.15 timely appeal of an order suspending or revoking a license, the license holder may continue
 18.16 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
 18.17 (g), until the commissioner issues a final order on the suspension or revocation.

18.18 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
 18.19 holder of the responsibility for payment of fines and the right to a contested case hearing
 18.20 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
 18.21 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
 18.22 the appeal must be postmarked and sent to the commissioner within ten calendar days after
 18.23 the license holder receives notice that the fine has been ordered. If a request is made by
 18.24 personal service, it must be received by the commissioner within ten calendar days after
 18.25 the license holder received the order.

18.26 (2) The license holder shall pay the fines assessed on or before the payment date specified.
 18.27 If the license holder fails to fully comply with the order, the commissioner may issue a
 18.28 second fine or suspend the license until the license holder complies. If the license holder
 18.29 receives state funds, the state, county, or municipal agencies or departments responsible for
 18.30 administering the funds shall withhold payments and recover any payments made while the

101.28 (4) a license holder is excluded from any program administered by the commissioner
 101.29 under section 245.095; ~~or~~

101.30 (5) revocation is required under section 245A.04, subdivision 7, paragraph (d); ~~or~~

101.31 (6) for a family foster setting, a license holder or an individual living in the household
 101.32 where the licensed services are provided or who is otherwise subject to a background study
 102.1 has nondisqualifying background study information, as described in section 245C.05,
 102.2 subdivision 4, that reflects on the license holder's ability to safely provide care to foster
 102.3 children.

102.4 A license holder who has had a license issued under this chapter suspended, revoked,
 102.5 or has been ordered to pay a fine must be given notice of the action by certified mail or
 102.6 personal service. If mailed, the notice must be mailed to the address shown on the application
 102.7 or the last known address of the license holder. The notice must state in plain language the
 102.8 reasons the license was suspended or revoked, or a fine was ordered.

102.9 (b) If the license was suspended or revoked, the notice must inform the license holder
 102.10 of the right to a contested case hearing under chapter 14 and Minnesota Rules, parts
 102.11 1400.8505 to 1400.8612. The license holder may appeal an order suspending or revoking
 102.12 a license. The appeal of an order suspending or revoking a license must be made in writing
 102.13 by certified mail or personal service. If mailed, the appeal must be postmarked and sent to
 102.14 the commissioner within ten calendar days after the license holder receives notice that the
 102.15 license has been suspended or revoked. If a request is made by personal service, it must be
 102.16 received by the commissioner within ten calendar days after the license holder received the
 102.17 order. Except as provided in subdivision 2a, paragraph (c), if a license holder submits a
 102.18 timely appeal of an order suspending or revoking a license, the license holder may continue
 102.19 to operate the program as provided in section 245A.04, subdivision 7, paragraphs (f) and
 102.20 (g), until the commissioner issues a final order on the suspension or revocation.

102.21 (c)(1) If the license holder was ordered to pay a fine, the notice must inform the license
 102.22 holder of the responsibility for payment of fines and the right to a contested case hearing
 102.23 under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. The appeal of an
 102.24 order to pay a fine must be made in writing by certified mail or personal service. If mailed,
 102.25 the appeal must be postmarked and sent to the commissioner within ten calendar days after
 102.26 the license holder receives notice that the fine has been ordered. If a request is made by
 102.27 personal service, it must be received by the commissioner within ten calendar days after
 102.28 the license holder received the order.

102.29 (2) The license holder shall pay the fines assessed on or before the payment date specified.
 102.30 If the license holder fails to fully comply with the order, the commissioner may issue a
 102.31 second fine or suspend the license until the license holder complies. If the license holder
 102.32 receives state funds, the state, county, or municipal agencies or departments responsible for
 102.33 administering the funds shall withhold payments and recover any payments made while the

18.31 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
18.32 until the commissioner issues a final order.

18.33 (3) A license holder shall promptly notify the commissioner of human services, in writing,
18.34 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
18.35 commissioner determines that a violation has not been corrected as indicated by the order
19.1 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
19.2 the license holder by certified mail or personal service that a second fine has been assessed.
19.3 The license holder may appeal the second fine as provided under this subdivision.

19.4 (4) Fines shall be assessed as follows:

19.5 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
19.6 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
19.7 for which the license holder is determined responsible for the maltreatment under section
19.8 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

19.9 (ii) if the commissioner determines that a determination of maltreatment for which the
19.10 license holder is responsible is the result of maltreatment that meets the definition of serious
19.11 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
19.12 \$5,000;

19.13 (iii) for a program that operates out of the license holder's home and a program licensed
19.14 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
19.15 holder shall not exceed \$1,000 for each determination of maltreatment;

19.16 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
19.17 governing matters of health, safety, or supervision, including but not limited to the provision
19.18 of adequate staff-to-child or adult ratios, and failure to comply with background study
19.19 requirements under chapter 245C; and

19.20 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
19.21 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

19.22 For purposes of this section, "occurrence" means each violation identified in the
19.23 commissioner's fine order. Fines assessed against a license holder that holds a license to
19.24 provide home and community-based services, as identified in section 245D.03, subdivision
19.25 1, and a community residential setting or day services facility license under chapter 245D
19.26 where the services are provided, may be assessed against both licenses for the same
19.27 occurrence, but the combined amount of the fines shall not exceed the amount specified in
19.28 this clause for that occurrence.

19.29 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
19.30 selling, or otherwise transferring the licensed program to a third party. In such an event, the
19.31 license holder will be personally liable for payment. In the case of a corporation, each
19.32 controlling individual is personally and jointly liable for payment.

102.34 license is suspended for failure to pay a fine. A timely appeal shall stay payment of the fine
102.35 until the commissioner issues a final order.

103.1 (3) A license holder shall promptly notify the commissioner of human services, in writing,
103.2 when a violation specified in the order to forfeit a fine is corrected. If upon reinspection the
103.3 commissioner determines that a violation has not been corrected as indicated by the order
103.4 to forfeit a fine, the commissioner may issue a second fine. The commissioner shall notify
103.5 the license holder by certified mail or personal service that a second fine has been assessed.
103.6 The license holder may appeal the second fine as provided under this subdivision.

103.7 (4) Fines shall be assessed as follows:

103.8 (i) the license holder shall forfeit \$1,000 for each determination of maltreatment of a
103.9 child under chapter 260E or the maltreatment of a vulnerable adult under section 626.557
103.10 for which the license holder is determined responsible for the maltreatment under section
103.11 260E.30, subdivision 4, paragraphs (a) and (b), or 626.557, subdivision 9c, paragraph (c);

103.12 (ii) if the commissioner determines that a determination of maltreatment for which the
103.13 license holder is responsible is the result of maltreatment that meets the definition of serious
103.14 maltreatment as defined in section 245C.02, subdivision 18, the license holder shall forfeit
103.15 \$5,000;

103.16 (iii) for a program that operates out of the license holder's home and a program licensed
103.17 under Minnesota Rules, parts 9502.0300 to 9502.0445, the fine assessed against the license
103.18 holder shall not exceed \$1,000 for each determination of maltreatment;

103.19 (iv) the license holder shall forfeit \$200 for each occurrence of a violation of law or rule
103.20 governing matters of health, safety, or supervision, including but not limited to the provision
103.21 of adequate staff-to-child or adult ratios, and failure to comply with background study
103.22 requirements under chapter 245C; and

103.23 (v) the license holder shall forfeit \$100 for each occurrence of a violation of law or rule
103.24 other than those subject to a \$5,000, \$1,000, or \$200 fine in items (i) to (iv).

103.25 For purposes of this section, "occurrence" means each violation identified in the
103.26 commissioner's fine order. Fines assessed against a license holder that holds a license to
103.27 provide home and community-based services, as identified in section 245D.03, subdivision
103.28 1, and a community residential setting or day services facility license under chapter 245D
103.29 where the services are provided, may be assessed against both licenses for the same
103.30 occurrence, but the combined amount of the fines shall not exceed the amount specified in
103.31 this clause for that occurrence.

103.32 (5) When a fine has been assessed, the license holder may not avoid payment by closing,
103.33 selling, or otherwise transferring the licensed program to a third party. In such an event, the
104.1 license holder will be personally liable for payment. In the case of a corporation, each
104.2 controlling individual is personally and jointly liable for payment.

20.1 (d) Except for background study violations involving the failure to comply with an order
20.2 to immediately remove an individual or an order to provide continuous, direct supervision,
20.3 the commissioner shall not issue a fine under paragraph (c) relating to a background study
20.4 violation to a license holder who self-corrects a background study violation before the
20.5 commissioner discovers the violation. A license holder who has previously exercised the
20.6 provisions of this paragraph to avoid a fine for a background study violation may not avoid
20.7 a fine for a subsequent background study violation unless at least 365 days have passed
20.8 since the license holder self-corrected the earlier background study violation.

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

20.10 Sec. 15. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

20.11 Subd. 3. **Application fee for initial license or certification.** (a) For fees required under
20.12 subdivision 1, an applicant for an initial license or certification issued by the commissioner
20.13 shall submit a \$500 application fee with each new application required under this subdivision.
20.14 An applicant for an initial day services facility license under chapter 245D shall submit a
20.15 \$250 application fee with each new application. The application fee shall not be prorated,
20.16 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
20.17 December 31. The commissioner shall not process an application until the application fee
20.18 is paid.

20.19 (b) Except as provided in clauses (1) ~~to (3)~~ and (2), an applicant shall apply for a license
20.20 to provide services at a specific location.

20.21 (1) For a license to provide home and community-based services to persons with
20.22 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
20.23 to provide services statewide. Notwithstanding paragraph (a), applications received by the
20.24 commissioner between July 1, 2013, and December 31, 2013, for licensure of services
20.25 provided under chapter 245D must include an application fee that is equal to the annual
20.26 license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less.
20.27 Applications received by the commissioner after January 1, 2014, must include the application
20.28 fee required under paragraph (a). Applicants who meet the modified application criteria
20.29 identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

20.30 ~~(2) For a license to provide independent living assistance for youth under section 245A.22,~~
20.31 ~~an applicant shall submit a single application to provide services statewide.~~

21.1 ~~(3)~~ (2) For a license for a private agency to provide foster care or adoption services under
21.2 Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application
21.3 to provide services statewide.

104.3 (d) Except for background study violations involving the failure to comply with an order
104.4 to immediately remove an individual or an order to provide continuous, direct supervision,
104.5 the commissioner shall not issue a fine under paragraph (c) relating to a background study
104.6 violation to a license holder who self-corrects a background study violation before the
104.7 commissioner discovers the violation. A license holder who has previously exercised the
104.8 provisions of this paragraph to avoid a fine for a background study violation may not avoid
104.9 a fine for a subsequent background study violation unless at least 365 days have passed
104.10 since the license holder self-corrected the earlier background study violation.

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

THE FOLLOWING TWO SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND
ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

450.20 Sec. 10. Minnesota Statutes 2022, section 245A.10, subdivision 3, is amended to read:

450.21 Subd. 3. **Application fee for initial license or certification.** (a) For fees required under
450.22 subdivision 1, an applicant for an initial license or certification issued by the commissioner
450.23 shall submit a \$500 application fee with each new application required under this subdivision.
450.24 An applicant for an initial day services facility license under chapter 245D shall submit a
450.25 \$250 application fee with each new application. The application fee shall not be prorated,
450.26 is nonrefundable, and is in lieu of the annual license or certification fee that expires on
450.27 December 31. The commissioner shall not process an application until the application fee
450.28 is paid.

450.29 (b) Except as provided in clauses (1) ~~to (3)~~ and (2), an applicant shall apply for a license
450.30 to provide services at a specific location.

450.31 (1) For a license to provide home and community-based services to persons with
450.32 disabilities or age 65 and older under chapter 245D, an applicant shall submit an application
450.33 to provide services statewide. Notwithstanding paragraph (a), applications received by the
450.34 commissioner between July 1, 2013, and December 31, 2013, for licensure of services
451.1 provided under chapter 245D must include an application fee that is equal to the annual
451.2 license renewal fee under subdivision 4, paragraph (b), or \$500, whichever is less.
451.3 Applications received by the commissioner after January 1, 2014, must include the application
451.4 fee required under paragraph (a). Applicants who meet the modified application criteria
451.5 identified in section 245A.042, subdivision 2, are exempt from paying an application fee.

451.6 ~~(2) For a license to provide independent living assistance for youth under section 245A.22,~~
451.7 ~~an applicant shall submit a single application to provide services statewide.~~

451.8 ~~(3)~~ (2) For a license for a private agency to provide foster care or adoption services under
451.9 Minnesota Rules, parts 9545.0755 to 9545.0845, an applicant shall submit a single application
451.10 to provide services statewide.

21.4 (c) The initial application fee charged under this subdivision does not include the
21.5 temporary license surcharge under section 16E.22.

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

21.7 Sec. 16. Minnesota Statutes 2022, section 245A.10, subdivision 4, is amended to read:

21.8 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers shall
21.9 pay an annual nonrefundable license fee based on the following schedule:

21.10		Child Care Center
21.11	Licensed Capacity	License Fee
21.12	1 to 24 persons	\$200
21.13	25 to 49 persons	\$300
21.14	50 to 74 persons	\$400
21.15	75 to 99 persons	\$500
21.16	100 to 124 persons	\$600
21.17	125 to 149 persons	\$700
21.18	150 to 174 persons	\$800
21.19	175 to 199 persons	\$900
21.20	200 to 224 persons	\$1,000
21.21	225 or more persons	\$1,100

21.22 (b)(1) A program licensed to provide one or more of the home and community-based
21.23 services and supports identified under chapter 245D to persons with disabilities or age 65
21.24 and older, shall pay an annual nonrefundable license fee based on revenues derived from
21.25 the provision of services that would require licensure under chapter 245D during the calendar
21.26 year immediately preceding the year in which the license fee is paid, according to the
21.27 following schedule:

21.28	License Holder Annual Revenue	License Fee
21.29	less than or equal to \$10,000	\$200
21.30	greater than \$10,000 but less than or	
21.31	equal to \$25,000	\$300

451.11 (c) The initial application fee charged under this subdivision does not include the
451.12 temporary license surcharge under section 16E.22.

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

451.14 Sec. 11. Minnesota Statutes 2022, section 245A.10, subdivision 4, is amended to read:

451.15 Subd. 4. **License or certification fee for certain programs.** (a) Child care centers shall
451.16 pay an annual nonrefundable license fee based on the following schedule:

451.17		Child Care Center
451.18	Licensed Capacity	License Fee
451.19	1 to 24 persons	\$200
451.20	25 to 49 persons	\$300
451.21	50 to 74 persons	\$400
451.22	75 to 99 persons	\$500
451.23	100 to 124 persons	\$600
451.24	125 to 149 persons	\$700
451.25	150 to 174 persons	\$800
451.26	175 to 199 persons	\$900
451.27	200 to 224 persons	\$1,000
451.28	225 or more persons	\$1,100

451.29 (b)(1) A program licensed to provide one or more of the home and community-based
451.30 services and supports identified under chapter 245D to persons with disabilities or age 65
451.31 and older, shall pay an annual nonrefundable license fee based on revenues derived from
451.32 the provision of services that would require licensure under chapter 245D during the calendar
451.33 year immediately preceding the year in which the license fee is paid, according to the
451.34 following schedule:

452.1	License Holder Annual Revenue	License Fee
452.2	less than or equal to \$10,000	\$200
452.3	greater than \$10,000 but less than or	
452.4	equal to \$25,000	\$300

21.32	greater than \$25,000 but less than or	
21.33	equal to \$50,000	\$400
21.34	greater than \$50,000 but less than or	
21.35	equal to \$100,000	\$500
22.1	greater than \$100,000 but less than or	
22.2	equal to \$150,000	\$600
22.3	greater than \$150,000 but less than or	
22.4	equal to \$200,000	\$800
22.5	greater than \$200,000 but less than or	
22.6	equal to \$250,000	\$1,000
22.7	greater than \$250,000 but less than or	
22.8	equal to \$300,000	\$1,200
22.9	greater than \$300,000 but less than or	
22.10	equal to \$350,000	\$1,400
22.11	greater than \$350,000 but less than or	
22.12	equal to \$400,000	\$1,600
22.13	greater than \$400,000 but less than or	
22.14	equal to \$450,000	\$1,800
22.15	greater than \$450,000 but less than or	
22.16	equal to \$500,000	\$2,000
22.17	greater than \$500,000 but less than or	
22.18	equal to \$600,000	\$2,250
22.19	greater than \$600,000 but less than or	
22.20	equal to \$700,000	\$2,500
22.21	greater than \$700,000 but less than or	
22.22	equal to \$800,000	\$2,750
22.23	greater than \$800,000 but less than or	
22.24	equal to \$900,000	\$3,000
22.25	greater than \$900,000 but less than or	
22.26	equal to \$1,000,000	\$3,250

452.5	greater than \$25,000 but less than or	
452.6	equal to \$50,000	\$400
452.7	greater than \$50,000 but less than or	
452.8	equal to \$100,000	\$500
452.9	greater than \$100,000 but less than or	
452.10	equal to \$150,000	\$600
452.11	greater than \$150,000 but less than or	
452.12	equal to \$200,000	\$800
452.13	greater than \$200,000 but less than or	
452.14	equal to \$250,000	\$1,000
452.15	greater than \$250,000 but less than or	
452.16	equal to \$300,000	\$1,200
452.17	greater than \$300,000 but less than or	
452.18	equal to \$350,000	\$1,400
452.19	greater than \$350,000 but less than or	
452.20	equal to \$400,000	\$1,600
452.21	greater than \$400,000 but less than or	
452.22	equal to \$450,000	\$1,800
452.23	greater than \$450,000 but less than or	
452.24	equal to \$500,000	\$2,000
452.25	greater than \$500,000 but less than or	
452.26	equal to \$600,000	\$2,250
452.27	greater than \$600,000 but less than or	
452.28	equal to \$700,000	\$2,500
452.29	greater than \$700,000 but less than or	
452.30	equal to \$800,000	\$2,750
452.31	greater than \$800,000 but less than or	
452.32	equal to \$900,000	\$3,000
452.33	greater than \$900,000 but less than or	
452.34	equal to \$1,000,000	\$3,250

22.27	greater than \$1,000,000 but less than or	
22.28	equal to \$1,250,000	\$3,500
22.29	greater than \$1,250,000 but less than or	
22.30	equal to \$1,500,000	\$3,750
22.31	greater than \$1,500,000 but less than or	
22.32	equal to \$1,750,000	\$4,000
22.33	greater than \$1,750,000 but less than or	
22.34	equal to \$2,000,000	\$4,250
22.35	greater than \$2,000,000 but less than or	
22.36	equal to \$2,500,000	\$4,500
22.37	greater than \$2,500,000 but less than or	
22.38	equal to \$3,000,000	\$4,750
22.39	greater than \$3,000,000 but less than or	
22.40	equal to \$3,500,000	\$5,000
22.41	greater than \$3,500,000 but less than or	
22.42	equal to \$4,000,000	\$5,500
22.43	greater than \$4,000,000 but less than or	
22.44	equal to \$4,500,000	\$6,000
22.45	greater than \$4,500,000 but less than or	
22.46	equal to \$5,000,000	\$6,500
23.1	greater than \$5,000,000 but less than or	
23.2	equal to \$7,500,000	\$7,000
23.3	greater than \$7,500,000 but less than or	
23.4	equal to \$10,000,000	\$8,500
23.5	greater than \$10,000,000 but less than or	
23.6	equal to \$12,500,000	\$10,000
23.7	greater than \$12,500,000 but less than or	
23.8	equal to \$15,000,000	\$14,000
23.9	greater than \$15,000,000	\$18,000

452.35	greater than \$1,000,000 but less than or	
452.36	equal to \$1,250,000	\$3,500
452.37	greater than \$1,250,000 but less than or	
452.38	equal to \$1,500,000	\$3,750
452.39	greater than \$1,500,000 but less than or	
452.40	equal to \$1,750,000	\$4,000
452.41	greater than \$1,750,000 but less than or	
452.42	equal to \$2,000,000	\$4,250
452.43	greater than \$2,000,000 but less than or	
452.44	equal to \$2,500,000	\$4,500
453.1	greater than \$2,500,000 but less than or	
453.2	equal to \$3,000,000	\$4,750
453.3	greater than \$3,000,000 but less than or	
453.4	equal to \$3,500,000	\$5,000
453.5	greater than \$3,500,000 but less than or	
453.6	equal to \$4,000,000	\$5,500
453.7	greater than \$4,000,000 but less than or	
453.8	equal to \$4,500,000	\$6,000
453.9	greater than \$4,500,000 but less than or	
453.10	equal to \$5,000,000	\$6,500
453.11	greater than \$5,000,000 but less than or	
453.12	equal to \$7,500,000	\$7,000
453.13	greater than \$7,500,000 but less than or	
453.14	equal to \$10,000,000	\$8,500
453.15	greater than \$10,000,000 but less than or	
453.16	equal to \$12,500,000	\$10,000
453.17	greater than \$12,500,000 but less than or	
453.18	equal to \$15,000,000	\$14,000
453.19	greater than \$15,000,000	\$18,000

23.10 (2) If requested, the license holder shall provide the commissioner information to verify
23.11 the license holder's annual revenues or other information as needed, including copies of
23.12 documents submitted to the Department of Revenue.

23.13 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
23.14 and not provide annual revenue information to the commissioner.

23.15 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
23.16 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
23.17 of double the fee the provider should have paid.

23.18 (5) Notwithstanding clause (1), a license holder providing services under one or more
23.19 licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license
23.20 fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license
23.21 holder for all licenses held under chapter 245B for calendar year 2013. For calendar year
23.22 2017 and thereafter, the license holder shall pay an annual license fee according to clause
23.23 (1).

23.24 (c) A substance use disorder treatment program licensed under chapter 245G, to provide
23.25 substance use disorder treatment shall pay an annual nonrefundable license fee based on
23.26 the following schedule:

23.27	Licensed Capacity	License Fee
23.28	1 to 24 persons	\$600
23.29	25 to 49 persons	\$800
23.30	50 to 74 persons	\$1,000
23.31	75 to 99 persons	\$1,200
23.32	100 or more persons	\$1,400

23.33 (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
23.34 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
23.35 an annual nonrefundable license fee based on the following schedule:

24.1	Licensed Capacity	License Fee
24.2	1 to 24 persons	\$760
24.3	25 to 49 persons	\$960
24.4	50 or more persons	\$1,160

453.20 (2) If requested, the license holder shall provide the commissioner information to verify
453.21 the license holder's annual revenues or other information as needed, including copies of
453.22 documents submitted to the Department of Revenue.

453.23 (3) At each annual renewal, a license holder may elect to pay the highest renewal fee,
453.24 and not provide annual revenue information to the commissioner.

453.25 (4) A license holder that knowingly provides the commissioner incorrect revenue amounts
453.26 for the purpose of paying a lower license fee shall be subject to a civil penalty in the amount
453.27 of double the fee the provider should have paid.

453.28 (5) Notwithstanding clause (1), a license holder providing services under one or more
453.29 licenses under chapter 245B that are in effect on May 15, 2013, shall pay an annual license
453.30 fee for calendar years 2014, 2015, and 2016, equal to the total license fees paid by the license
453.31 holder for all licenses held under chapter 245B for calendar year 2013. For calendar year
453.32 2017 and thereafter, the license holder shall pay an annual license fee according to clause
453.33 (1).

453.34 (c) A substance use disorder treatment program licensed under chapter 245G, to provide
453.35 substance use disorder treatment shall pay an annual nonrefundable license fee based on
453.36 the following schedule:

453.37	Licensed Capacity	License Fee
453.38	1 to 24 persons	\$600
454.1	25 to 49 persons	\$800
454.2	50 to 74 persons	\$1,000
454.3	75 to 99 persons	\$1,200
454.4	100 or more persons	\$1,400

454.5 (d) A detoxification program licensed under Minnesota Rules, parts 9530.6510 to
454.6 9530.6590, or a withdrawal management program licensed under chapter 245F shall pay
454.7 an annual nonrefundable license fee based on the following schedule:

454.8	Licensed Capacity	License Fee
454.9	1 to 24 persons	\$760
454.10	25 to 49 persons	\$960
454.11	50 or more persons	\$1,160

24.5 A detoxification program that also operates a withdrawal management program at the same
24.6 location shall only pay one fee based upon the licensed capacity of the program with the
24.7 higher overall capacity.

24.8 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,
24.9 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the
24.10 following schedule:

24.11	Licensed Capacity	License Fee
24.12	1 to 24 persons	\$1,000
24.13	25 to 49 persons	\$1,100
24.14	50 to 74 persons	\$1,200
24.15	75 to 99 persons	\$1,300
24.16	100 or more persons	\$1,400

24.17 (f) A residential facility licensed under section 2451.23 or Minnesota Rules, parts
24.18 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
24.19 nonrefundable license fee based on the following schedule:

24.20	Licensed Capacity	License Fee
24.21	1 to 24 persons	\$2,525
24.22	25 or more persons	\$2,725

24.23 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400,
24.24 to serve persons with physical disabilities shall pay an annual nonrefundable license fee
24.25 based on the following schedule:

24.26	Licensed Capacity	License Fee
24.27	1 to 24 persons	\$450
24.28	25 to 49 persons	\$650
24.29	50 to 74 persons	\$850
24.30	75 to 99 persons	\$1,050
24.31	100 or more persons	\$1,250

454.12 A detoxification program that also operates a withdrawal management program at the same
454.13 location shall only pay one fee based upon the licensed capacity of the program with the
454.14 higher overall capacity.

454.15 (e) Except for child foster care, a residential facility licensed under Minnesota Rules,
454.16 chapter 2960, to serve children shall pay an annual nonrefundable license fee based on the
454.17 following schedule:

454.18	Licensed Capacity	License Fee
454.19	1 to 24 persons	\$1,000
454.20	25 to 49 persons	\$1,100
454.21	50 to 74 persons	\$1,200
454.22	75 to 99 persons	\$1,300
454.23	100 or more persons	\$1,400

454.24 (f) A residential facility licensed under section 2451.23 or Minnesota Rules, parts
454.25 9520.0500 to 9520.0670, to serve persons with mental illness shall pay an annual
454.26 nonrefundable license fee based on the following schedule:

454.27	Licensed Capacity	License Fee
454.28	1 to 24 persons	\$2,525
454.29	25 or more persons	\$2,725

454.30 (g) A residential facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3400,
454.31 to serve persons with physical disabilities shall pay an annual nonrefundable license fee
454.32 based on the following schedule:

454.33	Licensed Capacity	License Fee
454.34	1 to 24 persons	\$450
455.1	25 to 49 persons	\$650
455.2	50 to 74 persons	\$850
455.3	75 to 99 persons	\$1,050
455.4	100 or more persons	\$1,250

24.32 ~~(h) A program licensed to provide independent living assistance for youth under section~~
24.33 ~~245A.22 shall pay an annual nonrefundable license fee of \$1,500.~~

25.1 ~~(h)~~ (h) A private agency licensed to provide foster care and adoption services under
25.2 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license
25.3 fee of \$875.

25.4 ~~(i)~~ (i) A program licensed as an adult day care center licensed under Minnesota Rules,
25.5 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
25.6 following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$500
25 to 49 persons	\$700
50 to 74 persons	\$900
75 to 99 persons	\$1,100
100 or more persons	\$1,300

25.13 ~~(j)~~ (j) A program licensed to provide treatment services to persons with sexual
25.14 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
25.15 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

25.16 ~~(k)~~ (k) A mental health clinic certified under section 2451.20 shall pay an annual
25.17 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a
25.18 primary location with satellite facilities, the satellite facilities shall be certified with the
25.19 primary location without an additional charge.

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

25.21 Sec. 17. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision
25.22 to read:

25.23 Subd. 12. **License holder qualifications for child foster care.** (a) Child foster care
25.24 license holders must maintain the ability to care for a foster child and ensure a safe home
25.25 environment for children placed in their care. License holders must immediately notify the
25.26 licensing agency of:

455.5 ~~(h) A program licensed to provide independent living assistance for youth under section~~
455.6 ~~245A.22 shall pay an annual nonrefundable license fee of \$1,500.~~

455.7 ~~(h)~~ (h) A private agency licensed to provide foster care and adoption services under
455.8 Minnesota Rules, parts 9545.0755 to 9545.0845, shall pay an annual nonrefundable license
455.9 fee of \$875.

455.10 ~~(i)~~ (i) A program licensed as an adult day care center licensed under Minnesota Rules,
455.11 parts 9555.9600 to 9555.9730, shall pay an annual nonrefundable license fee based on the
455.12 following schedule:

Licensed Capacity	License Fee
1 to 24 persons	\$500
25 to 49 persons	\$700
50 to 74 persons	\$900
75 to 99 persons	\$1,100
100 or more persons	\$1,300

455.19 ~~(j)~~ (j) A program licensed to provide treatment services to persons with sexual
455.20 psychopathic personalities or sexually dangerous persons under Minnesota Rules, parts
455.21 9515.3000 to 9515.3110, shall pay an annual nonrefundable license fee of \$20,000.

455.22 ~~(k)~~ (k) A mental health clinic certified under section 2451.20 shall pay an annual
455.23 nonrefundable certification fee of \$1,550. If the mental health clinic provides services at a
455.24 primary location with satellite facilities, the satellite facilities shall be certified with the
455.25 primary location without an additional charge.

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

THE FOLLOWING FOUR SECTIONS ARE FROM H0238-3 ARTICLE 4 AND
ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.

H0238-3

104.12 Sec. 11. Minnesota Statutes 2022, section 245A.11, is amended by adding a subdivision
104.13 to read:

104.14 Subd. 12. **License holder qualifications for child foster care.** (a) Child foster care
104.15 license holders must maintain the ability to care for a foster child and ensure a safe home
104.16 environment for children placed in their care. License holders must immediately notify the
104.17 licensing agency of:

25.27 (1) any changes to the license holder or household member's physical or behavioral
25.28 health that may affect the license holder's ability to care for a foster child or pose a risk to
25.29 a foster child's health; or

25.30 (2) changes related to the care of a child or vulnerable adult for whom the license holder
25.31 is a parent or legally responsible, including living out of the home for treatment for physical
25.32 or behavioral health, modified parenting time arrangements, legal custody, or placement in
25.33 foster care.

26.1 (b) The licensing agency may request a license holder or household member to undergo
26.2 an evaluation by a specialist in areas such as physical or behavioral health to evaluate the
26.3 license holder's ability to provide a safe environment for a foster child. The licensing agency
26.4 must request a release of information from the license holder or household member prior
26.5 to assigning the specialist to evaluate, and the licensing agency must tell the license holder
26.6 or household member why it is requesting a specialist to evaluate.

26.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

26.8 Sec. 18. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

26.9 Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs
26.10 serving 14 or fewer children that are conducted at a location other than the license holder's
26.11 own residence shall be licensed under this section and the rules governing family child care
26.12 or group family child care if:

26.13 ~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child
26.14 care program is conducted in a dwelling that is located on a residential lot;

26.15 ~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider
26.16 of care, and the purpose for the child care program is to provide child care services to
26.17 children of the license holder's employees;

26.18 ~~(c)~~ (3) the license holder is a church or religious organization;

26.19 ~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes
26.20 of this subdivision, a community collaborative child care provider is a provider participating
26.21 in a cooperative agreement with a community action agency as defined in section 256E.31;

26.22 ~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling
26.23 located on a residential lot and the license holder maintains two or more contracts with
26.24 community employers or other community organizations to provide child care services.
26.25 The county licensing agency may grant a capacity variance to a license holder licensed
26.26 under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than
26.27 five children during transition periods related to the work schedules of parents, if the license
26.28 holder meets the following requirements:

26.29 ~~(H)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative
26.30 total of four hours per day;

104.18 (1) any changes to the license holder or household member's physical or behavioral
104.19 health that may affect the license holder's ability to care for a foster child or pose a risk to
104.20 a foster child's health; or

104.21 (2) changes related to the care of a child or vulnerable adult for whom the license holder
104.22 is a parent or legally responsible, including living out of the home for treatment for physical
104.23 or behavioral health, modified parenting time arrangements, legal custody, or placement in
104.24 foster care.

104.25 (b) The licensing agency may request a license holder or household member to undergo
104.26 an evaluation by a specialist in areas such as physical or behavioral health to evaluate the
104.27 license holder's ability to provide a safe environment for a foster child. Prior to assigning
104.28 a specialist to evaluate, the licensing agency must tell the license holder or household
104.29 member why the licensing agency has requested a specialist evaluation and request a release
104.30 of information from the license holder or household member.

104.31 **EFFECTIVE DATE.** This section is effective January 1, 2024.

105.1 Sec. 12. Minnesota Statutes 2022, section 245A.14, subdivision 4, is amended to read:

105.2 Subd. 4. **Special family child care homes.** (a) Nonresidential child care programs
105.3 serving 14 or fewer children that are conducted at a location other than the license holder's
105.4 own residence shall be licensed under this section and the rules governing family child care
105.5 or group family child care if:

105.6 ~~(a)~~ (1) the license holder is the primary provider of care and the nonresidential child
105.7 care program is conducted in a dwelling that is located on a residential lot;

105.8 ~~(b)~~ (2) the license holder is an employer who may or may not be the primary provider
105.9 of care, and the purpose for the child care program is to provide child care services to
105.10 children of the license holder's employees;

105.11 ~~(c)~~ (3) the license holder is a church or religious organization;

105.12 ~~(d)~~ (4) the license holder is a community collaborative child care provider. For purposes
105.13 of this subdivision, a community collaborative child care provider is a provider participating
105.14 in a cooperative agreement with a community action agency as defined in section 256E.31;

105.15 ~~(e)~~ (5) the license holder is a not-for-profit agency that provides child care in a dwelling
105.16 located on a residential lot and the license holder maintains two or more contracts with
105.17 community employers or other community organizations to provide child care services.
105.18 The county licensing agency may grant a capacity variance to a license holder licensed
105.19 under this ~~paragraph~~ clause to exceed the licensed capacity of 14 children by no more than
105.20 five children during transition periods related to the work schedules of parents, if the license
105.21 holder meets the following requirements:

105.22 ~~(H)~~ (i) the program does not exceed a capacity of 14 children more than a cumulative
105.23 total of four hours per day;

26.31 ~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

27.1 ~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required

27.2 in the rules governing family child care each year;

27.3 ~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part

27.4 9502.0425;

27.5 ~~(5)~~ (v) the program is in compliance with local zoning regulations;

27.6 ~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

27.7 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but

27.8 no more than five children 2-1/2 years of age or less, the applicable fire code is educational

27.9 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~,

27.10 2020, Section 202; or

27.11 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the

27.12 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota

27.13 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years

27.14 of age or younger are cared for are located on a level of exit discharge and each of these

27.15 child care rooms has an exit door directly to the exterior, then the applicable fire code is

27.16 Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020,

27.17 Section 202; and

27.18 ~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square

27.19 footage determinations shall be printed on the license; or

27.20 ~~(i)~~ (6) the license holder is the primary provider of care and has located the licensed

27.21 child care program in a commercial space, if the license holder meets the following

27.22 requirements:

27.23 ~~(i)~~ (i) the program is in compliance with local zoning regulations;

27.24 ~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

27.25 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but

27.26 no more than five children 2-1/2 years of age or less, the applicable fire code is educational

27.27 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~,

27.28 2020, Section 202; or

27.29 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the

27.30 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota

27.31 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years

27.32 of age or younger are cared for are located on a level of exit discharge and each of these

28.1 child care rooms has an exit door directly to the exterior, then the applicable fire code is

28.2 Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

105.24 ~~(2)~~ (ii) the program meets a one to seven staff-to-child ratio during the variance period;

105.25 ~~(3)~~ (iii) all employees receive at least an extra four hours of training per year than required

105.26 in the rules governing family child care each year;

105.27 ~~(4)~~ (iv) the facility has square footage required per child under Minnesota Rules, part

105.28 9502.0425;

105.29 ~~(5)~~ (v) the program is in compliance with local zoning regulations;

105.30 ~~(6)~~ (vi) the program is in compliance with the applicable fire code as follows:

105.31 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but

105.32 no more than five children 2-1/2 years of age or less, the applicable fire code is educational

106.1 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~,

106.2 2020, Section 202; or

106.3 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the

106.4 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided in the Minnesota

106.5 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years

106.6 of age or younger are cared for are located on a level of exit discharge and each of these

106.7 child care rooms has an exit door directly to the exterior, then the applicable fire code is

106.8 Group E ~~occupancies~~ Occupancy, as provided in the Minnesota State Fire Code ~~2015~~ 2020,

106.9 Section 202; and

106.10 ~~(7)~~ (vii) any age and capacity limitations required by the fire code inspection and square

106.11 footage determinations shall be printed on the license; or

106.12 ~~(i)~~ (6) the license holder is the primary provider of care and has located the licensed

106.13 child care program in a commercial space, if the license holder meets the following

106.14 requirements:

106.15 ~~(i)~~ (i) the program is in compliance with local zoning regulations;

106.16 ~~(2)~~ (ii) the program is in compliance with the applicable fire code as follows:

106.17 ~~(i)~~ (A) if the program serves more than five children older than 2-1/2 years of age, but

106.18 no more than five children 2-1/2 years of age or less, the applicable fire code is educational

106.19 occupancy, as provided in Group E Occupancy under the Minnesota State Fire Code ~~2015~~,

106.20 2020, Section 202; or

106.21 ~~(ii)~~ (B) if the program serves more than five children 2-1/2 years of age or less, the

106.22 applicable fire code is Group I-4 ~~Occupancies~~ Occupancy, as provided under the Minnesota

106.23 State Fire Code ~~2015~~ 2020, Section 202, unless the rooms in which the children 2-1/2 years

106.24 of age or younger are cared for are located on a level of exit discharge and each of these

106.25 child care rooms has an exit door directly to the exterior, then the applicable fire code is

106.26 Group E Occupancy, as provided in the Minnesota State Fire Code 2020, Section 202;

28.3 ~~(2)~~ (iii) any age and capacity limitations required by the fire code inspection and square
28.4 footage determinations are printed on the license; and

28.5 ~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner
28.6 which contains the statement "This special family child care provider is not licensed as a
28.7 child care center."

28.8 ~~(g)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner
28.9 may issue up to four licenses to an organization licensed under paragraph ~~(b)~~, ~~(c)~~, ~~or (e)~~ (a),
28.10 clause (2), (3), or (5). Each license must have its own primary provider of care as required
28.11 under paragraph ~~(d)~~ (d). Each license must operate as a distinct and separate program in
28.12 compliance with all applicable laws and regulations.

28.13 ~~(h)~~ (c) For licenses issued under paragraph ~~(b)~~, ~~(c)~~, ~~(d)~~, ~~(e)~~, ~~or (f)~~ (a), clause (2), (3),
28.14 (4), (5), or (6), the commissioner may approve up to four licenses at the same location or
28.15 under one contiguous roof if each license holder is able to demonstrate compliance with all
28.16 applicable rules and laws. Each licensed program must operate as a distinct program and
28.17 within the capacity, age, and ratio distributions of each license.

28.18 ~~(i)~~ (d) For a license issued under paragraph ~~(b)~~, ~~(c)~~, ~~or (e)~~ (a), clause (2), (3), or (5), the
28.19 license holder must designate a person to be the primary provider of care at the licensed
28.20 location on a form and in a manner prescribed by the commissioner. The license holder
28.21 shall notify the commissioner in writing before there is a change of the person designated
28.22 to be the primary provider of care. The primary provider of care:

28.23 (1) must be the person who will be the provider of care at the program and present during
28.24 the hours of operation;

28.25 (2) must operate the program in compliance with applicable laws and regulations under
28.26 chapter 245A and Minnesota Rules, chapter 9502;

28.27 (3) is considered a child care background study subject as defined in section 245C.02,
28.28 subdivision 6a, and must comply with background study requirements in chapter 245C;

28.29 (4) must complete the training that is required of license holders in section 245A.50;
28.30 and

28.31 (5) is authorized to communicate with the county licensing agency and the department
28.32 on matters related to licensing.

29.1 ~~(j)~~ (e) For any license issued under this subdivision, the license holder must ensure that
29.2 any other caregiver, substitute, or helper who assists in the care of children meets the training
29.3 requirements in section 245A.50 and background study requirements under chapter 245C.

106.27 ~~(2)~~ (iii) any age and capacity limitations required by the fire code inspection and square
106.28 footage determinations are printed on the license; and

106.29 ~~(4)~~ (iv) the license holder prominently displays the license issued by the commissioner
106.30 which contains the statement "This special family child care provider is not licensed as a
106.31 child care center."

106.32 ~~(g)~~ (b) Notwithstanding Minnesota Rules, part 9502.0335, subpart 12, the commissioner
106.33 may issue up to four licenses to an organization licensed under paragraph ~~(b)~~, ~~(c)~~, ~~or (e)~~ (a),
107.1 clause (2), (3), or (5). Each license must have its own primary provider of care as required
107.2 under paragraph ~~(d)~~ (d). Each license must operate as a distinct and separate program in
107.3 compliance with all applicable laws and regulations.

107.4 ~~(h)~~ (c) For licenses issued under paragraph ~~(b)~~, ~~(c)~~, ~~(d)~~, ~~(e)~~, ~~or (f)~~ (a), clause (2), (3),
107.5 (4), (5), or (6), the commissioner may approve up to four licenses at the same location or
107.6 under one contiguous roof if each license holder is able to demonstrate compliance with all
107.7 applicable rules and laws. Each licensed program must operate as a distinct program and
107.8 within the capacity, age, and ratio distributions of each license.

107.9 ~~(i)~~ (d) For a license issued under paragraph ~~(b)~~, ~~(c)~~, ~~or (e)~~ (a), clause (2), (3), or (5), the
107.10 license holder must designate a person to be the primary provider of care at the licensed
107.11 location on a form and in a manner prescribed by the commissioner. The license holder
107.12 shall notify the commissioner in writing before there is a change of the person designated
107.13 to be the primary provider of care. The primary provider of care:

107.14 (1) must be the person who will be the provider of care at the program and present during
107.15 the hours of operation;

107.16 (2) must operate the program in compliance with applicable laws and regulations under
107.17 chapter 245A and Minnesota Rules, chapter 9502;

107.18 (3) is considered a child care background study subject as defined in section 245C.02,
107.19 subdivision 6a, and must comply with background study requirements in chapter 245C;

107.20 (4) must complete the training that is required of license holders in section 245A.50;
107.21 and

107.22 (5) is authorized to communicate with the county licensing agency and the department
107.23 on matters related to licensing.

107.24 ~~(j)~~ (e) For any license issued under this subdivision, the license holder must ensure that
107.25 any other caregiver, substitute, or helper who assists in the care of children meets the training
107.26 requirements in section 245A.50 and background study requirements under chapter 245C.

29.4 Sec. 19. Minnesota Statutes 2022, section 245A.1435, is amended to read:

29.5 **245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH**
 29.6 **IN LICENSED PROGRAMS.**

29.7 (a) When a license holder is placing an infant to sleep, the license holder must place the
 29.8 infant on the infant's back, unless the license holder has documentation from the infant's
 29.9 physician, advanced practice registered nurse, or physician assistant directing an alternative
 29.10 sleeping position for the infant. The physician, advanced practice registered nurse, or
 29.11 physician assistant directive must be on a form approved developed by the commissioner
 29.12 and must remain on file at the licensed location. An infant who independently rolls onto its
 29.13 stomach after being placed to sleep on its back may be allowed to remain sleeping on its
 29.14 stomach if the infant is at least six months of age or the license holder has a signed statement
 29.15 from the parent indicating that the infant regularly rolls over at home.

29.16 (b) The license holder must place the infant in a crib directly on a firm mattress with a
 29.17 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and
 29.18 overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
 29.19 the sheet with reasonable effort. The license holder must not place anything in the crib with
 29.20 the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
 29.21 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of
 29.22 this section apply to license holders serving infants younger than one year of age. Licensed
 29.23 child care providers must meet the crib requirements under section 245A.146. A correction
 29.24 order shall not be issued under this paragraph unless there is evidence that a violation
 29.25 occurred when an infant was present in the license holder's care.

29.26 (c) If an infant falls asleep before being placed in a crib, the license holder must move
 29.27 the infant to a crib as soon as practicable, and must keep the infant within sight of the license
 29.28 holder until the infant is placed in a crib. When an infant falls asleep while being held, the
 29.29 license holder must consider the supervision needs of other children in care when determining
 29.30 how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant
 29.31 must not be in a position where the airway may be blocked or with anything covering the
 29.32 infant's face.

29.33 (d) When a license holder places an infant under one year of age down to sleep, the
 29.34 infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

30.1 (e) A license holder may place an infant under one year of age down to sleep wearing
 30.2 a helmet if the license holder has signed documentation by a physician, advanced practice
 30.3 registered nurse, physician assistant, licensed occupational therapist, or licensed physical
 30.4 therapist on a form developed by the commissioner.

30.5 ~~(f)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended
 30.6 for an infant of any age and is prohibited for any infant who has begun to roll over
 30.7 independently. However, with the written consent of a parent or guardian according to this
 30.8 paragraph, a license holder may place the infant who has not yet begun to roll over on its

107.27 Sec. 13. Minnesota Statutes 2022, section 245A.1435, is amended to read:

107.28 **245A.1435 REDUCTION OF RISK OF SUDDEN UNEXPECTED INFANT DEATH**
 107.29 **IN LICENSED PROGRAMS.**

107.30 (a) When a license holder is placing an infant to sleep, the license holder must place the
 107.31 infant on the infant's back, unless the license holder has documentation from the infant's
 107.32 physician, advanced practice registered nurse, or physician assistant directing an alternative
 108.1 sleeping position for the infant. The physician, advanced practice registered nurse, or
 108.2 physician assistant directive must be on a form approved developed by the commissioner
 108.3 and must remain on file at the licensed location. An infant who independently rolls onto its
 108.4 stomach after being placed to sleep on its back may be allowed to remain sleeping on its
 108.5 stomach if the infant is at least six months of age or the license holder has a signed statement
 108.6 from the parent indicating that the infant regularly rolls over at home.

108.7 (b) The license holder must place the infant in a crib directly on a firm mattress with a
 108.8 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and
 108.9 overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of
 108.10 the sheet with reasonable effort. The license holder must not place anything in the crib with
 108.11 the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title
 108.12 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of
 108.13 this section apply to license holders serving infants younger than one year of age. Licensed
 108.14 child care providers must meet the crib requirements under section 245A.146. A correction
 108.15 order shall not be issued under this paragraph unless there is evidence that a violation
 108.16 occurred when an infant was present in the license holder's care.

108.17 (c) If an infant falls asleep before being placed in a crib, the license holder must move
 108.18 the infant to a crib as soon as practicable, and must keep the infant within sight of the license
 108.19 holder until the infant is placed in a crib. When an infant falls asleep while being held, the
 108.20 license holder must consider the supervision needs of other children in care when determining
 108.21 how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant
 108.22 must not be in a position where the airway may be blocked or with anything covering the
 108.23 infant's face.

108.24 (d) When a license holder places an infant under one year of age down to sleep, the
 108.25 infant's clothing or sleepwear must not have weighted materials, a hood, or a bib.

108.26 (e) A license holder may place an infant under one year of age down to sleep wearing
 108.27 a helmet if the license holder has signed documentation by a physician, advanced practice
 108.28 registered nurse, physician assistant, licensed occupational therapist, or licensed physical
 108.29 therapist on a form developed by the commissioner.

108.30 ~~(f)~~ (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended
 108.31 for an infant of any age and is prohibited for any infant who has begun to roll over
 108.32 independently. However, with the written consent of a parent or guardian according to this
 108.33 paragraph, a license holder may place the infant who has not yet begun to roll over on its

30.9 own down to sleep in a ~~one-piece sleeper equipped with an attached system that fastens~~
30.10 ~~securely only across the upper torso, with no constriction of the hips or legs, to create a~~
30.11 ~~swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms,~~
30.12 ~~fastens securely only across the infant's upper torso, and does not constrict the infant's hips~~
30.13 ~~or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets~~
30.14 ~~the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to~~
30.15 ~~breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use~~
30.16 ~~of swaddling for sleep by a provider licensed under this chapter, the license holder must~~
30.17 ~~obtain informed written consent for the use of swaddling from the parent or guardian of the~~
30.18 ~~infant on a form provided developed by the commissioner and prepared in partnership with~~
30.19 ~~the Minnesota Sudden Infant Death Center.~~

30.20 (g) A license holder may request a variance to this section to permit the use of a
30.21 cradleboard when requested by a parent or guardian for a cultural accommodation. A variance
30.22 for the use of a cradleboard may be issued only by the commissioner. The variance request
30.23 must be submitted on a form developed by the commissioner in partnership with Tribal
30.24 welfare agencies and the Department of Health.

30.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

30.26 Sec. 20. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

30.27 Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed
30.28 on the license, all license holders shall check all their cribs' brand names and model numbers
30.29 against the United States Consumer Product Safety Commission website listing of unsafe
30.30 cribs.

30.31 (b) The license holder shall maintain written documentation to be reviewed on site for
30.32 each crib showing that the review required in paragraph (a) has been completed, and which
30.33 of the following conditions applies:

31.1 (1) the crib was not identified as unsafe on the United States Consumer Product Safety
31.2 Commission website;

31.3 (2) the crib was identified as unsafe on the United States Consumer Product Safety
31.4 Commission website, but the license holder has taken the action directed by the United
31.5 States Consumer Product Safety Commission to make the crib safe; or

31.6 (3) the crib was identified as unsafe on the United States Consumer Product Safety
31.7 Commission website, and the license holder has removed the crib so that it is no longer
31.8 used by or accessible to children in care.

31.9 (c) Documentation of the review completed under this subdivision shall be maintained
31.10 by the license holder on site and made available to parents or guardians of children in care
31.11 and the commissioner.

31.12 (d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that
31.13 complies with this section may use a mesh-sided or fabric-sided play yard, pack and play,

108.34 own down to sleep in a ~~one-piece sleeper equipped with an attached system that fastens~~
109.1 ~~securely only across the upper torso, with no constriction of the hips or legs, to create a~~
109.2 ~~swaddle. A swaddle is defined as a one-piece sleepwear that wraps over the infant's arms,~~
109.3 ~~fastens securely only across the infant's upper torso, and does not constrict the infant's hips~~
109.4 ~~or legs. If a swaddle is used by a license holder, the license holder must ensure that it meets~~
109.5 ~~the requirements of paragraph (d) and is not so tight that it restricts the infant's ability to~~
109.6 ~~breathe or so loose that the fabric could cover the infant's nose and mouth. Prior to any use~~
109.7 ~~of swaddling for sleep by a provider licensed under this chapter, the license holder must~~
109.8 ~~obtain informed written consent for the use of swaddling from the parent or guardian of the~~
109.9 ~~infant on a form provided developed by the commissioner and prepared in partnership with~~
109.10 ~~the Minnesota Sudden Infant Death Center.~~

109.11 (g) A license holder may request a variance to this section to permit the use of a
109.12 cradleboard when requested by a parent or guardian for a cultural accommodation. A variance
109.13 for the use of a cradleboard may be issued only by the commissioner. The variance request
109.14 must be submitted on a form developed by the commissioner in partnership with Tribal
109.15 welfare agencies and the Department of Health.

109.16 **EFFECTIVE DATE.** This section is effective January 1, 2024.

109.17 Sec. 14. Minnesota Statutes 2022, section 245A.146, subdivision 3, is amended to read:

109.18 Subd. 3. **License holder documentation of cribs.** (a) Annually, from the date printed
109.19 on the license, all license holders shall check all their cribs' brand names and model numbers
109.20 against the United States Consumer Product Safety Commission website listing of unsafe
109.21 cribs.

109.22 (b) The license holder shall maintain written documentation to be reviewed on site for
109.23 each crib showing that the review required in paragraph (a) has been completed, and which
109.24 of the following conditions applies:

109.25 (1) the crib was not identified as unsafe on the United States Consumer Product Safety
109.26 Commission website;

109.27 (2) the crib was identified as unsafe on the United States Consumer Product Safety
109.28 Commission website, but the license holder has taken the action directed by the United
109.29 States Consumer Product Safety Commission to make the crib safe; or

109.30 (3) the crib was identified as unsafe on the United States Consumer Product Safety
109.31 Commission website, and the license holder has removed the crib so that it is no longer
109.32 used by or accessible to children in care.

110.1 (c) Documentation of the review completed under this subdivision shall be maintained
110.2 by the license holder on site and made available to parents or guardians of children in care
110.3 and the commissioner.

110.4 (d) Notwithstanding Minnesota Rules, part 9502.0425, a family child care provider that
110.5 complies with this section may use a mesh-sided or fabric-sided play yard, pack and play,

31.14 or playpen or crib that has not been identified as unsafe on the United States Consumer
31.15 Product Safety Commission website for the care or sleeping of infants.

31.16 (e) On at least a monthly basis, the family child care license holder shall perform safety
31.17 inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used
31.18 by or that is accessible to any child in care, and must document the following:

31.19 (1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of
31.20 crib;

31.21 (2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

31.22 (3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

31.23 (4) no tears or holes to top rail of crib;

31.24 (5) the mattress floor board is not soft and does not exceed one inch thick;

31.25 (6) the mattress floor board has no rips or tears in covering;

31.26 (7) the mattress floor board in use is ~~a waterproof~~ an original mattress or replacement
31.27 mattress provided by the manufacturer of the crib;

31.28 (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

31.29 (9) there are no knobs or wing nuts on outside crib legs;

31.30 (10) there are no missing, loose, or exposed staples; and

32.1 (11) the latches on top and side rails used to collapse crib are secure, they lock properly,
32.2 and are not loose.

32.3 (f) If a cradleboard is used in a licensed setting, the license holder must check the
32.4 cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
32.5 are no loose or protruding parts. The license holder shall maintain written documentation
32.6 of this review.

32.7 EFFECTIVE DATE. This section is effective January 1, 2024.

32.8 Sec. 21. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

32.9 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
32.10 agencies that have been designated or licensed by the commissioner to perform licensing
32.11 functions and activities under section 245A.04 ~~and background studies for family child care~~
32.12 ~~under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue

110.6 or playpen or crib that has not been identified as unsafe on the United States Consumer
110.7 Product Safety Commission website for the care or sleeping of infants.

110.8 (e) On at least a monthly basis, the family child care license holder shall perform safety
110.9 inspections of every mesh-sided or fabric-sided play yard, pack and play, or playpen used
110.10 by or that is accessible to any child in care, and must document the following:

110.11 (1) there are no tears, holes, or loose or unraveling threads in mesh or fabric sides of
110.12 crib;

110.13 (2) the weave of the mesh on the crib is no larger than one-fourth of an inch;

110.14 (3) no mesh fabric is unsecure or unattached to top rail and floor plate of crib;

110.15 (4) no tears or holes to top rail of crib;

110.16 (5) the mattress floor board is not soft and does not exceed one inch thick;

110.17 (6) the mattress floor board has no rips or tears in covering;

110.18 (7) the mattress floor board in use is ~~a waterproof~~ an original mattress or replacement
110.19 mattress provided by the manufacturer of the crib;

110.20 (8) there are no protruding or loose rivets, metal nuts, or bolts on the crib;

110.21 (9) there are no knobs or wing nuts on outside crib legs;

110.22 (10) there are no missing, loose, or exposed staples; and

110.23 (11) the latches on top and side rails used to collapse crib are secure, they lock properly,
110.24 and are not loose.

110.25 (f) If a cradleboard is used in a licensed setting, the license holder must check the
110.26 cradleboard not less than monthly to ensure the cradleboard is structurally sound and there
110.27 are no loose or protruding parts. The license holder shall maintain written documentation
110.28 of this review.

110.29 EFFECTIVE DATE. This section is effective January 1, 2024.

SECTIONS FROM BOTH UES2995-2 ARTICLE 9 AND H0238-3 ARTICLE 4
MATCH WITH S2819-2 ARTICLE 1, SECTION 21. THEY ALSO APPEAR IN
THE HOUSE ARTICLE 9 AND ARTICLE 8 SIDE BY SIDES, RESPECTIVELY.

UES2995-2

455.27 Sec. 12. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

455.28 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private
455.29 agencies that have been designated or licensed by the commissioner to perform licensing
455.30 functions and activities under section 245A.04 ~~and background studies for family child care~~
455.31 ~~under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue

32.13 correction orders, to issue variances, and recommend a conditional license under section
32.14 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
32.15 245A.07, shall comply with rules and directives of the commissioner governing those
32.16 functions and with this section. The following variances are excluded from the delegation
32.17 of variance authority and may be issued only by the commissioner:

32.18 (1) dual licensure of family child care and child foster care, dual licensure of child and
32.19 adult foster care, and adult foster care and family child care;

32.20 (2) adult foster care maximum capacity;

32.21 (3) adult foster care minimum age requirement;

32.22 (4) child foster care maximum age requirement;

32.23 (5) variances regarding disqualified individuals ~~except that, before the implementation~~
32.24 ~~of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding~~
32.25 ~~disqualified individuals when the county is responsible for conducting a consolidated~~
32.26 ~~reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and~~
32.27 ~~(b), of a county maltreatment determination and a disqualification based on serious or~~
32.28 ~~recurring maltreatment;~~

32.29 (6) the required presence of a caregiver in the adult foster care residence during normal
32.30 sleeping hours;

32.31 (7) variances to requirements relating to chemical use problems of a license holder or a
32.32 household member of a license holder; ~~and~~

33.1 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants
33.2 a variance under this clause, the license holder must provide notice of the variance to all
33.3 parents and guardians of the children in care; ~~and~~

33.4 (9) variances to section 245A.1435 for the use of a cradleboard for a cultural
33.5 accommodation.

33.6 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
33.7 not grant a license holder a variance to exceed the maximum allowable family child care
33.8 license capacity of 14 children.

33.9 (b) A county agency that has been designated by the commissioner to issue family child
33.10 care variances must:

33.11 (1) publish the county agency's policies and criteria for issuing variances on the county's
33.12 public website and update the policies as necessary; and

33.13 (2) annually distribute the county agency's policies and criteria for issuing variances to
33.14 all family child care license holders in the county.

455.32 correction orders, to issue variances, and recommend a conditional license under section
455.33 245A.06; or to recommend suspending or revoking a license or issuing a fine under section
456.1 245A.07, shall comply with rules and directives of the commissioner governing those
456.2 functions and with this section. The following variances are excluded from the delegation
456.3 of variance authority and may be issued only by the commissioner:

456.4 (1) dual licensure of family child care and child foster care, dual licensure of child and
456.5 adult foster care, and adult foster care and family child care;

456.6 (2) adult foster care maximum capacity;

456.7 (3) adult foster care minimum age requirement;

456.8 (4) child foster care maximum age requirement;

456.9 (5) variances regarding disqualified individuals ~~except that, before the implementation~~
456.10 ~~of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding~~
456.11 ~~disqualified individuals when the county is responsible for conducting a consolidated~~
456.12 ~~reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and~~
456.13 ~~(b), of a county maltreatment determination and a disqualification based on serious or~~
456.14 ~~recurring maltreatment;~~

456.15 (6) the required presence of a caregiver in the adult foster care residence during normal
456.16 sleeping hours;

456.17 (7) variances to requirements relating to chemical use problems of a license holder or a
456.18 household member of a license holder; ~~and~~

456.19 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants
456.20 a variance under this clause, the license holder must provide notice of the variance to all
456.21 parents and guardians of the children in care;

456.22 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must
456.23 not grant a license holder a variance to exceed the maximum allowable family child care
456.24 license capacity of 14 children.

456.25 (b) A county agency that has been designated by the commissioner to issue family child
456.26 care variances must:

456.27 (1) publish the county agency's policies and criteria for issuing variances on the county's
456.28 public website and update the policies as necessary; and

456.29 (2) annually distribute the county agency's policies and criteria for issuing variances to
456.30 all family child care license holders in the county.

33.15 ~~(e)~~ Before the implementation of NETStudy 2.0, county agencies must report information
33.16 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
33.17 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
33.18 commissioner at least monthly in a format prescribed by the commissioner.

33.19 ~~(d)~~ (c) For family child care programs, the commissioner shall require a county agency
33.20 to conduct one unannounced licensing review at least annually.

33.21 ~~(e)~~ (d) For family adult day services programs, the commissioner may authorize licensing
33.22 reviews every two years after a licensee has had at least one annual review.

33.23 ~~(f)~~ (e) A license issued under this section may be issued for up to two years.

33.24 ~~(g)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

33.25 (1) the role of counties in quality assurance;

33.26 (2) the duties of county licensing staff; and

33.27 (3) the possible use of joint powers agreements, according to section 471.59, with counties
33.28 through which some licensing duties under chapter 245D may be delegated by the
33.29 commissioner to the counties.

33.30 Any consideration related to this paragraph must meet all of the requirements of the corrective
33.31 action plan ordered by the federal Centers for Medicare and Medicaid Services.

34.1 ~~(h)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
34.2 successor provisions; and section 245D.061 or successor provisions, for family child foster
34.3 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
34.4 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
34.5 private agencies.

34.6 ~~(i)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the
34.7 commissioner, the following information for a licensed family child care program:

34.8 (1) the results of each licensing review completed, including the date of the review, and
34.9 any licensing correction order issued;

34.10 (2) any death, serious injury, or determination of substantiated maltreatment; and

34.11 (3) any fires that require the service of a fire department within 48 hours of the fire. The
34.12 information under this clause must also be reported to the state fire marshal within two
34.13 business days of receiving notice from a licensed family child care provider.

34.14 **EFFECTIVE DATE.** Paragraph (a), clause (9), is effective January 1, 2024, and all
34.15 other changes are effective the day following final enactment.

456.31 ~~(e)~~ Before the implementation of NETStudy 2.0, county agencies must report information
456.32 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
457.1 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
457.2 commissioner at least monthly in a format prescribed by the commissioner.

457.3 ~~(d)~~ (c) For family child care programs, the commissioner shall require a county agency
457.4 to conduct one unannounced licensing review at least annually.

457.5 ~~(e)~~ (d) For family adult day services programs, the commissioner may authorize licensing
457.6 reviews every two years after a licensee has had at least one annual review.

457.7 ~~(f)~~ (e) A license issued under this section may be issued for up to two years.

457.8 ~~(g)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

457.9 (1) the role of counties in quality assurance;

457.10 (2) the duties of county licensing staff; and

457.11 (3) the possible use of joint powers agreements, according to section 471.59, with counties
457.12 through which some licensing duties under chapter 245D may be delegated by the
457.13 commissioner to the counties.

457.14 Any consideration related to this paragraph must meet all of the requirements of the corrective
457.15 action plan ordered by the federal Centers for Medicare and Medicaid Services.

457.16 ~~(h)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
457.17 successor provisions; and section 245D.061 or successor provisions, for family child foster
457.18 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
457.19 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
457.20 private agencies.

457.21 ~~(i)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the
457.22 commissioner, the following information for a licensed family child care program:

457.23 (1) the results of each licensing review completed, including the date of the review, and
457.24 any licensing correction order issued;

457.25 (2) any death, serious injury, or determination of substantiated maltreatment; and

457.26 (3) any fires that require the service of a fire department within 48 hours of the fire. The
457.27 information under this clause must also be reported to the state fire marshal within two
457.28 business days of receiving notice from a licensed family child care provider.

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

H0238-3

32.8 Sec. 21. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

32.9 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private

32.10 agencies that have been designated or licensed by the commissioner to perform licensing

32.11 functions and activities under section 245A.04 ~~and background studies for family child care~~

32.12 ~~under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue

32.13 correction orders, to issue variances, and recommend a conditional license under section

32.14 245A.06; or to recommend suspending or revoking a license or issuing a fine under section

32.15 245A.07, shall comply with rules and directives of the commissioner governing those

32.16 functions and with this section. The following variances are excluded from the delegation

32.17 of variance authority and may be issued only by the commissioner:

32.18 (1) dual licensure of family child care and child foster care, dual licensure of child and

32.19 adult foster care, and adult foster care and family child care;

32.20 (2) adult foster care maximum capacity;

32.21 (3) adult foster care minimum age requirement;

32.22 (4) child foster care maximum age requirement;

32.23 (5) variances regarding disqualified individuals ~~except that, before the implementation~~

32.24 ~~of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding~~

32.25 ~~disqualified individuals when the county is responsible for conducting a consolidated~~

32.26 ~~reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and~~

32.27 ~~(b), of a county maltreatment determination and a disqualification based on serious or~~

32.28 ~~recurring maltreatment;~~

32.29 (6) the required presence of a caregiver in the adult foster care residence during normal

32.30 sleeping hours;

32.31 (7) variances to requirements relating to chemical use problems of a license holder or a

32.32 household member of a license holder; ~~and~~

33.1 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants

33.2 a variance under this clause, the license holder must provide notice of the variance to all

33.3 parents and guardians of the children in care; and

33.4 (9) variances to section 245A.1435 for the use of a cradleboard for a cultural

33.5 accommodation.

33.6 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must

33.7 not grant a license holder a variance to exceed the maximum allowable family child care

33.8 license capacity of 14 children.

33.9 (b) A county agency that has been designated by the commissioner to issue family child

33.10 care variances must:

111.1 Sec. 15. Minnesota Statutes 2022, section 245A.16, subdivision 1, is amended to read:

111.2 Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private

111.3 agencies that have been designated or licensed by the commissioner to perform licensing

111.4 functions and activities under section 245A.04 ~~and background studies for family child care~~

111.5 ~~under chapter 245C~~; to recommend denial of applicants under section 245A.05; to issue

111.6 correction orders, to issue variances, and recommend a conditional license under section

111.7 245A.06; or to recommend suspending or revoking a license or issuing a fine under section

111.8 245A.07, shall comply with rules and directives of the commissioner governing those

111.9 functions and with this section. The following variances are excluded from the delegation

111.10 of variance authority and may be issued only by the commissioner:

111.11 (1) dual licensure of family child care and child foster care, dual licensure of child and

111.12 adult foster care, and adult foster care and family child care;

111.13 (2) adult foster care maximum capacity;

111.14 (3) adult foster care minimum age requirement;

111.15 (4) child foster care maximum age requirement;

111.16 (5) variances regarding disqualified individuals ~~except that, before the implementation~~

111.17 ~~of NETStudy 2.0, county agencies may issue variances under section 245C.30 regarding~~

111.18 ~~disqualified individuals when the county is responsible for conducting a consolidated~~

111.19 ~~reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and~~

111.20 ~~(b), of a county maltreatment determination and a disqualification based on serious or~~

111.21 ~~recurring maltreatment;~~

111.22 (6) the required presence of a caregiver in the adult foster care residence during normal

111.23 sleeping hours;

111.24 (7) variances to requirements relating to chemical use problems of a license holder or a

111.25 household member of a license holder; ~~and~~

111.26 (8) variances to section 245A.53 for a time-limited period. If the commissioner grants

111.27 a variance under this clause, the license holder must provide notice of the variance to all

111.28 parents and guardians of the children in care; and

111.29 (9) variances to section 245A.1435 for the use of a cradleboard for a cultural

111.30 accommodation.

112.1 Except as provided in section 245A.14, subdivision 4, paragraph (e), a county agency must

112.2 not grant a license holder a variance to exceed the maximum allowable family child care

112.3 license capacity of 14 children.

112.4 (b) A county agency that has been designated by the commissioner to issue family child

112.5 care variances must:

33.11 (1) publish the county agency's policies and criteria for issuing variances on the county's
33.12 public website and update the policies as necessary; and

33.13 (2) annually distribute the county agency's policies and criteria for issuing variances to
33.14 all family child care license holders in the county.

33.15 ~~(c) Before the implementation of NETStudy 2.0, county agencies must report information~~
33.16 ~~about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision~~
33.17 ~~2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the~~
33.18 ~~commissioner at least monthly in a format prescribed by the commissioner.~~

33.19 ~~(d)~~ (c) For family child care programs, the commissioner shall require a county agency
33.20 to conduct one unannounced licensing review at least annually.

33.21 ~~(e)~~ (d) For family adult day services programs, the commissioner may authorize licensing
33.22 reviews every two years after a licensee has had at least one annual review.

33.23 ~~(f)~~ (e) A license issued under this section may be issued for up to two years.

33.24 ~~(g)~~ (f) During implementation of chapter 245D, the commissioner shall consider:

33.25 (1) the role of counties in quality assurance;

33.26 (2) the duties of county licensing staff; and

33.27 (3) the possible use of joint powers agreements, according to section 471.59, with counties
33.28 through which some licensing duties under chapter 245D may be delegated by the
33.29 commissioner to the counties.

33.30 Any consideration related to this paragraph must meet all of the requirements of the corrective
33.31 action plan ordered by the federal Centers for Medicare and Medicaid Services.

34.1 ~~(h)~~ (g) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
34.2 successor provisions; and section 245D.061 or successor provisions, for family child foster
34.3 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
34.4 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
34.5 private agencies.

34.6 ~~(i)~~ (h) A county agency shall report to the commissioner, in a manner prescribed by the
34.7 commissioner, the following information for a licensed family child care program:

34.8 (1) the results of each licensing review completed, including the date of the review, and
34.9 any licensing correction order issued;

34.10 (2) any death, serious injury, or determination of substantiated maltreatment; and

34.11 (3) any fires that require the service of a fire department within 48 hours of the fire. The
34.12 information under this clause must also be reported to the state fire marshal within two
34.13 business days of receiving notice from a licensed family child care provider.

112.6 (1) publish the county agency's policies and criteria for issuing variances on the county's
112.7 public website and update the policies as necessary; and

112.8 (2) annually distribute the county agency's policies and criteria for issuing variances to
112.9 all family child care license holders in the county.

112.10 (c) Before the implementation of NETStudy 2.0, county agencies must report information
112.11 about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision
112.12 2, paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the
112.13 commissioner at least monthly in a format prescribed by the commissioner.

112.14 (d) For family child care programs, the commissioner shall require a county agency to
112.15 conduct one unannounced licensing review at least annually.

112.16 (e) For family adult day services programs, the commissioner may authorize licensing
112.17 reviews every two years after a licensee has had at least one annual review.

112.18 (f) A license issued under this section may be issued for up to two years.

112.19 (g) During implementation of chapter 245D, the commissioner shall consider:

112.20 (1) the role of counties in quality assurance;

112.21 (2) the duties of county licensing staff; and

112.22 (3) the possible use of joint powers agreements, according to section 471.59, with counties
112.23 through which some licensing duties under chapter 245D may be delegated by the
112.24 commissioner to the counties.

112.25 Any consideration related to this paragraph must meet all of the requirements of the corrective
112.26 action plan ordered by the federal Centers for Medicare and Medicaid Services.

112.27 (h) Licensing authority specific to section 245D.06, subdivisions 5, 6, 7, and 8, or
112.28 successor provisions; and section 245D.061 or successor provisions, for family child foster
112.29 care programs providing out-of-home respite, as identified in section 245D.03, subdivision
112.30 1, paragraph (b), clause (1), is excluded from the delegation of authority to county and
112.31 private agencies.

113.1 (i) A county agency shall report to the commissioner, in a manner prescribed by the
113.2 commissioner, the following information for a licensed family child care program:

113.3 (1) the results of each licensing review completed, including the date of the review, and
113.4 any licensing correction order issued;

113.5 (2) any death, serious injury, or determination of substantiated maltreatment; and

113.6 (3) any fires that require the service of a fire department within 48 hours of the fire. The
113.7 information under this clause must also be reported to the state fire marshal within two
113.8 business days of receiving notice from a licensed family child care provider.

34.14 EFFECTIVE DATE. Paragraph (a), clause (9), is effective January 1, 2024, and all
34.15 other changes are effective the day following final enactment.

34.16 Sec. 22. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

34.17 Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license,
34.18 deny a license under section 245A.05, or revoke a license under section 245A.07 for
34.19 nondisqualifying background study information received under section 245C.05, subdivision
34.20 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private
34.21 agency that has been designated or licensed by the commissioner must review the following
34.22 for the license holder, applicant, and an individual living in the household where the licensed
34.23 services are provided or who is otherwise subject to a background study:

34.24 (1) the type of offenses;

34.25 (2) the number of offenses;

34.26 (3) the nature of the offenses;

34.27 (4) the age of the individual at the time of the offenses;

34.28 (5) the length of time that has elapsed since the last offense;

34.29 (6) the relationship of the offenses and the capacity to care for a child;

34.30 (7) evidence of rehabilitation;

35.1 (8) information or knowledge from community members regarding the individual's
35.2 capacity to provide foster care;

35.3 (9) any available information regarding child maltreatment reports or child in need of
35.4 protection or services petitions, or related cases, in which the individual has been involved
35.5 or implicated, and documentation that the individual has remedied issues or conditions
35.6 identified in child protection or court records that are relevant to safely caring for a child;

35.7 (10) a statement from the study subject;

35.8 (11) a statement from the license holder; and

35.9 (12) other aggravating and mitigating factors.

35.10 (b) For purposes of this section, "evidence of rehabilitation" includes but is not limited
35.11 to the following:

35.12 (1) maintaining a safe and stable residence;

35.13 (2) continuous, regular, or stable employment;

113.9 EFFECTIVE DATE. This section is effective January 1, 2024.

THE FOLLOWING THREE SECTIONS ARE FROM H0238-3 ARTICLE 4 AND ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.

113.10 Sec. 16. Minnesota Statutes 2022, section 245A.16, subdivision 9, is amended to read:

113.11 Subd. 9. **Licensed family foster settings.** (a) Before recommending to grant a license,
113.12 deny a license under section 245A.05, or revoke a license under section 245A.07 for
113.13 nondisqualifying background study information received under section 245C.05, subdivision
113.14 4, paragraph (a), clause (3), for a licensed family foster setting, a county agency or private
113.15 agency that has been designated or licensed by the commissioner must review the following
113.16 for the license holder, the applicant, and an individual living in the household where the
113.17 licensed services are provided or who is otherwise subject to a background study:

113.18 (1) the type of offenses;

113.19 (2) the number of offenses;

113.20 (3) the nature of the offenses;

113.21 (4) the age of the individual at the time of the offenses;

113.22 (5) the length of time that has elapsed since the last offense;

113.23 (6) the relationship of the offenses and the capacity to care for a child;

113.24 (7) evidence of rehabilitation;

113.25 (8) information or knowledge from community members regarding the individual's
113.26 capacity to provide foster care;

113.27 (9) any available information regarding child maltreatment reports or child in need of
113.28 protection or services petitions, or related cases, in which the individual has been involved
113.29 or implicated, and documentation that the individual has remedied issues or conditions
113.30 identified in child protection or court records that are relevant to safely caring for a child;

114.1 (10) a statement from the study subject;

114.2 (11) a statement from the license holder; and

114.3 (12) other aggravating and mitigating factors.

114.4 (b) For purposes of this section, "evidence of rehabilitation" includes but is not limited
114.5 to the following:

114.6 (1) maintaining a safe and stable residence;

114.7 (2) continuous, regular, or stable employment;

35.14 (3) successful participation in an education or job training program;
35.15 (4) positive involvement with the community or extended family;
35.16 (5) compliance with the terms and conditions of probation or parole following the
35.17 individual's most recent conviction;
35.18 (6) if the individual has had a substance use disorder, successful completion of a substance
35.19 use disorder assessment, substance use disorder treatment, and recommended continuing
35.20 care, if applicable, demonstrated abstinence from controlled substances, as defined in section
35.21 152.01, subdivision 4, or the establishment of a sober network;
35.22 (7) if the individual has had a mental illness or documented mental health issues,
35.23 demonstrated completion of a mental health evaluation, participation in therapy or other
35.24 recommended mental health treatment, or appropriate medication management, if applicable;
35.25 (8) if the individual's offense or conduct involved domestic violence, demonstrated
35.26 completion of a domestic violence or anger management program, and the absence of any
35.27 orders for protection or harassment restraining orders against the individual since the previous
35.28 offense or conduct;
35.29 (9) written letters of support from individuals of good repute, including but not limited
35.30 to employers, members of the clergy, probation or parole officers, volunteer supervisors,
35.31 or social services workers;
36.1 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior
36.2 changes; and
36.3 (11) absence of convictions or arrests since the previous offense or conduct, including
36.4 any convictions that were expunged or pardoned.
36.5 (c) An applicant for a family foster setting license must sign all releases of information
36.6 requested by the county or private licensing agency.
36.7 (d) When licensing a relative for a family foster setting, the commissioner shall also
36.8 consider the importance of maintaining the child's relationship with relatives as an additional
36.9 significant factor in determining whether an application will be denied.
36.10 (e) When recommending that the commissioner deny or revoke a license, the county or
36.11 private licensing agency must send a summary of the review completed according to
36.12 paragraph (a), on a form developed by the commissioner, to the commissioner and include
36.13 any recommendation for licensing action.
36.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

114.8 (3) successful participation in an education or job training program;
114.9 (4) positive involvement with the community or extended family;
114.10 (5) compliance with the terms and conditions of probation or parole following the
114.11 individual's most recent conviction;
114.12 (6) if the individual has had a substance use disorder, successful completion of a substance
114.13 use disorder assessment, substance use disorder treatment, and recommended continuing
114.14 care, if applicable, demonstrated abstinence from controlled substances, as defined in section
114.15 152.01, subdivision 4, or the establishment of a sober network;
114.16 (7) if the individual has had a mental illness or documented mental health issues,
114.17 demonstrated completion of a mental health evaluation, participation in therapy or other
114.18 recommended mental health treatment, or appropriate medication management, if applicable;
114.19 (8) if the individual's offense or conduct involved domestic violence, demonstrated
114.20 completion of a domestic violence or anger management program, and the absence of any
114.21 orders for protection or harassment restraining orders against the individual since the previous
114.22 offense or conduct;
114.23 (9) written letters of support from individuals of good repute, including but not limited
114.24 to employers, members of the clergy, probation or parole officers, volunteer supervisors,
114.25 or social services workers;
114.26 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior
114.27 changes; and
114.28 (11) absence of convictions or arrests since the previous offense or conduct, including
114.29 any convictions that were expunged or pardoned.
114.30 (c) An applicant for a family foster setting license must sign all releases of information
114.31 requested by the county or private licensing agency.
115.1 (d) When licensing a relative for a family foster setting, the commissioner shall also
115.2 consider the importance of maintaining the child's relationship with relatives as an additional
115.3 significant factor in determining whether an application will be denied.
115.4 (e) When recommending that the commissioner deny or revoke a license, the county or
115.5 private licensing agency must send a summary of the review completed according to
115.6 paragraph (a), on a form developed by the commissioner, to the commissioner and include
115.7 any recommendation for licensing action.
115.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

36.15 Sec. 23. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
36.16 to read:

36.17 Subd. 10. **Electronic checklist use by family child care licensors.** County staff who
36.18 perform family child care licensing functions must use the commissioner's electronic licensing
36.19 checklist in the manner prescribed by the commissioner.

36.20 **EFFECTIVE DATE.** This section is effective July 1, 2023.

36.21 Sec. 24. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

36.22 Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs
36.23 licensed by the Department of Human Services under this chapter and Minnesota Rules,
36.24 chapter 2960, that serve a child or children under eight years of age must document training
36.25 that fulfills the requirements in this subdivision. Sections 245A.60, subdivision 4, and
36.26 245A.61, subdivision 4, describe training requirements for family foster care and foster
36.27 residence settings.

36.28 (b) Before a license holder, staff person, or caregiver transports a child or children under
36.29 age eight in a motor vehicle, the person transporting the child must satisfactorily complete
36.30 training on the proper use and installation of child restraint systems in motor vehicles.
37.1 Training completed under this section may be used to meet initial or ongoing training under
37.2 Minnesota Rules, part 2960.3070, subparts 1 and 2.

37.3 (c) Training required under this section must be completed at orientation or initial training
37.4 and repeated at least once every five years. At a minimum, the training must address the
37.5 proper use of child restraint systems based on the child's size, weight, and age, and the
37.6 proper installation of a car seat or booster seat in the motor vehicle used by the license
37.7 holder to transport the child or children.

37.8 (d) Training under paragraph (c) must be provided by individuals who are certified and
37.9 approved by the ~~Department of Public Safety~~, Office of Traffic Safety within the Department
37.10 of Public Safety. License holders may obtain a list of certified and approved trainers through
37.11 the Department of Public Safety website or by contacting the agency.

37.12 (e) Notwithstanding paragraph (a), for an emergency relative placement under section
37.13 245A.035, the commissioner may grant a variance to the training required by this subdivision
37.14 for a relative who completes a child seat safety check up. The child seat safety check up
37.15 trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and
37.16 must provide one-on-one instruction on placing a child of a specific age in the exact child
37.17 passenger restraint in the motor vehicle in which the child will be transported. Once granted
37.18 a variance, and if all other licensing requirements are met, the relative applicant may receive
37.19 a license and may transport a relative foster child younger than eight years of age. A child
37.20 seat safety check up must be completed each time a child requires a different size car seat
37.21 according to car seat and vehicle manufacturer guidelines. A relative license holder must
37.22 complete training that meets the other requirements of this subdivision prior to placement

115.9 Sec. 17. Minnesota Statutes 2022, section 245A.16, is amended by adding a subdivision
115.10 to read:

115.11 Subd. 10. **Electronic checklist use by family child care licensors.** County staff who
115.12 perform family child care licensing functions must use the commissioner's electronic licensing
115.13 checklist in the manner prescribed by the commissioner.

115.14 Sec. 18. Minnesota Statutes 2022, section 245A.18, subdivision 2, is amended to read:

115.15 Subd. 2. **Child passenger restraint systems; training requirement.** (a) Programs
115.16 licensed by the Department of Human Services under this chapter and Minnesota Rules,
115.17 chapter 2960, that serve a child or children under eight years of age must document training
115.18 that fulfills the requirements in this subdivision.

115.19 (b) Before a license holder, staff person, or caregiver transports a child or children under
115.20 age eight in a motor vehicle, the person transporting the child must satisfactorily complete
115.21 training on the proper use and installation of child restraint systems in motor vehicles.
115.22 Training completed under this section may be used to meet initial or ongoing training under
115.23 Minnesota Rules, part 2960.3070, subparts 1 and 2.

115.24 (c) Training required under this section must be completed at orientation or initial training
115.25 and repeated at least once every five years. At a minimum, the training must address the
115.26 proper use of child restraint systems based on the child's size, weight, and age, and the
115.27 proper installation of a car seat or booster seat in the motor vehicle used by the license
115.28 holder to transport the child or children.

115.29 (d) Training under paragraph (c) must be provided by individuals who are certified and
115.30 approved by the ~~Department of Public Safety~~, Office of Traffic Safety within the Department
115.31 of Public Safety. License holders may obtain a list of certified and approved trainers through
115.32 the Department of Public Safety website or by contacting the agency.

116.1 (e) Notwithstanding paragraph (a), for an emergency relative placement under section
116.2 245A.035, the commissioner may grant a variance to the training required by this subdivision
116.3 for a relative who completes a child seat safety check up. The child seat safety check up
116.4 trainer must be approved by the Department of Public Safety, Office of Traffic Safety, and
116.5 must provide one-on-one instruction on placing a child of a specific age in the exact child
116.6 passenger restraint in the motor vehicle in which the child will be transported. Once granted
116.7 a variance, and if all other licensing requirements are met, the relative applicant may receive
116.8 a license and may transport a relative foster child younger than eight years of age. A child
116.9 seat safety check up must be completed each time a child requires a different size car seat
116.10 according to car seat and vehicle manufacturer guidelines. A relative license holder must
116.11 complete training that meets the other requirements of this subdivision prior to placement

37.23 ~~of another foster child younger than eight years of age in the home or prior to the renewal~~
37.24 ~~of the child foster care license.~~

37.25 **EFFECTIVE DATE.** This section is effective January 1, 2024.

37.26 Sec. 25. **[245A.211] PRONE RESTRAINT PROHIBITION.**

37.27 Subdivision 1. **Applicability.** This section applies to all programs licensed or certified
37.28 under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.
37.29 The requirements in this section are in addition to any applicable requirements for the use
37.30 of holds or restraints for each license or certification type.

37.31 Subd. 2. **Definitions.** (a) "Mechanical restraint" means a restraint device that limits the
37.32 voluntary movement of a person or the person's limbs.

38.1 (b) "Prone restraint" means a restraint that places a person in a face-down position with
38.2 the person's chest in contact with the floor or other surface.

38.3 (c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint
38.4 equipment, or mechanical restraint that holds a person immobile or limits the voluntary
38.5 movement of a person or the person's limbs.

38.6 Subd. 3. **Prone restraint prohibition.** (a) A license or certification holder must not use
38.7 a prone restraint on any person receiving services in a program, except in the instances
38.8 allowed by paragraphs (b) to (d).

38.9 (b) If a person rolls into a prone position during the use of a restraint, the person must
38.10 be restored to a nonprone position as quickly as possible.

38.11 (c) If the applicable licensing requirements allow a program to use mechanical restraints,
38.12 a person may be briefly held in a prone restraint for the purpose of applying mechanical
38.13 restraints if the person is restored to a nonprone position as quickly as possible.

38.14 (d) If the applicable licensing requirements allow a program to use seclusion, a person
38.15 may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

38.16 Subd. 4. **Contraindicated physical restraints.** A license or certification holder must
38.17 not implement a restraint on a person receiving services in a program in a way that is
38.18 contraindicated for any of the person's known medical or psychological conditions. Prior
38.19 to using restraints on a person, the license or certification holder must assess and document

116.12 ~~of another foster child younger than eight years of age in the home or prior to the renewal~~
116.13 ~~of the child foster care license.~~

THE FOLLOWING SECTION IS FROM UES2995-2 ARTICLE 9 AND ALSO
APPEARS IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

458.1 Sec. 13. **[245A.211] PRONE RESTRAINT PROHIBITION.**

458.2 Subdivision 1. **Applicability.** This section applies to all programs licensed or certified
458.3 under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.
458.4 The requirements in this section are in addition to any applicable requirements for the use
458.5 of holds or restraints for each license or certification type.

458.6 Subd. 2. **Definitions.** (a) "Mechanical restraint" means a restraint device that limits the
458.7 voluntary movement of a person or the person's limbs.

458.8 (b) "Prone restraint" means a restraint that places a person in a face-down position with
458.9 the person's chest in contact with the floor or other surface.

458.10 (c) "Restraint" means a physical hold, physical restraint, manual restraint, restraint
458.11 equipment, or mechanical restraint that holds a person immobile or limits the voluntary
458.12 movement of a person or the person's limbs.

458.13 Subd. 3. **Prone restraint prohibition.** (a) A license or certification holder must not use
458.14 a prone restraint on any person receiving services in a program, except in the instances
458.15 allowed by paragraphs (b) to (d).

458.16 (b) If a person rolls into a prone position during the use of a restraint, the person must
458.17 be restored to a nonprone position as quickly as possible.

458.18 (c) If the applicable licensing requirements allow a program to use mechanical restraints,
458.19 a person may be briefly held in a prone restraint for the purpose of applying mechanical
458.20 restraints if the person is restored to a nonprone position as quickly as possible.

458.21 (d) If the applicable licensing requirements allow a program to use seclusion, a person
458.22 may be briefly held in a prone restraint to allow staff to safely exit a seclusion room.

458.23 Subd. 4. **Contraindicated physical restraints.** A license or certification holder must
458.24 not implement a restraint on a person receiving services in a program in a way that is
458.25 contraindicated for any of the person's known medical or psychological conditions. Prior
458.26 to using restraints on a person, the license or certification holder must assess and document

38.20 a determination of any medical or psychological conditions that restraints are contraindicated
38.21 for and the type of restraints that will not be used on the person based on this determination.

38.22 Sec. 26. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

38.23 Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate
38.24 from the main exit from the space must be available in each room used for sleeping by
38.25 anyone receiving licensed care, and (2) a basement used for child care. One means of escape
38.26 must be a stairway or door leading to the floor of exit discharge. The other must be a door
38.27 or window leading directly outside. A window used as an emergency escape route must be
38.28 openable without special knowledge.

38.29 (b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the
38.30 interior of the window leading directly outside must have a net clear opening area of not
38.31 less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions
38.32 of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result
38.33 of normal operation of the opening. The opening must be no higher than 48 inches from the
39.1 floor. The height to the window may be measured from a platform if a platform is located
39.2 below the window.

39.3 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the
39.4 interior of the window leading directly outside must have minimum clear opening dimensions
39.5 of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
39.6 of normal operation of the opening. The opening must be no higher than 44 inches from the
39.7 floor.

39.8 ~~(d)~~ Additional requirements are dependent on the distance of the openings from the ground
39.9 outside the window: (1) windows or other openings with a sill height not more than 44
39.10 inches above or below the finished ground level adjacent to the opening (grade-floor
39.11 emergency escape and rescue openings) must have a minimum opening of five square feet;
39.12 and (2) non-grade-floor emergency escape and rescue openings must have a minimum
39.13 opening of 5.7 square feet.

39.14 Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 2, is amended to read:

39.15 Subd. 2. **Door to attached garage.** Notwithstanding Minnesota Rules, part 9502.0425,
39.16 subpart 5, day care residences with an attached garage are not required to have a self-closing
39.17 door to the residence. The door to the residence may be If there is an opening between an
39.18 attached garage and a day care residence, there must be a door that is:

39.19 (1) a solid wood bonded-core door at least 1-3/8 inches thick;

458.27 a determination of any medical or psychological conditions that restraints are contraindicated
458.28 for and the type of restraints that will not be used on the person based on this determination.

THE FOLLOWING FIVE SECTIONS ARE FROM H0238-3 ARTICLE 4 AND
ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.

H0238-3

121.1 Sec. 26. Minnesota Statutes 2022, section 245A.52, subdivision 1, is amended to read:

121.2 Subdivision 1. **Means of escape.** (a)(1) At least one emergency escape route separate
121.3 from the main exit from the space must be available in each room used for sleeping by
121.4 anyone receiving licensed care, and (2) a basement used for child care. One means of escape
121.5 must be a stairway or door leading to the floor of exit discharge. The other must be a door
121.6 or window leading directly outside. A window used as an emergency escape route must be
121.7 openable without special knowledge.

121.8 (b) In homes with construction that began before ~~May 2, 2016~~ March 31, 2020, the
121.9 interior of the window leading directly outside must have a net clear opening area of not
121.10 less than 4.5 square feet or 648 square inches and have minimum clear opening dimensions
121.11 of 20 inches wide and 20 inches high. The net clear opening dimensions shall be the result
121.12 of normal operation of the opening. The opening must be no higher than 48 inches from the
121.13 floor. The height to the window may be measured from a platform if a platform is located
121.14 below the window.

121.15 (c) In homes with construction that began on or after ~~May 2, 2016~~ March 31, 2020, the
121.16 interior of the window leading directly outside must have minimum clear opening dimensions
121.17 of 20 inches wide and 24 inches high. The net clear opening dimensions shall be the result
121.18 of normal operation of the opening. The opening must be no higher than 44 inches from the
121.19 floor.

121.20 ~~(d)~~ Additional requirements are dependent on the distance of the openings from the ground
121.21 outside the window: (1) windows or other openings with a sill height not more than 44
121.22 inches above or below the finished ground level adjacent to the opening (grade-floor
121.23 emergency escape and rescue openings) must have a minimum opening of five square feet;
121.24 and (2) non-grade-floor emergency escape and rescue openings must have a minimum
121.25 opening of 5.7 square feet.

39.20 (2) a steel insulated door if the door is at least 1-3/8 inches thick; or
39.21 (3) a door with a fire protection rating of 20 minutes.
39.22 The separation wall on the garage side between the residence and garage must consist of
39.23 1/2 inch thick gypsum wallboard or its equivalent.
39.24 Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:
39.25 Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part
39.26 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including
39.27 but not limited to plastic, fabric, and wood products must not be located within:
39.28 (1) 18 inches of a gas or fuel-oil heater or furnace; or
39.29 (2) 36 inches of a solid-fuel-burning appliance.
40.1 (b) If a license holder produces manufacturer instructions listing a smaller distance, then
40.2 the manufacturer instructions control the distance combustible items must be from gas,
40.3 fuel-oil, or solid-fuel burning heaters or furnaces.
40.4 Sec. 29. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:
40.5 Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved
40.6 and operational carbon monoxide alarm installed within ten feet of each room used for
40.7 sleeping children in care.
40.8 (b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly
40.9 installed and maintained on all levels including basements, but not including crawl spaces
40.10 and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.
40.11 in hallways outside of rooms used for sleeping children and on all levels, including basements
40.12 but not including crawl spaces and uninhabitable attics.
40.13 (c) In homes with construction that began on or after May 2, 2016 March 31, 2020,
40.14 smoke alarms must be installed and maintained in each room used for sleeping children in
40.15 care.
40.16 Sec. 30. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
40.17 to read:
40.18 Subd. 7. **Stairways.** All stairways must meet the following conditions.
40.19 (1) Stairways of four or more steps must have handrails on at least one side.
40.20 (2) Any open area between the handrail and stair tread must be enclosed with a protective
40.21 guardrail as specified in the State Building Code. At open risers, openings located more
40.22 than 30 inches (762 mm), as measured vertically, to the floor or grade below shall not permit
40.23 the passage of a sphere four inches (102 mm) in diameter.

121.26 Sec. 27. Minnesota Statutes 2022, section 245A.52, subdivision 3, is amended to read:
121.27 Subd. 3. **Heating and venting systems.** (a) Notwithstanding Minnesota Rules, part
121.28 9502.0425, subpart 7, item C, items that can be ignited and support combustion, including
121.29 but not limited to plastic, fabric, and wood products must not be located within:
121.30 (1) 18 inches of a gas or fuel-oil heater or furnace; or
121.31 (2) 36 inches of a solid-fuel-burning appliance.
122.1 (b) If a license holder produces manufacturer instructions listing a smaller distance, then
122.2 the manufacturer instructions control the distance combustible items must be from gas,
122.3 fuel-oil, or solid-fuel burning heaters or furnaces.
122.4 Sec. 28. Minnesota Statutes 2022, section 245A.52, subdivision 5, is amended to read:
122.5 Subd. 5. **Carbon monoxide and smoke alarms.** (a) All homes must have an approved
122.6 and operational carbon monoxide alarm installed within ten feet of each room used for
122.7 sleeping children in care.
122.8 (b) Smoke alarms that have been listed by the Underwriter Laboratory must be properly
122.9 installed and maintained on all levels including basements, but not including crawl spaces
122.10 and uninhabitable attics, and in hallways outside rooms used for sleeping children in care.
122.11 in hallways outside of rooms used for sleeping children and on all levels, including basements
122.12 but not including crawl spaces and uninhabitable attics.
122.13 (c) In homes with construction that began on or after May 2, 2016 March 31, 2020,
122.14 smoke alarms must be installed and maintained in each room used for sleeping children in
122.15 care.

40.24 (3) Gates or barriers must be used when children between the ages of six and 18 months
40.25 are in care.

40.26 (4) Stairways must be well lit, in good repair, and free of clutter and obstructions.

40.27 Sec. 31. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
40.28 to read:

40.29 Subd. 8. **Fire code variances.** When a variance is requested of the standards contained
40.30 in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from
41.1 the state fire marshal of the variance requested and the alternative measures identified to
41.2 ensure the safety of children in care.

41.3 Sec. 32. **[245A.60] FAMILY CHILD FOSTER CARE TRAINING REQUIREMENTS.**

41.4 Subdivision 1. **Applicability.** This section applies to programs licensed to provide foster
41.5 care for children in the license holder's residence. For the purposes of this section, "foster
41.6 parent" means a license holder under this chapter. For the purposes of this section, "caregiver"
41.7 means a person who provides services to a child according to the child's case plan in a setting
41.8 licensed under Minnesota Rules, parts 2960.3000 to 2960.3340.

41.9 Subd. 2. **Orientation.** (a) Each foster parent applicant must complete a minimum of six
41.10 hours of orientation before the commissioner will license the applicant. An applicant's
41.11 orientation training hours do not count toward yearly training hours. The commissioner
41.12 may grant a variance to the applicant regarding the number of orientation hours that this
41.13 subdivision requires.

41.14 (b) The foster parent's orientation must include training about the following:

41.15 (1) emergency procedures, including evacuation routes, emergency telephone numbers,
41.16 severe storm and tornado procedures, and the location of alarms and equipment;

41.17 (2) all relevant laws and rules, including this chapter; chapters 260, 260C, 260D, and
41.18 260E; Minnesota Rules, chapter 9560; and related legal issues and reporting requirements;

41.19 (3) cultural diversity, gender sensitivity, culturally specific services, cultural competence,
41.20 and information about discrimination and racial bias to ensure that caregivers are culturally
41.21 competent to care for foster children according to section 260C.212, subdivision 11;

41.22 (4) the foster parent's roles and responsibilities in developing and implementing the
41.23 child's case plan and involvement in court and administrative reviews of the child's placement;

41.24 (5) the licensing agency's requirements;

41.25 (6) one hour relating to reasonable and prudent parenting standards for the child's
41.26 participation in age-appropriate or developmentally appropriate extracurricular, social, or
41.27 cultural activities according to section 260C.212, subdivision 14;

122.16 Sec. 29. Minnesota Statutes 2022, section 245A.52, is amended by adding a subdivision
122.17 to read:

122.18 Subd. 8. **Fire code variances.** When a variance is requested of the standards contained
122.19 in subdivision 1, 2, 3, 4, or 5, an applicant or provider must submit written approval from
122.20 the state fire marshal of the variance requested and the alternative measures identified to
122.21 ensure the safety of children in care.

41.28 (7) two hours relating to children's mental health issues according to subdivision 3;

41.29 (8) if subdivision 4 requires, the proper use and installation of child passenger restraint

41.30 systems in motor vehicles;

42.1 (9) if subdivision 5 requires, at least one hour about reducing the risk of sudden

42.2 unexpected infant death and abusive head trauma from shaking infants and young children;

42.3 and

42.4 (10) if subdivision 6 requires, operating medical equipment.

42.5 Subd. 3. **Mental health training.** Each foster parent prior to licensure and each caregiver

42.6 prior to caring for a foster child must complete two hours of training that addresses the

42.7 causes, symptoms, and key warning signs of children's mental health disorders; cultural

42.8 considerations; and effective approaches to manage a child's behaviors. Each year, each

42.9 foster parent and caregiver must complete at least one hour of training about children's

42.10 mental health issues and treatment. A short-term substitute caregiver is exempt from this

42.11 subdivision. The commissioner of human services shall approve of a mental health training

42.12 curriculum that satisfies the requirements of this subdivision.

42.13 Subd. 4. **Child passenger restraint systems.** (a) Each foster parent and caregiver must

42.14 satisfactorily complete training about the proper use and installation of child passenger

42.15 restraint systems in motor vehicles before transporting a child younger than eight years of

42.16 age in a motor vehicle.

42.17 (b) An individual who is certified and approved by the Office of Traffic Safety within

42.18 the Department of Public Safety must provide training about the proper use and installation

42.19 of child passenger restraint systems in motor vehicles to each foster parent and caregiver

42.20 who transports a child. At a minimum, the training must address the proper use of child

42.21 passenger restraint systems based on a child's size, weight, and age, and the proper installation

42.22 of a car seat or booster seat in the motor vehicle that will be transporting the child. A foster

42.23 parent or caregiver who transports a child must repeat the training in this subdivision at

42.24 least once every five years.

42.25 (c) Notwithstanding paragraph (a), for an emergency relative placement under section

42.26 245A.035, the commissioner may grant a variance to the training required by this subdivision

42.27 to a child's relative who completes a child seat safety checkup. The Office of Traffic Safety

42.28 within the Department of Public Safety must approve of the child seat safety checkup trainer

42.29 and must provide one-on-one instruction to the child's relative applicant about placing a

42.30 child of a specific age in the exact child passenger restraint in the motor vehicle that will

42.31 be used to transport the child. Once the commissioner grants a variance to the child's relative,

42.32 the child's relative may transport a relative foster child younger than eight years of age, and

42.33 once the child's relative meets all other licensing requirements, the commissioner may

42.34 license the child's relative applicant. The child's relative must complete a child seat safety

43.1 checkup each time that the child requires a different sized car seat according to car seat and

43.2 vehicle manufacturer guidelines. A relative license holder must complete training that meets

43.3 the other requirements of this subdivision prior to placement of another foster child younger
43.4 than eight years of age in the relative license holder's home or prior to the renewal of the
43.5 relative license holder's child foster care license.

43.6 Subd. 5. **Training about the risk of sudden unexpected infant death and abusive**
43.7 **head trauma.** (a) Each foster parent and caregiver who cares for an infant or a child five
43.8 years of age or younger must satisfactorily complete at least one hour of training about
43.9 reducing the risk of sudden unexpected infant death pursuant to section 245A.1435 and
43.10 abusive head trauma from shaking infants and young children. Each foster parent and
43.11 caregiver must complete this training prior to caring for an infant or a child five years of
43.12 age or younger. The county or private licensing agency monitoring the foster care provider
43.13 under section 245A.16 must approve of the training about reducing the risk of sudden
43.14 unexpected infant death and abusive head trauma from shaking infants and young children.

43.15 (b) At a minimum, the training must address the risk factors related to sudden unexpected
43.16 infant death and abusive head trauma, means of reducing the risk of sudden unexpected
43.17 infant death and abusive head trauma, and license holder communication with parents
43.18 regarding reducing the risk of sudden unexpected infant death and abusive head trauma.

43.19 (c) For emergency relative placements under section 245A.035, this training must be
43.20 completed before a license is issued. Each foster parent and caregiver must complete the
43.21 training in this subdivision at least once every five years.

43.22 Subd. 6. **Training on use of medical equipment.** (a) If caring for a child who relies on
43.23 medical equipment to sustain the child's life or monitor the child's medical condition, each
43.24 foster parent and caregiver must satisfactorily complete training to operate the child's
43.25 equipment with a health care professional or an individual who provides training on the
43.26 child's equipment.

43.27 (b) A foster parent or caregiver is exempt from this subdivision if:

43.28 (1) the foster parent or caregiver is currently caring for an individual who is using the
43.29 same equipment in the foster home; or

43.30 (2) the foster parent or caregiver has written documentation that the foster parent or
43.31 caregiver has cared for an individual who relied on the same equipment within the past six
43.32 months.

44.1 Subd. 7. **Fetal alcohol spectrum disorders training.** Each foster parent and caregiver
44.2 must complete at least one hour of training yearly on fetal alcohol spectrum disorders. A
44.3 provider who is also licensed to provide home and community-based services under chapter
44.4 245D and the provider's staff are exempt from this subdivision. A short-term substitute
44.5 caregiver is exempt from this subdivision. The commissioner of human services shall approve
44.6 a fetal alcohol spectrum disorders training curriculum that satisfies the requirements of this
44.7 subdivision.

44.8 Subd. 8. **Yearly training requirement.** (a) Each foster parent must complete a minimum
44.9 of 12 hours of training per year. If a foster parent fails to complete the required yearly
44.10 training and does not show good cause why the foster parent did not complete the training,
44.11 the foster parent is prohibited from accepting a new foster child placement until the foster
44.12 parent completes the training. The commissioner may grant a variance to the required number
44.13 of yearly training hours.

44.14 (b) Each year, each foster parent and caregiver must complete one hour of training about
44.15 children's mental health issues according to subdivision 3, and one hour of training about
44.16 fetal alcohol spectrum disorders, if required by subdivision 7.

44.17 (c) Each year, each foster parent and caregiver must complete training about the reporting
44.18 requirements and definitions in chapter 260E, as section 245A.66 requires. Foster parents
44.19 and caregivers caring for youth 18 and older in extended foster care must complete training
44.20 about the reporting requirements and definitions in section 626.557, as section 245A.65,
44.21 subdivision 3 requires.

44.22 (d) At least once every five years, each foster parent and caregiver must complete one
44.23 hour of training about reducing the risk of sudden unexpected infant death and abusive head
44.24 trauma, if required by subdivision 5.

44.25 (e) At least once every five years, each foster parent and caregiver must complete training
44.26 regarding child passenger restraint systems, if required by subdivision 4.

44.27 (f) The commissioner may provide each foster parent with a nonexclusive list of eligible
44.28 training topics and resources that fulfill the remaining hours of required yearly training.

44.29 Subd. 9. **Documentation of training.** (a) The licensing agency must document the
44.30 trainings that this section requires on a form that the commissioner has developed.

44.31 (b) For training required under subdivision 6, the agency must retain a training and skills
44.32 form on file and update the form each year for each foster care provider who completes
44.33 training about caring for a child who relies on medical equipment to sustain the child's life
45.1 or monitor the child's medical condition. The agency placing the child must obtain a copy
45.2 of the training and skills form from the foster parent or from the agency supervising the
45.3 foster parent. The agency must retain the form and any updated information on file for the
45.4 placement's duration. The form must be available to the parent or guardian and the child's
45.5 social worker for the social worker to make an informed placement decision. The agency
45.6 must use the training and skills form that the commissioner has developed.

45.7 **EFFECTIVE DATE.** This section is effective January 1, 2024.

45.8 Sec. 33. **[245A.61] FOSTER RESIDENCE SETTING STAFF TRAINING**
45.9 **REQUIREMENTS.**

45.10 Subdivision 1. **Applicability.** This section applies to foster residence settings, which is
45.11 defined as foster care that a license holder licensed under this chapter provides in a home

45.12 in which the license holder does not reside. Foster residence setting does not include any
45.13 program licensed or certified under Minnesota Rules, parts 2960.0010 to 2960.0710.

45.14 Subd. 2. **Orientation.** The license holder must ensure that each staff person attends and
45.15 successfully completes at least six hours of orientation training before the staff person has
45.16 unsupervised contact with a foster child. Orientation training hours are not counted toward
45.17 the hours of yearly training. Orientation must include training about the following:

45.18 (1) emergency procedures including evacuation routes, emergency telephone numbers,
45.19 severe storm and tornado procedures, and the location of facility alarms and equipment;

45.20 (2) all relevant laws, rules, and legal issues, including reporting requirements for
45.21 maltreatment, abuse, and neglect specified in chapter 260E and section 626.557 and other
45.22 reporting requirements based on the children's ages;

45.23 (3) cultural diversity, gender sensitivity, culturally specific services, and information
45.24 about discrimination and racial bias to ensure that staff persons are culturally sensitive and
45.25 culturally competent to care for foster children according to section 260C.212, subdivision
45.26 11;

45.27 (4) general and special needs, including disability needs, of children and families served;

45.28 (5) operational policies and procedures of the license holder;

45.29 (6) data practices requirements and issues;

45.30 (7) two hours of training about children's mental health disorders according to subdivision
45.31 3;

46.1 (8) if required by subdivision 4, the proper use and installation of child passenger restraint
46.2 systems in motor vehicles;

46.3 (9) if required by subdivision 5, at least one hour of training about reducing the risk of
46.4 sudden unexpected infant death and abusive head trauma from shaking infants and young
46.5 children; and

46.6 (10) if required by subdivision 6, caring for a child who relies on medical equipment to
46.7 sustain the child's life or monitor the child's medical condition.

46.8 Subd. 3. **Mental health training.** Prior to caring for a child, a staff person must complete
46.9 two hours of training that addresses the causes, symptoms, and key warning signs of mental
46.10 health disorders; cultural considerations; and effective approaches to manage a child's
46.11 behaviors. A foster residence staff person must complete at least one hour of the yearly
46.12 training requirement regarding children's mental health issues and treatment. The
46.13 commissioner of human services shall approve a mental health training curriculum that
46.14 satisfies the requirements of this subdivision.

46.15 Subd. 4. **Child passenger restraint systems.** Prior to transporting a child younger than
46.16 eight years of age in a motor vehicle, a license holder or staff person must satisfactorily

46.17 complete training about the proper use and installation of child restraint systems in motor
 46.18 vehicles. An individual who is certified and approved by the Office of Traffic Safety within
 46.19 the Department of Public Safety must provide training to a license holder or staff person
 46.20 about the proper use and installation of child restraint systems in motor vehicles.

46.21 At a minimum, the training must address the proper use of child passenger restraint
 46.22 systems based on a child's size, weight, and age and the proper installation of a car seat or
 46.23 booster seat in the motor vehicle transporting the child. Each license holder or staff person
 46.24 transporting a child younger than eight years of age in a motor vehicle must complete the
 46.25 training in this subdivision at least once every five years.

46.26 Subd. 5. **Training about the risk of sudden unexpected infant death and abusive**
 46.27 **head trauma.** (a) A license holder who cares for an infant or a child five years of age or
 46.28 younger must document that each staff person has satisfactorily completed at least one hour
 46.29 of training about reducing the risk of sudden unexpected infant death pursuant to section
 46.30 245A.1435 and abusive head trauma from shaking infants and young children. Each staff
 46.31 person must complete the training in this subdivision prior to caring for an infant or a child
 46.32 five years of age or younger. The county or private licensing agency responsible for
 46.33 monitoring the child foster care provider under section 245A.16 must approve of the training
 47.1 about reducing the risk of sudden unexpected infant death and abusive head trauma from
 47.2 shaking infants and young children.

47.3 (b) At a minimum, the training must address the risk factors related to sudden unexpected
 47.4 infant death and abusive head trauma, means of reducing the risk of sudden unexpected
 47.5 infant death and abusive head trauma, and license holder communication with parents
 47.6 regarding reducing the risk of sudden unexpected infant death and abusive head trauma
 47.7 from shaking infants and young children.

47.8 (c) Each staff person caring for an infant or a child five years of age or younger must
 47.9 complete the training in this subdivision at least once every five years.

47.10 Subd. 6. **Training on use of medical equipment.** (a) If caring for a child who relies on
 47.11 medical equipment to sustain the child's life or monitor a child's medical condition, the
 47.12 license holder or staff person must complete training to operate the child's equipment. A
 47.13 health care professional or an individual who provides training on the equipment must train
 47.14 the license holder or staff person about how to operate the child's equipment.

47.15 (b) A license holder is exempt from this subdivision if:

47.16 (1) the license holder is currently caring for an individual who is using the same
 47.17 equipment in the foster home and each staff person has received training to use the
 47.18 equipment; or

47.19 (2) the license holder has written documentation that, within the past six months, the
 47.20 license holder has cared for an individual who relied on the same equipment and each current
 47.21 staff person has received training to use the same equipment.

47.22 Subd. 7. **Fetal alcohol spectrum disorders training.** (a) For each staff person, at least
 47.23 one hour of their yearly training requirement in subdivision 9 must be about fetal alcohol
 47.24 spectrum disorders. The commissioner of human services shall approve of a fetal alcohol
 47.25 spectrum disorders training curriculum that satisfies the requirements of this subdivision.

47.26 (b) A provider who is also licensed to provide home and community-based services
 47.27 under chapter 245D and the provider's staff are exempt from this subdivision.

47.28 Subd. 8. **Prudent parenting standards training.** The license holder must have at least
 47.29 one on-site staff person who is trained regarding the reasonable and prudent parenting
 47.30 standards in section 260C.212, subdivision 14, and authorized to apply the reasonable and
 47.31 prudent parenting standards to decisions involving the approval of a foster child's
 47.32 participation in age-appropriate and developmentally appropriate extracurricular, social, or
 48.1 cultural activities. The trained on-site staff person is not required to be available 24 hours
 48.2 per day.

48.3 Subd. 9. **Yearly training plan and hours.** (a) A license holder must develop a yearly
 48.4 training plan for staff and volunteers. The license holder must modify training for staff and
 48.5 volunteers each year to meet each person's current needs and provide sufficient training to
 48.6 accomplish each staff person's duties. To determine the type and amount of training for
 48.7 each person, the license holder must consider the foster care program's target population,
 48.8 the program's services, and expected outcomes from the services, as well as the employee's
 48.9 job description, tasks, and the position's performance indicators.

48.10 (b) A full-time staff person who has direct contact with children must complete at least
 48.11 18 hours of in-service training per year, including nine hours of skill development training.

48.12 (c) A part-time direct care staff person must complete sufficient training to competently
 48.13 care for children. The amount of training must be at least one hour of training for each 60
 48.14 hours that the part-time direct care staff person has worked, up to 18 hours of training per
 48.15 part-time employee per year.

48.16 (d) Other foster residence staff and volunteers must complete in-service training
 48.17 requirements each year that are consistent with the foster residence staff and volunteers'
 48.18 duties.

48.19 (e) Section 245A.66 requires a license holder to ensure that all staff and volunteers have
 48.20 training yearly about the reporting requirements and definitions in chapter 260E.

48.21 Subd. 10. **Documentation of training.** (a) For each staff person and volunteer, the
 48.22 license holder must document the date, the number of training hours, and the name of the
 48.23 entity that provided the training.

48.24 (b) For training required under subdivision 6, the agency supervising the foster care
 48.25 provider must retain a training and skills form on file and update the form each year for
 48.26 each staff person who completes training about caring for a child who relies on medical
 48.27 equipment to sustain the child's life or monitor a child's medical condition. The agency

48.28 placing the child must obtain a copy of the training and skills form from the foster care
48.29 provider or the agency supervising the foster care provider. The placing agency must retain
48.30 the form and any updated information on file for the placement's duration. The form must
48.31 be available to the child's parent or the child's primary caregiver and the child's social worker
48.32 to make an informed placement decision. The agency must use the training and skills form
48.33 that the commissioner has developed.

49.1 **EFFECTIVE DATE.** This section is effective January 1, 2024.

49.2 Sec. 34. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision
49.3 to read:

49.4 Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training
49.5 required by the applicable licensing rules and statutes, children's residential facility and
49.6 private child-placing agency license holders must provide a training annually on the
49.7 maltreatment of minors reporting requirements and definitions in chapter 260E to each
49.8 mandatory reporter, as described in section 260E.06, subdivision 1.

49.9 (b) In addition to the orientation training required by the applicable licensing rules and
49.10 statutes, all family child foster care license holders and caregivers and foster residence
49.11 setting staff and volunteers that are mandatory reporters as described in section 260E.06,
49.12 subdivision 1, must complete training each year on the maltreatment of minors reporting
49.13 requirements and definitions in chapter 260E.

49.14 **EFFECTIVE DATE.** This section is effective January 1, 2024.

49.15 Sec. 35. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

49.16 Subd. 6a. **Child care background study subject.** (a) "Child care background study
49.17 subject" means an individual who is affiliated with a licensed child care center, certified
49.18 license-exempt child care center, licensed family child care program, or legal nonlicensed
49.19 child care provider authorized under chapter 119B, and who is:

- 49.20 (1) employed by a child care provider for compensation;
49.21 (2) assisting in the care of a child for a child care provider;
49.22 (3) a person applying for licensure, certification, or enrollment;
49.23 (4) a controlling individual as defined in section 245A.02, subdivision 5a;

122.22 Sec. 30. Minnesota Statutes 2022, section 245A.66, is amended by adding a subdivision
122.23 to read:

122.24 Subd. 4. **Ongoing training requirement.** (a) In addition to the orientation training
122.25 required by the applicable licensing rules and statutes, children's residential facility and
122.26 private child-placing agency license holders must provide a training annually on the
122.27 maltreatment of minors reporting requirements and definitions in chapter 260E to each
122.28 mandatory reporter, as described in section 260E.06, subdivision 1.

122.29 (b) In addition to the orientation training required by the applicable licensing rules and
122.30 statutes, all family child foster care license holders and caregivers and foster residence
122.31 setting staff and volunteers that are mandatory reporters as described in section 260E.06,
123.1 subdivision 1, must complete training each year on the maltreatment of minors reporting
123.2 requirements and definitions in chapter 260E.

123.3 **EFFECTIVE DATE.** This section is effective January 1, 2024.

THE FOLLOWING 17 SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND
ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE, EXCEPT FOR
SECTIONS 18, 25, AND 28, WHICH APPEAR IN THE ARTICLE 7 SIDE BY
SIDE.

UES2995-2

458.29 Sec. 14. Minnesota Statutes 2022, section 245C.02, subdivision 6a, is amended to read:

458.30 Subd. 6a. **Child care background study subject.** (a) "Child care background study
458.31 subject" means an individual who is affiliated with a licensed child care center, certified
459.1 license-exempt child care center, licensed family child care program, or legal nonlicensed
459.2 child care provider authorized under chapter 119B, and who is:

- 459.3 (1) employed by a child care provider for compensation;
459.4 (2) assisting in the care of a child for a child care provider;
459.5 (3) a person applying for licensure, certification, or enrollment;
459.6 (4) a controlling individual as defined in section 245A.02, subdivision 5a;

49.24 (5) an individual 13 years of age or older who lives in the household where the licensed
49.25 program will be provided and who is not receiving licensed services from the program;

49.26 (6) an individual ten to 12 years of age who lives in the household where the licensed
49.27 services will be provided when the commissioner has reasonable cause as defined in section
49.28 245C.02, subdivision 15;

49.29 (7) an individual who, without providing direct contact services at a licensed program,
49.30 certified program, or program authorized under chapter 119B, may have unsupervised access
50.1 to a child receiving services from a program when the commissioner has reasonable cause
50.2 as defined in section 245C.02, subdivision 15; or

50.3 (8) a volunteer, contractor providing services for hire in the program, prospective
50.4 employee, or other individual who has unsupervised physical access to a child served by a
50.5 program and who is not under supervision by an individual listed in clause (1) or (5),
50.6 regardless of whether the individual provides program services.

50.7 (b) Notwithstanding paragraph (a), an individual who is providing services that are not
50.8 part of the child care program is not required to have a background study if:

50.9 (1) the child receiving services is signed out of the child care program for the duration
50.10 that the services are provided;

50.11 (2) the licensed child care center, certified license-exempt child care center, licensed
50.12 family child care program, or legal nonlicensed child care provider authorized under chapter
50.13 119B has obtained advanced written permission from the parent authorizing the child to
50.14 receive the services, which is maintained in the child's record;

50.15 (3) the licensed child care center, certified license-exempt child care center, licensed
50.16 family child care program, or legal nonlicensed child care provider authorized under chapter
50.17 119B maintains documentation on site that identifies the individual service provider and
50.18 the services being provided; and

50.19 (4) the licensed child care center, certified license-exempt child care center, licensed
50.20 family child care program, or legal nonlicensed child care provider authorized under chapter
50.21 119B ensures that the service provider does not have unsupervised access to a child not
50.22 receiving the provider's services.

50.23 Sec. 36. Minnesota Statutes 2022, section 245C.02, subdivision 11c, is amended to read:

50.24 Subd. 11c. **Entity.** "Entity" means any program, organization, license holder, or agency
50.25 initiating required to initiate or submit a background study.

459.7 (5) an individual 13 years of age or older who lives in the household where the licensed
459.8 program will be provided and who is not receiving licensed services from the program;

459.9 (6) an individual ten to 12 years of age who lives in the household where the licensed
459.10 services will be provided when the commissioner has reasonable cause as defined in section
459.11 245C.02, subdivision 15;

459.12 (7) an individual who, without providing direct contact services at a licensed program,
459.13 certified program, or program authorized under chapter 119B, may have unsupervised access
459.14 to a child receiving services from a program when the commissioner has reasonable cause
459.15 as defined in section 245C.02, subdivision 15; or

459.16 (8) a volunteer, contractor providing services for hire in the program, prospective
459.17 employee, or other individual who has unsupervised physical access to a child served by a
459.18 program and who is not under supervision by an individual listed in clause (1) or (5),
459.19 regardless of whether the individual provides program services.

459.20 (b) Notwithstanding paragraph (a), an individual who is providing services that are not
459.21 part of the child care program is not required to have a background study if:

459.22 (1) the child receiving services is signed out of the child care program for the duration
459.23 that the services are provided;

459.24 (2) the licensed child care center, certified license-exempt child care center, licensed
459.25 family child care program, or legal nonlicensed child care provider authorized under chapter
459.26 119B has obtained advanced written permission from the parent authorizing the child to
459.27 receive the services, which is maintained in the child's record;

459.28 (3) the licensed child care center, certified license-exempt child care center, licensed
459.29 family child care program, or legal nonlicensed child care provider authorized under chapter
459.30 119B maintains documentation on site that identifies the individual service provider and
459.31 the services being provided; and

460.1 (4) the licensed child care center, certified license-exempt child care center, licensed
460.2 family child care program, or legal nonlicensed child care provider authorized under chapter
460.3 119B ensures that the service provider does not have unsupervised access to a child not
460.4 receiving the provider's services.

460.5 (c) The definition of employee under subdivision 11f and the definition of volunteer
460.6 under subdivision 22 do not apply for child care background study subjects.

460.7 Sec. 15. Minnesota Statutes 2022, section 245C.02, subdivision 11c, is amended to read:

460.8 Subd. 11c. **Entity.** "Entity" means any program, organization, license holder, or agency
460.9 initiating required to initiate or submit a background study.

50.26 Sec. 37. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision
50.27 to read:

50.28 Subd. 11f. **Employee.** "Employee" means an individual who provides services or seeks
50.29 to provide services for or through the entity with which they are required to be affiliated in
50.30 NETStudy 2.0 and who is subject to oversight by the entity, which includes but is not limited
50.31 to continuous, direct supervision by the entity and being subject to immediate removal from
51.1 providing direct contact services by the entity when required. This subdivision does not
51.2 apply to child care background study subjects under subdivision 6a.

51.3 Sec. 38. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision
51.4 to read:

51.5 Subd. 22. **Volunteer.** "Volunteer" means an individual who provides or seeks to provide
51.6 services for or through an entity without direct compensation for services provided, is
51.7 required to be affiliated in NETStudy 2.0 and is subject to oversight by the entity, including
51.8 but not limited to continuous, direct supervision and immediate removal from providing
51.9 direct contact services when required. This subdivision does not apply to child care
51.10 background study subjects under subdivision 6a.

51.11 Sec. 39. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

51.12 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background
51.13 study on:

51.14 (1) the person or persons applying for a license;

51.15 (2) an individual age 13 and over living in the household where the licensed program
51.16 will be provided who is not receiving licensed services from the program;

51.17 (3) current or prospective employees ~~or contractors~~ of the applicant or license holder
51.18 who will have direct contact with persons served by the facility, agency, or program;

51.19 (4) volunteers or student volunteers who will have direct contact with persons served
51.20 by the program to provide program services if the contact is not under the continuous, direct
51.21 supervision by an individual listed in clause (1) or (3);

51.22 (5) an individual age ten to 12 living in the household where the licensed services will
51.23 be provided when the commissioner has reasonable cause as defined in section 245C.02,
51.24 subdivision 15;

51.25 (6) an individual who, without providing direct contact services at a licensed program,
51.26 may have unsupervised access to children or vulnerable adults receiving services from a
51.27 program, when the commissioner has reasonable cause as defined in section 245C.02,
51.28 subdivision 15;

51.29 (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

460.10 Sec. 16. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision
460.11 to read:

460.12 Subd. 11f. **Employee.** "Employee" means an individual who provides services or seeks
460.13 to provide services for or through the entity with which they are required to be affiliated in
460.14 NETStudy 2.0 and who is subject to oversight by the entity, which includes but is not limited
460.15 to continuous, direct supervision by the entity and being subject to immediate removal from
460.16 providing direct contact services by the entity when required.

460.17 Sec. 17. Minnesota Statutes 2022, section 245C.02, is amended by adding a subdivision
460.18 to read:

460.19 Subd. 22. **Volunteer.** "Volunteer" means an individual who provides or seeks to provide
460.20 services for or through an entity without direct compensation for services provided, is
460.21 required to be affiliated in NETStudy 2.0 and is subject to oversight by the entity, including
460.22 but not limited to continuous, direct supervision and immediate removal from providing
460.23 direct contact services when required.

460.24 Sec. 18. Minnesota Statutes 2022, section 245C.03, subdivision 1, is amended to read:

460.25 Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background
460.26 study on:

460.27 (1) the person or persons applying for a license;

460.28 (2) an individual age 13 and over living in the household where the licensed program
460.29 will be provided who is not receiving licensed services from the program;

461.1 (3) current or prospective employees ~~or contractors~~ of the applicant or license holder
461.2 who will have direct contact with persons served by the facility, agency, or program;

461.3 (4) volunteers or student volunteers who will have direct contact with persons served
461.4 by the program to provide program services if the contact is not under the continuous, direct
461.5 supervision by an individual listed in clause (1) or (3);

461.6 (5) an individual age ten to 12 living in the household where the licensed services will
461.7 be provided when the commissioner has reasonable cause as defined in section 245C.02,
461.8 subdivision 15;

461.9 (6) an individual who, without providing direct contact services at a licensed program,
461.10 may have unsupervised access to children or vulnerable adults receiving services from a
461.11 program, when the commissioner has reasonable cause as defined in section 245C.02,
461.12 subdivision 15;

461.13 (7) all controlling individuals as defined in section 245A.02, subdivision 5a;

51.30 (8) notwithstanding the other requirements in this subdivision, child care background
51.31 study subjects as defined in section 245C.02, subdivision 6a; and

52.1 (9) notwithstanding clause (3), for children's residential facilities and foster residence
52.2 settings, any adult working in the facility, whether or not the individual will have direct
52.3 contact with persons served by the facility.

52.4 (b) For child foster care when the license holder resides in the home where foster care
52.5 services are provided, a short-term substitute caregiver providing direct contact services for
52.6 a child for less than 72 hours of continuous care is not required to receive a background
52.7 study under this chapter.

52.8 (c) This subdivision applies to the following programs that must be licensed under
52.9 chapter 245A:

52.10 (1) adult foster care;

52.11 (2) child foster care;

52.12 (3) children's residential facilities;

52.13 (4) family child care;

52.14 (5) licensed child care centers;

52.15 (6) licensed home and community-based services under chapter 245D;

52.16 (7) residential mental health programs for adults;

52.17 (8) substance use disorder treatment programs under chapter 245G;

52.18 (9) withdrawal management programs under chapter 245F;

52.19 (10) adult day care centers;

52.20 (11) family adult day services;

52.21 ~~(12) independent living assistance for youth;~~

52.22 ~~(13)~~ (12) detoxification programs;

52.23 ~~(14)~~ (13) community residential settings; and

52.24 ~~(15)~~ (14) intensive residential treatment services and residential crisis stabilization under
52.25 chapter 245I.

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

461.14 (8) notwithstanding the other requirements in this subdivision, child care background
461.15 study subjects as defined in section 245C.02, subdivision 6a; and

461.16 (9) notwithstanding clause (3), for children's residential facilities and foster residence
461.17 settings, any adult working in the facility, whether or not the individual will have direct
461.18 contact with persons served by the facility.

461.19 (b) For child foster care when the license holder resides in the home where foster care
461.20 services are provided, a short-term substitute caregiver providing direct contact services for
461.21 a child for less than 72 hours of continuous care is not required to receive a background
461.22 study under this chapter.

461.23 (c) This subdivision applies to the following programs that must be licensed under
461.24 chapter 245A:

461.25 (1) adult foster care;

461.26 (2) child foster care;

461.27 (3) children's residential facilities;

461.28 (4) family child care;

461.29 (5) licensed child care centers;

461.30 (6) licensed home and community-based services under chapter 245D;

461.31 (7) residential mental health programs for adults;

462.1 (8) substance use disorder treatment programs under chapter 245G;

462.2 (9) withdrawal management programs under chapter 245F;

462.3 (10) adult day care centers;

462.4 (11) family adult day services;

462.5 ~~(12) independent living assistance for youth;~~

462.6 ~~(13)~~ (12) detoxification programs;

462.7 ~~(14)~~ (13) community residential settings; and

462.8 ~~(15)~~ (14) intensive residential treatment services and residential crisis stabilization under
462.9 chapter 245I.

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

53.1 Sec. 40. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

53.2 Subd. 1a. **Procedure.** (a) Individuals and organizations that are required under this
53.3 section to have or initiate background studies shall comply with the requirements of this
53.4 chapter.

53.5 (b) All studies conducted under this section shall be conducted according to sections
53.6 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62,
53.7 subdivision 2. This requirement does not apply to subdivisions 1, paragraph (c), clauses (2)
53.8 to (5), and 6a.

53.9 Sec. 41. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

53.10 Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational**
53.11 **programs; professional services agencies.** (a) The commissioner also may conduct studies
53.12 on individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), when the studies
53.13 are initiated by:

53.14 (1) personnel pool agencies;

53.15 (2) temporary personnel agencies;

53.16 (3) educational programs that train individuals by providing direct contact services in
53.17 licensed programs; and

53.18 (4) professional services agencies that are not licensed and ~~which contract that work~~
53.19 with licensed programs to provide direct contact services or individuals who provide direct
53.20 contact services.

53.21 (b) Personnel pool agencies, temporary personnel agencies, and professional services
53.22 agencies must employ the individuals providing direct care services for children, people
53.23 with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject
53.24 to oversight by the entity, which includes but is not limited to continuous, direct supervision
53.25 by the entity and being subject to immediate removal from providing direct care services
53.26 when required.

53.27 Sec. 42. Minnesota Statutes 2022, section 245C.03, subdivision 5, is amended to read:

53.28 Subd. 5. **Other state agencies.** The commissioner shall conduct background studies on
53.29 applicants and license holders under the jurisdiction of other state agencies who are required
53.30 in other statutory sections to initiate background studies under this chapter, including the
54.1 applicant's or license holder's employees, ~~contractors,~~ and volunteers when required under
54.2 other statutory sections.

54.3 Sec. 43. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

54.4 Subd. 5a. **Facilities serving children or adults licensed or regulated by the**
54.5 **Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall
54.6 conduct background studies of:

462.11 Sec. 19. Minnesota Statutes 2022, section 245C.03, subdivision 1a, is amended to read:

462.12 Subd. 1a. **Procedure.** (a) Individuals and organizations that are required under this
462.13 section to have or initiate background studies shall comply with the requirements of this
462.14 chapter.

462.15 (b) All studies conducted under this section shall be conducted according to sections
462.16 299C.60 to 299C.64, including the consent and self-disclosure required in section 299C.62,
462.17 subdivision 2. This requirement does not apply to subdivisions 1, paragraph (c), clauses (2)
462.18 to (5), and 6a.

462.19 Sec. 20. Minnesota Statutes 2022, section 245C.03, subdivision 4, is amended to read:

462.20 Subd. 4. **Personnel pool agencies; temporary personnel agencies; educational**
462.21 **programs; professional services agencies.** (a) The commissioner also may conduct studies
462.22 on individuals specified in subdivision 1, paragraph (a), clauses (3) and (4), when the studies
462.23 are initiated by:

462.24 (1) personnel pool agencies;

462.25 (2) temporary personnel agencies;

462.26 (3) educational programs that train individuals by providing direct contact services in
462.27 licensed programs; and

463.1 (4) professional services agencies that are not licensed and ~~which contract that work~~
463.2 with licensed programs to provide direct contact services or individuals who provide direct
463.3 contact services.

463.4 (b) Personnel pool agencies, temporary personnel agencies, and professional services
463.5 agencies must employ the individuals providing direct care services for children, people
463.6 with disabilities, or the elderly. Individuals must be affiliated in NETStudy 2.0 and subject
463.7 to oversight by the entity, which includes but is not limited to continuous, direct supervision
463.8 by the entity and being subject to immediate removal from providing direct care services
463.9 when required.

463.10 Sec. 21. Minnesota Statutes 2022, section 245C.03, subdivision 5, is amended to read:

463.11 Subd. 5. **Other state agencies.** The commissioner shall conduct background studies on
463.12 applicants and license holders under the jurisdiction of other state agencies who are required
463.13 in other statutory sections to initiate background studies under this chapter, including the
463.14 applicant's or license holder's employees, ~~contractors,~~ and volunteers when required under
463.15 other statutory sections.

463.16 Sec. 22. Minnesota Statutes 2022, section 245C.03, subdivision 5a, is amended to read:

463.17 Subd. 5a. **Facilities serving children or adults licensed or regulated by the**
463.18 **Department of Health.** (a) Except as specified in paragraph (b), the commissioner shall
463.19 conduct background studies of:

54.7 (1) individuals providing services who have direct contact, as defined under section
 54.8 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes,
 54.9 outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and
 54.10 home care agencies licensed under chapter 144A; assisted living facilities and assisted living
 54.11 facilities with dementia care licensed under chapter 144G; and board and lodging
 54.12 establishments that are registered to provide supportive or health supervision services under
 54.13 section 157.17;

54.14 (2) individuals specified in subdivision 2 who provide direct contact services in a nursing
 54.15 home or a home care agency licensed under chapter 144A; an assisted living facility or
 54.16 assisted living facility with dementia care licensed under chapter 144G; or a boarding care
 54.17 home licensed under sections 144.50 to 144.58. If the individual undergoing a study resides
 54.18 outside of Minnesota, the study must include a check for substantiated findings of
 54.19 maltreatment of adults and children in the individual's state of residence when the state
 54.20 makes the information available;

54.21 (3) all other employees in assisted living facilities or assisted living facilities with
 54.22 dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A,
 54.23 and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of
 54.24 an individual in this section shall disqualify the individual from positions allowing direct
 54.25 contact with or access to patients or residents receiving services. "Access" means physical
 54.26 access to a client or the client's personal property without continuous, direct supervision as
 54.27 defined in section 245C.02, subdivision 8, when the employee's employment responsibilities
 54.28 do not include providing direct contact services;

54.29 (4) individuals employed by a supplemental nursing services agency, as defined under
 54.30 section 144A.70, who are providing services in health care facilities;

54.31 (5) controlling persons of a supplemental nursing services agency, as defined by section
 54.32 144A.70; and

55.1 (6) license applicants, owners, managerial officials, and controlling individuals who are
 55.2 required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a
 55.3 background study under this chapter, regardless of the licensure status of the license applicant,
 55.4 owner, managerial official, or controlling individual.

55.5 ~~(b) The commissioner of human services shall not conduct~~ An entity shall not initiate a
 55.6 background study on any individual identified in paragraph (a), clauses (1) to (5), if the
 55.7 individual has a valid license issued by a health-related licensing board as defined in section
 55.8 214.01, subdivision 2, and has completed the criminal background check as required in
 55.9 section 214.075. An entity that is affiliated with individuals who meet the requirements of
 55.10 this paragraph must separate those individuals from the entity's roster for NETStudy 2.0.
 55.11 The Department of Human Services is not liable for conducting background studies that
 55.12 have been submitted or not removed from the roster in violation of this provision.

463.20 (1) individuals providing services who have direct contact, as defined under section
 463.21 245C.02, subdivision 11, with patients and residents in hospitals, boarding care homes,
 463.22 outpatient surgical centers licensed under sections 144.50 to 144.58; nursing homes and
 463.23 home care agencies licensed under chapter 144A; assisted living facilities and assisted living
 463.24 facilities with dementia care licensed under chapter 144G; and board and lodging
 463.25 establishments that are registered to provide supportive or health supervision services under
 463.26 section 157.17;

463.27 (2) individuals specified in subdivision 2 who provide direct contact services in a nursing
 463.28 home or a home care agency licensed under chapter 144A; an assisted living facility or
 463.29 assisted living facility with dementia care licensed under chapter 144G; or a boarding care
 463.30 home licensed under sections 144.50 to 144.58. If the individual undergoing a study resides
 463.31 outside of Minnesota, the study must include a check for substantiated findings of
 463.32 maltreatment of adults and children in the individual's state of residence when the state
 463.33 makes the information available;

464.1 (3) all other employees in assisted living facilities or assisted living facilities with
 464.2 dementia care licensed under chapter 144G, nursing homes licensed under chapter 144A,
 464.3 and boarding care homes licensed under sections 144.50 to 144.58. A disqualification of
 464.4 an individual in this section shall disqualify the individual from positions allowing direct
 464.5 contact with or access to patients or residents receiving services. "Access" means physical
 464.6 access to a client or the client's personal property without continuous, direct supervision as
 464.7 defined in section 245C.02, subdivision 8, when the employee's employment responsibilities
 464.8 do not include providing direct contact services;

464.9 (4) individuals employed by a supplemental nursing services agency, as defined under
 464.10 section 144A.70, who are providing services in health care facilities;

464.11 (5) controlling persons of a supplemental nursing services agency, as defined by section
 464.12 144A.70; and

464.13 (6) license applicants, owners, managerial officials, and controlling individuals who are
 464.14 required under section 144A.476, subdivision 1, or 144G.13, subdivision 1, to undergo a
 464.15 background study under this chapter, regardless of the licensure status of the license applicant,
 464.16 owner, managerial official, or controlling individual.

464.17 ~~(b) The commissioner of human services shall not conduct~~ An entity shall not initiate a
 464.18 background study on any individual identified in paragraph (a), clauses (1) to (5), if the
 464.19 individual has a valid license issued by a health-related licensing board as defined in section
 464.20 214.01, subdivision 2, and has completed the criminal background check as required in
 464.21 section 214.075. An entity that is affiliated with individuals who meet the requirements of
 464.22 this paragraph must separate those individuals from the entity's roster for NETStudy 2.0.
 464.23 The Department of Human Services is not liable for conducting background studies that
 464.24 have been submitted or not removed from the roster in violation of this provision.

55.13 (c) If a facility or program is licensed by the Department of Human Services and the
 55.14 Department of Health and is subject to the background study provisions of this chapter, the
 55.15 Department of Human Services is solely responsible for the background studies of individuals
 55.16 in the jointly licensed program.

55.17 (d) The commissioner of health shall review and make decisions regarding reconsideration
 55.18 requests, including whether to grant variances, according to the procedures and criteria in
 55.19 this chapter. The commissioner of health shall inform the requesting individual and the
 55.20 Department of Human Services of the commissioner of health's decision regarding the
 55.21 reconsideration. The commissioner of health's decision to grant or deny a reconsideration
 55.22 of a disqualification is a final administrative agency action.

55.23 Sec. 44. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:

55.24 Subdivision 1. **Alternative background studies.** (a) The commissioner shall conduct
 55.25 an alternative background study of individuals listed in this section.

55.26 (b) Notwithstanding other sections of this chapter, all alternative background studies
 55.27 except subdivision 12 shall be conducted according to this section and with sections 299C.60
 55.28 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision
 55.29 2.

55.30 (c) All terms in this section shall have the definitions provided in section 245C.02.

55.31 (d) The entity that submits an alternative background study request under this section
 55.32 shall submit the request to the commissioner according to section 245C.05.

55.33 (e) The commissioner shall comply with the destruction requirements in section 245C.051.

56.1 (f) Background studies conducted under this section are subject to the provisions of
 56.2 section 245C.32.

56.3 (g) The commissioner shall forward all information that the commissioner receives under
 56.4 section 245C.08 to the entity that submitted the alternative background study request under
 56.5 subdivision 2. The commissioner shall not make any eligibility determinations regarding
 56.6 background studies conducted under this section.

56.7 Sec. 45. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:

56.8 Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner**
 56.9 **of health.** The commissioner shall conduct an alternative background study, including a
 56.10 check of state data, and a national criminal history records check of the following individuals.
 56.11 For studies under this section, the following persons shall complete a consent form and
 56.12 criminal history disclosure form:

56.13 (1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in
 56.14 licensure as an audiologist or speech-language pathologist or an applicant for initial

464.25 (c) If a facility or program is licensed by the Department of Human Services and the
 464.26 Department of Health and is subject to the background study provisions of this chapter, the
 464.27 Department of Human Services is solely responsible for the background studies of individuals
 464.28 in the jointly licensed program.

464.29 (d) The commissioner of health shall review and make decisions regarding reconsideration
 464.30 requests, including whether to grant variances, according to the procedures and criteria in
 464.31 this chapter. The commissioner of health shall inform the requesting individual and the
 464.32 Department of Human Services of the commissioner of health's decision regarding the
 464.33 reconsideration. The commissioner of health's decision to grant or deny a reconsideration
 464.34 of a disqualification is a final administrative agency action.

465.1 Sec. 23. Minnesota Statutes 2022, section 245C.031, subdivision 1, is amended to read:

465.2 Subdivision 1. **Alternative background studies.** (a) The commissioner shall conduct
 465.3 an alternative background study of individuals listed in this section.

465.4 (b) Notwithstanding other sections of this chapter, all alternative background studies
 465.5 except subdivision 12 shall be conducted according to this section and with sections 299C.60
 465.6 to 299C.64, including the consent and self-disclosure required in section 299C.62, subdivision
 465.7 2.

465.8 (c) All terms in this section shall have the definitions provided in section 245C.02.

465.9 (d) The entity that submits an alternative background study request under this section
 465.10 shall submit the request to the commissioner according to section 245C.05.

465.11 (e) The commissioner shall comply with the destruction requirements in section 245C.051.

465.12 (f) Background studies conducted under this section are subject to the provisions of
 465.13 section 245C.32.

465.14 (g) The commissioner shall forward all information that the commissioner receives under
 465.15 section 245C.08 to the entity that submitted the alternative background study request under
 465.16 subdivision 2. The commissioner shall not make any eligibility determinations regarding
 465.17 background studies conducted under this section.

465.18 Sec. 24. Minnesota Statutes 2022, section 245C.031, subdivision 4, is amended to read:

465.19 Subd. 4. **Applicants, licensees, and other occupations regulated by the commissioner**
 465.20 **of health.** The commissioner shall conduct an alternative background study, including a
 465.21 check of state data, and a national criminal history records check of the following individuals.
 465.22 For studies under this section, the following persons shall complete a consent form and
 465.23 criminal history disclosure form:

465.24 (1) An applicant for initial licensure, temporary licensure, or relicensure after a lapse in
 465.25 licensure as an audiologist or speech-language pathologist or an applicant for initial

56.15 certification as a hearing instrument dispenser who must submit to a background study
56.16 under section 144.0572.

56.17 (2) An applicant for a renewal license or certificate as an audiologist, speech-language
56.18 pathologist, or hearing instrument dispenser who was licensed or obtained a certificate
56.19 before January 1, 2018.

56.20 Sec. 46. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

56.21 Subdivision 1. **Individual studied.** (a) The individual who is the subject of the
56.22 background study must provide the applicant, license holder, or other entity under section
56.23 245C.04 with sufficient information to ensure an accurate study, including:

56.24 (1) the individual's first, middle, and last name and all other names by which the
56.25 individual has been known;

56.26 (2) current home address, city, and state of residence;

56.27 (3) current zip code;

56.28 (4) sex;

56.29 (5) date of birth;

57.1 (6) driver's license number or state identification number or, for those without a driver's
57.2 license or state identification card, an acceptable form of identification as determined by
57.3 the commissioner; and

57.4 (7) upon implementation of NETStudy 2.0, the home address, city, county, and state of
57.5 residence for the past five years.

57.6 (b) Every subject of a background study conducted or initiated by counties or private
57.7 agencies under this chapter must also provide the home address, city, county, and state of
57.8 residence for the past five years.

57.9 (c) Every subject of a background study related to private agency adoptions or related
57.10 to child foster care licensed through a private agency, who is 18 years of age or older, shall
57.11 also provide the commissioner a signed consent for the release of any information received
57.12 from national crime information databases to the private agency that initiated the background
57.13 study.

57.14 (d) The subject of a background study shall provide fingerprints and a photograph as
57.15 required in subdivision 5.

57.16 (e) The subject of a background study shall submit a completed criminal and maltreatment
57.17 history records check consent form and criminal history disclosure form for applicable
57.18 national and state level record checks.

465.26 certification as a hearing instrument dispenser who must submit to a background study
465.27 under section 144.0572.

465.28 (2) An applicant for a renewal license or certificate as an audiologist, speech-language
465.29 pathologist, or hearing instrument dispenser who was licensed or obtained a certificate
465.30 before January 1, 2018.

466.1 Sec. 25. Minnesota Statutes 2022, section 245C.05, subdivision 1, is amended to read:

466.2 Subdivision 1. **Individual studied.** (a) The individual who is the subject of the
466.3 background study must provide the applicant, license holder, or other entity under section
466.4 245C.04 with sufficient information to ensure an accurate study, including:

466.5 (1) the individual's first, middle, and last name and all other names by which the
466.6 individual has been known;

466.7 (2) current home address, city, and state of residence;

466.8 (3) current zip code;

466.9 (4) sex;

466.10 (5) date of birth;

466.11 (6) driver's license number or state identification number or, for those without a driver's
466.12 license or state identification card, an acceptable form of identification as determined by
466.13 the commissioner; and

466.14 (7) upon implementation of NETStudy 2.0, the home address, city, county, and state of
466.15 residence for the past five years.

466.16 (b) Every subject of a background study conducted or initiated by counties or private
466.17 agencies under this chapter must also provide the home address, city, county, and state of
466.18 residence for the past five years.

466.19 (c) Every subject of a background study related to private agency adoptions or related
466.20 to child foster care licensed through a private agency, who is 18 years of age or older, shall
466.21 also provide the commissioner a signed consent for the release of any information received
466.22 from national crime information databases to the private agency that initiated the background
466.23 study.

466.24 (d) The subject of a background study shall provide fingerprints and a photograph as
466.25 required in subdivision 5.

466.26 (e) The subject of a background study shall submit a completed criminal and maltreatment
466.27 history records check consent form and criminal history disclosure form for applicable
466.28 national and state level record checks.

57.19 Sec. 47. Minnesota Statutes 2022, section 245C.05, is amended by adding a subdivision
57.20 to read:

57.21 Subd. 8. **Study submitted.** The entity with which the background study subject is seeking
57.22 affiliation shall initiate the background study in the NETStudy 2.0 system.

57.23 Sec. 48. Minnesota Statutes 2022, section 245C.07, is amended to read:

57.24 **245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.**

57.25 (a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other
57.26 entity owns multiple programs or services that are licensed by the Department of Human
57.27 Services, Department of Health, or Department of Corrections, only one background study
57.28 is required for an individual who provides direct contact services in one or more of the
57.29 licensed programs or services if:

58.1 (1) the license holder designates one individual with one address and telephone number
58.2 as the person to receive sensitive background study information for the multiple licensed
58.3 programs or services that depend on the same background study; and

58.4 (2) the individual designated to receive the sensitive background study information is
58.5 capable of determining, upon request of the department, whether a background study subject
58.6 is providing direct contact services in one or more of the license holder's programs or services
58.7 and, if so, at which location or locations.

58.8 (b) When a license holder maintains background study compliance for multiple licensed
58.9 programs according to paragraph (a), and one or more of the licensed programs closes, the
58.10 license holder shall immediately notify the commissioner which staff must be transferred
58.11 to an active license so that the background studies can be electronically paired with the
58.12 license holder's active program.

58.13 (c) When a background study is being initiated by a licensed program or service or a
58.14 foster care provider that is also licensed under chapter 144G, a study subject affiliated with
58.15 multiple licensed programs or services may attach to the background study form a cover
58.16 letter indicating the additional names of the programs or services, addresses, and background
58.17 study identification numbers.

58.18 When the commissioner receives a notice, the commissioner shall notify each program
58.19 or service identified by the background study subject of the study results.

58.20 The background study notice the commissioner sends to the subsequent agencies shall
58.21 satisfy those programs' or services' responsibilities for initiating a background study on that
58.22 individual.

58.23 (d) If a background study was conducted on an individual related to child foster care
58.24 and the requirements under paragraph (a) are met, the background study is transferable
58.25 across all licensed programs. If a background study was conducted on an individual under

467.1 Sec. 26. Minnesota Statutes 2022, section 245C.05, is amended by adding a subdivision
467.2 to read:

467.3 Subd. 8. **Study submitted.** The entity with which the background study subject is seeking
467.4 affiliation shall initiate the background study in the NETStudy 2.0 system.

467.5 Sec. 27. Minnesota Statutes 2022, section 245C.07, is amended to read:

467.6 **245C.07 STUDY SUBJECT AFFILIATED WITH MULTIPLE FACILITIES.**

467.7 (a) Subject to the conditions in paragraph (d), when a license holder, applicant, or other
467.8 entity owns multiple programs or services that are licensed by the Department of Human
467.9 Services, Department of Health, or Department of Corrections, only one background study
467.10 is required for an individual who provides direct contact services in one or more of the
467.11 licensed programs or services if:

467.12 (1) the license holder designates one individual with one address and telephone number
467.13 as the person to receive sensitive background study information for the multiple licensed
467.14 programs or services that depend on the same background study; and

467.15 (2) the individual designated to receive the sensitive background study information is
467.16 capable of determining, upon request of the department, whether a background study subject
467.17 is providing direct contact services in one or more of the license holder's programs or services
467.18 and, if so, at which location or locations.

467.19 (b) When a license holder maintains background study compliance for multiple licensed
467.20 programs according to paragraph (a), and one or more of the licensed programs closes, the
467.21 license holder shall immediately notify the commissioner which staff must be transferred
467.22 to an active license so that the background studies can be electronically paired with the
467.23 license holder's active program.

467.24 (c) When a background study is being initiated by a licensed program or service or a
467.25 foster care provider that is also licensed under chapter 144G, a study subject affiliated with
467.26 multiple licensed programs or services may attach to the background study form a cover
467.27 letter indicating the additional names of the programs or services, addresses, and background
467.28 study identification numbers.

467.29 When the commissioner receives a notice, the commissioner shall notify each program
467.30 or service identified by the background study subject of the study results.

468.1 The background study notice the commissioner sends to the subsequent agencies shall
468.2 satisfy those programs' or services' responsibilities for initiating a background study on that
468.3 individual.

468.4 (d) If a background study was conducted on an individual related to child foster care
468.5 and the requirements under paragraph (a) are met, the background study is transferable
468.6 across all licensed programs. If a background study was conducted on an individual under

58.26 a license other than child foster care and the requirements under paragraph (a) are met, the
58.27 background study is transferable to all licensed programs except child foster care.

58.28 (e) The provisions of this section that allow a single background study in one or more
58.29 licensed programs or services do not apply to background studies submitted by adoption
58.30 agencies, supplemental nursing services agencies, personnel pool agencies, educational
58.31 programs, professional services agencies, temporary personnel agencies, and unlicensed
58.32 personal care provider organizations.

59.1 (f) For an entity operating under NETStudy 2.0, the entity's active roster must be the
59.2 system used to document when a background study subject is affiliated with multiple entities.
59.3 For a background study to be transferable:

59.4 (1) the background study subject must be on and moving to a roster for which the person
59.5 designated to receive sensitive background study information is the same; and

59.6 (2) the same entity must own or legally control both the roster from which the transfer
59.7 is occurring and the roster to which the transfer is occurring. For an entity that holds or
59.8 controls multiple licenses, or unlicensed personal care provider organizations, there must
59.9 be a common highest level entity that has a legally identifiable structure that can be verified
59.10 through records available from the secretary of state.

59.11 Sec. 49. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

59.12 Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational**
59.13 **programs, and professional services agencies.** The commissioner shall recover the cost
59.14 of the background studies initiated by temporary personnel agencies, personnel pool agencies,
59.15 educational programs, and professional services agencies that initiate background studies
59.16 under section 245C.03, subdivision 4, through a fee of no more than \$42 per study charged
59.17 to the agency. The fees collected under this subdivision are appropriated to the commissioner
59.18 for the purpose of conducting background studies.

59.19 Sec. 50. Minnesota Statutes 2022, section 245C.30, subdivision 2, is amended to read:

59.20 Subd. 2. **Disclosure of reason for disqualification.** (a) The commissioner may not grant
59.21 a variance for a disqualified individual unless the applicant, license-exempt child care center
59.22 certification holder, or license holder requests the variance and the disqualified individual
59.23 provides written consent for the commissioner to disclose to the applicant, license-exempt
59.24 child care center certification holder, or license holder the reason for the disqualification.

59.25 (b) This subdivision does not apply to programs licensed to provide family child care
59.26 for children, foster care for children in the provider's own home, or foster care or day care
59.27 services for adults in the provider's own home. ~~When the commissioner grants a variance~~
59.28 ~~for a disqualified individual in connection with a license to provide the services specified~~
59.29 ~~in this paragraph, the disqualified individual's consent is not required to disclose the reason~~
59.30 ~~for the disqualification to the license holder in the variance issued under subdivision 1,~~
59.31 ~~provided that the commissioner may not disclose the reason for the disqualification if the~~

468.7 a license other than child foster care and the requirements under paragraph (a) are met, the
468.8 background study is transferable to all licensed programs except child foster care.

468.9 (e) The provisions of this section that allow a single background study in one or more
468.10 licensed programs or services do not apply to background studies submitted by adoption
468.11 agencies, supplemental nursing services agencies, personnel pool agencies, educational
468.12 programs, professional services agencies, temporary personnel agencies, and unlicensed
468.13 personal care provider organizations.

468.14 (f) For an entity operating under NETStudy 2.0, the entity's active roster must be the
468.15 system used to document when a background study subject is affiliated with multiple entities.
468.16 For a background study to be transferable:

468.17 (1) the background study subject must be on and moving to a roster for which the person
468.18 designated to receive sensitive background study information is the same; and

468.19 (2) the same entity must own or legally control both the roster from which the transfer
468.20 is occurring and the roster to which the transfer is occurring. For an entity that holds or
468.21 controls multiple licenses, or unlicensed personal care provider organizations, there must
468.22 be a common highest level entity that has a legally identifiable structure that can be verified
468.23 through records available from the secretary of state.

468.24 Sec. 28. Minnesota Statutes 2022, section 245C.10, subdivision 4, is amended to read:

468.25 Subd. 4. **Temporary personnel agencies, personnel pool agencies, educational**
468.26 **programs, and professional services agencies.** The commissioner shall recover the cost
468.27 of the background studies initiated by temporary personnel agencies, personnel pool agencies,
468.28 educational programs, and professional services agencies that initiate background studies
468.29 under section 245C.03, subdivision 4, through a fee of no more than \$42 per study charged
468.30 to the agency. The fees collected under this subdivision are appropriated to the commissioner
468.31 for the purpose of conducting background studies.

59.32 ~~disqualification is based on a felony-level conviction for a drug-related offense within the~~
59.33 ~~past five years.~~

60.1 Sec. 51. Minnesota Statutes 2022, section 245C.31, subdivision 1, is amended to read:

60.2 Subdivision 1. **Board determines disciplinary or corrective action.** ~~(a)~~ The
60.3 commissioner shall notify a health-related licensing board as defined in section 214.01,
60.4 subdivision 2, if the commissioner determines that an individual who is licensed by the
60.5 health-related licensing board and who is included on the board's roster list provided in
60.6 accordance with subdivision 3a is responsible for substantiated maltreatment under section
60.7 626.557 or chapter 260E, in accordance with subdivision 2. Upon receiving notification,
60.8 the health-related licensing board shall make a determination as to whether to impose
60.9 disciplinary or corrective action under chapter 214.

60.10 ~~(b) This section does not apply to a background study of an individual regulated by a~~
60.11 ~~health-related licensing board if the individual's study is related to child foster care, adult~~
60.12 ~~foster care, or family child care licensure.~~

60.13 Sec. 52. Minnesota Statutes 2022, section 245C.33, subdivision 4, is amended to read:

60.14 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the
60.15 following information regarding the background study subject:

60.16 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

60.17 (2) information from the child abuse and neglect registry for any state in which the
60.18 subject has resided for the past five years; and

60.19 (3) information from national crime information databases, when required under section
60.20 245C.08.

60.21 (b) The commissioner shall provide any information collected under this subdivision to
60.22 the county or private agency that initiated the background study. The commissioner shall
60.23 also provide the agency:

60.24 ~~(1) with a notice whether the information collected shows that the subject of the~~
60.25 ~~background study has a conviction listed in United States Code, title 42, section~~
60.26 ~~671(a)(20)(A); and.~~

60.27 ~~(2) for background studies conducted under subdivision 1, paragraph (a), the date of all~~
60.28 ~~adoption-related background studies completed on the subject by the commissioner after~~
60.29 ~~June 30, 2007, and the name of the county or private agency that initiated the adoption-related~~
60.30 ~~background study.~~

469.1 Sec. 29. Minnesota Statutes 2022, section 245C.31, subdivision 1, is amended to read:

469.2 Subdivision 1. **Board determines disciplinary or corrective action.** ~~(a)~~ The
469.3 commissioner shall notify a health-related licensing board as defined in section 214.01,
469.4 subdivision 2, if the commissioner determines that an individual who is licensed by the
469.5 health-related licensing board and who is included on the board's roster list provided in
469.6 accordance with subdivision 3a is responsible for substantiated maltreatment under section
469.7 626.557 or chapter 260E, in accordance with subdivision 2. Upon receiving notification,
469.8 the health-related licensing board shall make a determination as to whether to impose
469.9 disciplinary or corrective action under chapter 214.

469.10 ~~(b) This section does not apply to a background study of an individual regulated by a~~
469.11 ~~health-related licensing board if the individual's study is related to child foster care, adult~~
469.12 ~~foster care, or family child care licensure.~~

469.13 Sec. 30. Minnesota Statutes 2022, section 245C.33, subdivision 4, is amended to read:

469.14 Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the
469.15 following information regarding the background study subject:

469.16 (1) the information under section 245C.08, subdivisions 1, 3, and 4;

469.17 (2) information from the child abuse and neglect registry for any state in which the
469.18 subject has resided for the past five years; and

469.19 (3) information from national crime information databases, when required under section
469.20 245C.08.

469.21 (b) The commissioner shall provide any information collected under this subdivision to
469.22 the county or private agency that initiated the background study. The commissioner shall
469.23 also provide the agency:

469.24 ~~(1) with a notice whether the information collected shows that the subject of the~~
469.25 ~~background study has a conviction listed in United States Code, title 42, section~~
469.26 ~~671(a)(20)(A); and.~~

469.27 ~~(2) for background studies conducted under subdivision 1, paragraph (a), the date of all~~
469.28 ~~adoption-related background studies completed on the subject by the commissioner after~~
469.29 ~~June 30, 2007, and the name of the county or private agency that initiated the adoption-related~~
469.30 ~~background study.~~

THE FOLLOWING SECTION IS FROM H0238-3 ARTICLE 1 AND ALSO
APPEARS IN THE ARTICLE 8 SIDE BY SIDE.

61.1 Sec. 53. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

61.2 Subd. 3. **Appeal of department action.** A provider's rights related to the department's

61.3 action taken under this chapter against a provider are established in sections 119B.16 ~~and~~,

61.4 119B.161, and 119B.162.

61.5 Sec. 54. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

61.6 Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member

61.7 has the training described in this subdivision.

61.8 (b) Each staff member must be trained every two years in:

61.9 (1) client confidentiality rules and regulations and client ethical boundaries; and

61.10 (2) emergency procedures and client rights as specified in sections 144.651, 148F.165,

61.11 and 253B.03.

61.12 (c) Annually each staff member with direct contact must be trained on mandatory

61.13 reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E,

61.14 including specific training covering the license holder's policies for obtaining a release of

61.15 client information.

61.16 (d) Upon employment and annually thereafter, each staff member with direct contact

61.17 must receive training on HIV minimum standards according to section 245A.19.

61.18 (e) The license holder must ensure that each mandatory reporter, as described in section

61.19 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements

61.20 and definitions in chapter 260E before the mandatory reporter has direct contact, as defined

61.21 in section 245C.02, subdivision 11, with a person served by the program.

61.22 ~~(f)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12

61.23 hours of training in co-occurring disorders that includes competencies related to philosophy,

61.24 trauma-informed care, screening, assessment, diagnosis and person-centered treatment

61.25 planning, documentation, programming, medication, collaboration, mental health

61.26 consultation, and discharge planning. A new staff member who has not obtained the training

61.27 must complete the training within six months of employment. A staff member may request,

61.28 and the license holder may grant, credit for relevant training obtained before employment,

61.29 which must be documented in the staff member's personnel file.

61.30 **EFFECTIVE DATE.** This section is effective January 1, 2024.

H0238-3

30.1 Sec. 32. Minnesota Statutes 2022, section 245E.06, subdivision 3, is amended to read:

30.2 Subd. 3. **Appeal of department action.** A provider's rights related to the department's

30.3 action taken under this chapter against a provider are established in sections 119B.16 ~~and~~,

30.4 119B.161, 119B.162, and 245.095, subdivision 4.

THE FOLLOWING SEVEN SECTIONS ARE FROM H0238-3 ARTICLE 4 AND ALSO APPEAR IN THE ARTICLE 8 SIDE BY SIDE.

123.4 Sec. 31. Minnesota Statutes 2022, section 245G.13, subdivision 2, is amended to read:

123.5 Subd. 2. **Staff development.** (a) A license holder must ensure that each staff member

123.6 has the training described in this subdivision.

123.7 (b) Each staff member must be trained every two years in:

123.8 (1) client confidentiality rules and regulations and client ethical boundaries; and

123.9 (2) emergency procedures and client rights as specified in sections 144.651, 148F.165,

123.10 and 253B.03.

123.11 (c) Annually each staff member with direct contact must be trained on mandatory

123.12 reporting as specified in sections 245A.65, 626.557, and 626.5572, and chapter 260E,

123.13 including specific training covering the license holder's policies for obtaining a release of

123.14 client information.

123.15 (d) Upon employment and annually thereafter, each staff member with direct contact

123.16 must receive training on HIV minimum standards according to section 245A.19.

123.17 (e) The license holder must ensure that each mandatory reporter, as described in section

123.18 260E.06, subdivision 1, is trained on the maltreatment of minors reporting requirements

123.19 and definitions in chapter 260E before the mandatory reporter has direct contact, as defined

123.20 in section 245C.02, subdivision 11, with a person served by the program.

123.21 ~~(f)~~ (f) A treatment director, supervisor, nurse, or counselor must have a minimum of 12

123.22 hours of training in co-occurring disorders that includes competencies related to philosophy,

123.23 trauma-informed care, screening, assessment, diagnosis and person-centered treatment

123.24 planning, documentation, programming, medication, collaboration, mental health

123.25 consultation, and discharge planning. A new staff member who has not obtained the training

123.26 must complete the training within six months of employment. A staff member may request,

123.27 and the license holder may grant, credit for relevant training obtained before employment,

123.28 which must be documented in the staff member's personnel file.

123.29 **EFFECTIVE DATE.** This section is effective January 1, 2024.

62.1 Sec. 55. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision
62.2 to read:

62.3 Subd. 5. **Notification required.** (a) A certification holder must notify the commissioner,
62.4 in a manner prescribed by the commissioner, and obtain the commissioner's approval before
62.5 making any changes:

62.6 (1) to the certification holder as defined in section 245H.01, subdivision 4;
62.7 (2) to the authorized agent as defined in section 245A.02, subdivision 3b;

62.8 (3) to the certification holder information on file with the secretary of state or Department
62.9 of Revenue;

62.10 (4) in the location of the program certified under this chapter;
62.11 (5) to the ages of children served by the program; or
62.12 (6) to the certified center's schedule including its:

62.13 (i) yearly schedule;
62.14 (ii) hours of operation; or
62.15 (iii) days of the week it is open.

62.16 (b) When, for reasons beyond the certification holder's control, a certification holder
62.17 cannot provide the commissioner with prior notice of the changes in paragraph (a), the
62.18 certification holder must notify the commissioner by the tenth business day after the change
62.19 and must provide any additional information requested by the commissioner.

62.20 (c) When a certification holder notifies the commissioner of a change to the certification
62.21 holder information on file with the secretary of state, the certification holder must provide
62.22 documentation of the change.

62.23 (d) Upon implementation of the provider licensing and reporting hub, certification holders
62.24 must enter and update information in the hub in a manner prescribed by the commissioner.

62.25 **EFFECTIVE DATE.** This section is effective August 1, 2023.

62.26 Sec. 56. Minnesota Statutes 2022, section 245H.05, is amended to read:

62.27 **245H.05 MONITORING AND INSPECTIONS.**

62.28 (a) The commissioner must conduct an on-site inspection of a certified license-exempt
62.29 child care center at least ~~annually~~ once each calendar year to determine compliance with
62.30 the health, safety, and fire standards specific to a certified license-exempt child care center.

63.1 (b) No later than November 19, 2017, the commissioner shall make publicly available
63.2 on the department's website the results of inspection reports for all certified centers including

124.16 Sec. 34. Minnesota Statutes 2022, section 245H.03, is amended by adding a subdivision
124.17 to read:

124.18 Subd. 5. **Notification required.** (a) A certification holder must notify the commissioner,
124.19 in a manner prescribed by the commissioner, and obtain the commissioner's approval before
124.20 making any changes:

124.21 (1) to the certification holder as defined in section 245H.01, subdivision 4;

124.22 (2) to the certification holder information on file with the secretary of state or Department
124.23 of Revenue;

124.24 (3) in the location of the program certified under this chapter;
124.25 (4) to the ages of children served by the program; or
124.26 (5) to the certified center's schedule including its:

124.27 (i) yearly schedule;
124.28 (ii) hours of operation; or
124.29 (iii) days of the week it is open.

125.1 (b) When, for reasons beyond the certification holder's control, a certification holder
125.2 cannot provide the commissioner with prior notice of the changes in paragraph (a), the
125.3 certification holder must notify the commissioner by the tenth business day after the change
125.4 and must provide any additional information requested by the commissioner.

125.5 (c) When a certification holder notifies the commissioner of a change to the certification
125.6 holder information on file with the secretary of state, the certification holder must provide
125.7 documentation of the change.

125.8 (d) Upon implementation of the provider licensing and reporting hub, certification holders
125.9 must enter and update information in the hub in a manner prescribed by the commissioner.

125.10 **EFFECTIVE DATE.** This section is effective August 1, 2023.

125.11 Sec. 35. Minnesota Statutes 2022, section 245H.05, is amended to read:

125.12 **245H.05 MONITORING AND INSPECTIONS.**

125.13 (a) The commissioner must conduct an on-site inspection of a certified license-exempt
125.14 child care center at least ~~annually~~ once each calendar year to determine compliance with
125.15 the health, safety, and fire standards specific to a certified license-exempt child care center.

125.16 (b) No later than November 19, 2017, the commissioner shall make publicly available
125.17 on the department's website the results of inspection reports for all certified centers including

63.3 the number of deaths, serious injuries, and instances of substantiated child maltreatment
63.4 that occurred in certified centers each year.

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

63.6 Sec. 57. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

63.7 Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old,
63.8 the maximum group size shall be no more than eight children.

63.9 (b) For a child 16 months old through 33 months old, the maximum group size shall be
63.10 no more than 14 children.

63.11 (c) For a child 33 months old through prekindergarten, a maximum group size shall be
63.12 no more than 20 children.

63.13 (d) For a child in kindergarten through 13 years old, a maximum group size shall be no
63.14 more than 30 children.

63.15 (e) The maximum group size applies at all times except during group activity coordination
63.16 time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and
63.17 special activity including a film, guest speaker, indoor large muscle activity, or holiday
63.18 program.

63.19 (f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14
63.20 years of age or older if one of the following conditions is true:

63.21 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
63.22 1, paragraph (e); or

63.23 (2) the certified center serves only school-age children in a setting that has students
63.24 enrolled in no grade higher than 8th grade.

63.25 **EFFECTIVE DATE.** This section is effective August 1, 2023.

63.26 Sec. 58. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

63.27 Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

63.28 six weeks old through 16 months old	1:4
63.29 16 months old through 33 months old	1:7
63.30 33 months old through prekindergarten	1:10
63.31 kindergarten through 13 years old	1:15

64.1 (b) Kindergarten includes a child of sufficient age to have attended the first day of
64.2 kindergarten or who is eligible to enter kindergarten within the next four months.

125.18 the number of deaths, serious injuries, and instances of substantiated child maltreatment
125.19 that occurred in certified centers each year.

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

125.21 Sec. 36. Minnesota Statutes 2022, section 245H.08, subdivision 4, is amended to read:

125.22 Subd. 4. **Maximum group size.** (a) For a child six weeks old through 16 months old,
125.23 the maximum group size shall be no more than eight children.

125.24 (b) For a child 16 months old through 33 months old, the maximum group size shall be
125.25 no more than 14 children.

125.26 (c) For a child 33 months old through prekindergarten, a maximum group size shall be
125.27 no more than 20 children.

125.28 (d) For a child in kindergarten through 13 years old, a maximum group size shall be no
125.29 more than 30 children.

126.1 (e) The maximum group size applies at all times except during group activity coordination
126.2 time not exceeding 15 minutes, during a meal, outdoor activity, field trip, nap and rest, and
126.3 special activity including a film, guest speaker, indoor large muscle activity, or holiday
126.4 program.

126.5 (f) Notwithstanding paragraph (d), a certified center may continue to serve a child 14
126.6 years of age or older if one of the following conditions is true:

126.7 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
126.8 1, paragraph (e); or

126.9 (2) the certified center serves only school-age children in a setting that has students
126.10 enrolled in no grade higher than 8th grade.

126.11 **EFFECTIVE DATE.** This section is effective August 1, 2023.

126.12 Sec. 37. Minnesota Statutes 2022, section 245H.08, subdivision 5, is amended to read:

126.13 Subd. 5. **Ratios.** (a) The minimally acceptable staff-to-child ratios are:

126.14 six weeks old through 16 months old	1:4
126.15 16 months old through 33 months old	1:7
126.16 33 months old through prekindergarten	1:10
126.17 kindergarten through 13 years old	1:15

126.18 (b) Kindergarten includes a child of sufficient age to have attended the first day of
126.19 kindergarten or who is eligible to enter kindergarten within the next four months.

64.3 (c) For mixed groups, the ratio for the age group of the youngest child applies.

64.4 (d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14
64.5 years of age or older if one of the following conditions is true:

64.6 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
64.7 1, paragraph (e); or

64.8 (2) the certified center serves only school-age children in a setting that has students
64.9 enrolled in no grade higher than 8th grade.

64.10 **EFFECTIVE DATE.** This section is effective August 1, 2023.

64.11 Sec. 59. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

64.12 Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer
64.13 medicine must meet the requirements in this subdivision.

64.14 (b) The certified center must obtain written permission from the child's parent or legal
64.15 guardian before administering prescription medicine, nonprescription medicine, diapering
64.16 product, sunscreen lotion, and insect repellent.

64.17 (c) The certified center must administer nonprescription medicine, diapering product,
64.18 sunscreen lotion, and insect repellent according to the manufacturer's instructions unless
64.19 provided written instructions by a licensed health professional to use a product differently.

64.20 (d) The certified center must obtain and follow written instructions from the prescribing
64.21 health professional before administering prescription medicine. Medicine with the child's
64.22 first and last name and current prescription information on the label is considered written
64.23 instructions.

64.24 (e) The certified center must ensure all prescription and nonprescription medicine is:

64.25 (1) kept in the medicine's original container with a legible label stating the child's first
64.26 and last name;

64.27 (2) given only to the child whose name is on the label;

64.28 (3) not given after an expiration date on the label; and

64.29 (4) returned to the child's parent or legal guardian or destroyed, if unused.

65.1 (f) The certified center must document in the child's record the administration of
65.2 prescription and nonprescription medication, including the child's first and last name; the
65.3 name of the medication or prescription number; the date, time, and dosage; and the name
65.4 and signature of the person who administered the medicine. This documentation must be
65.5 available to the child's parent or legal guardian.

65.6 (g) The certified center must store prescription and nonprescription medicines, insect
65.7 repellents, and diapering products according to directions on the original container.

126.20 (c) For mixed groups, the ratio for the age group of the youngest child applies.

126.21 (d) Notwithstanding paragraph (a), a certified center may continue to serve a child 14
126.22 years of age or older if one of the following conditions is true:

126.23 (1) the child remains eligible for child care assistance under section 119B.09, subdivision
126.24 1, paragraph (e); or

126.25 (2) the certified center serves only school-age children in a setting that has students
126.26 enrolled in no grade higher than 8th grade.

126.27 **EFFECTIVE DATE.** This section is effective August 1, 2023.

126.28 Sec. 38. Minnesota Statutes 2022, section 245H.13, subdivision 3, is amended to read:

126.29 Subd. 3. **Administration of medication.** (a) A certified center that chooses to administer
126.30 medicine must meet the requirements in this subdivision.

127.1 (b) The certified center must obtain written permission from the child's parent or legal
127.2 guardian before administering prescription medicine, nonprescription medicine, diapering
127.3 product, sunscreen lotion, and insect repellent.

127.4 (c) The certified center must administer nonprescription medicine, diapering product,
127.5 sunscreen lotion, and insect repellent according to the manufacturer's instructions unless
127.6 provided written instructions by a licensed health professional to use a product differently.

127.7 (d) The certified center must obtain and follow written instructions from the prescribing
127.8 health professional before administering prescription medicine. Medicine with the child's
127.9 first and last name and current prescription information on the label is considered written
127.10 instructions.

127.11 (e) The certified center must ensure all prescription and nonprescription medicine is:

127.12 (1) kept in the medicine's original container with a legible label stating the child's first
127.13 and last name;

127.14 (2) given only to the child whose name is on the label;

127.15 (3) not given after an expiration date on the label; and

127.16 (4) returned to the child's parent or legal guardian or destroyed, if unused.

127.17 (f) The certified center must document in the child's record the administration of
127.18 prescription and nonprescription medication, including the child's first and last name; the
127.19 name of the medication or prescription number; the date, time, and dosage; and the name
127.20 and signature of the person who administered the medicine. This documentation must be
127.21 available to the child's parent or legal guardian.

127.22 (g) The certified center must store prescription and nonprescription medicines, insect
127.23 repellents, and diapering products according to directions on the original container.

65.8 **EFFECTIVE DATE.** This section is effective August 1, 2023.

65.9 Sec. 60. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

65.10 Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction

65.11 plan that identifies risks to children served by the child care center. The assessment of risk

65.12 must include risks presented by (1) the physical plant where the certified services are

65.13 provided, including electrical hazards; and (2) the environment, including the proximity to

65.14 busy roads and bodies of water.

65.15 (b) The certification holder must establish policies and procedures to minimize identified

65.16 risks. After any change to the risk reduction plan, the certification holder must inform staff

65.17 of the change in the risk reduction plan and document that staff were informed of the change.

65.18 (c) If middle-school-age children are enrolled in the center and combined with elementary

65.19 children, the certification holder must establish policies and procedures to ensure adequate

65.20 supervision as defined in subdivision 10 when children are grouped together.

65.21 **EFFECTIVE DATE.** This section is effective August 1, 2023.

65.22 Sec. 61. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

65.23 Subd. 9. **Behavior guidance.** The certified center must ensure that staff and volunteers

65.24 use positive behavior guidance and do not subject children to:

65.25 (1) corporal punishment, including but not limited to rough handling, shoving, hair

65.26 pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;

65.27 (2) humiliation;

65.28 (3) abusive language;

65.29 (4) the use of mechanical restraints, including tying;

66.1 (5) the use of physical restraints other than to physically hold a child when containment

66.2 is necessary to protect a child or others from harm; ~~or~~

66.3 (6) prone restraints, as prohibited by section 245A.211; or

66.4 ~~(6)~~ (7) the withholding or forcing of food and other basic needs.

66.5 Sec. 62. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

66.6 Subd. 1a. **Administrative reconsideration.** Notwithstanding section 256B.04,

66.7 subdivision 15, the commissioner shall establish an administrative reconsideration process

66.8 for appeals of inpatient hospital services determined to be medically unnecessary. A

127.24 **EFFECTIVE DATE.** This section is effective August 1, 2023.

127.25 Sec. 39. Minnesota Statutes 2022, section 245H.13, subdivision 7, is amended to read:

127.26 Subd. 7. **Risk reduction plan.** (a) The certified center must develop a risk reduction

127.27 plan that identifies risks to children served by the child care center. The assessment of risk

127.28 must include risks presented by (1) the physical plant where the certified services are

127.29 provided, including electrical hazards; and (2) the environment, including the proximity to

127.30 busy roads and bodies of water.

128.1 (b) The certification holder must establish policies and procedures to minimize identified

128.2 risks. After any change to the risk reduction plan, the certification holder must inform staff

128.3 of the change in the risk reduction plan and document that staff were informed of the change.

128.4 (c) If middle-school-age children are enrolled in the center and combined with elementary

128.5 children, the certification holder must establish policies and procedures to ensure adequate

128.6 supervision as defined in subdivision 10 when children are grouped together.

128.7 **EFFECTIVE DATE.** This section is effective August 1, 2023.

THE FOLLOWING 10 SECTIONS ARE FROM UES2995-2 ARTICLE 9 AND
ALSO APPEAR IN THE HOUSE ARTICLE 9 SIDE BY SIDE.

UES2995-2

470.1 Sec. 31. Minnesota Statutes 2022, section 245H.13, subdivision 9, is amended to read:

470.2 Subd. 9. **Behavior guidance.** The certified center must ensure that staff and volunteers

470.3 use positive behavior guidance and do not subject children to:

470.4 (1) corporal punishment, including but not limited to rough handling, shoving, hair

470.5 pulling, ear pulling, shaking, slapping, kicking, biting, pinching, hitting, and spanking;

470.6 (2) humiliation;

470.7 (3) abusive language;

470.8 (4) the use of mechanical restraints, including tying;

470.9 (5) the use of physical restraints other than to physically hold a child when containment

470.10 is necessary to protect a child or others from harm; ~~or~~

470.11 (6) prone restraints, as prohibited by section 245A.211; or

470.12 ~~(6)~~ (7) the withholding or forcing of food and other basic needs.

471.12 Sec. 33. Minnesota Statutes 2022, section 256.9685, subdivision 1a, is amended to read:

471.13 Subd. 1a. **Administrative reconsideration.** Notwithstanding section 256B.04,

471.14 subdivision 15, the commissioner shall establish an administrative reconsideration process

471.15 for appeals of inpatient hospital services determined to be medically unnecessary. A

66.9 physician, advanced practice registered nurse, physician assistant, or hospital may request
 66.10 a reconsideration of the decision that inpatient hospital services are not medically necessary
 66.11 by submitting a written request for review to the commissioner within ~~30~~ 45 calendar days
 66.12 after ~~receiving~~ the date of the notice of the decision was mailed. The request for
 66.13 reconsideration ~~process shall take place prior to the procedures of subdivision 1b and shall~~
 66.14 ~~be conducted~~ be reviewed by ~~the~~ at least one medical review agent that is independent of
 66.15 the case under reconsideration. The medical review agent shall make a recommendation to
 66.16 the commissioner. The commissioner's decision on reconsideration is final and not subject
 66.17 to appeal under chapter 14.

66.18 Sec. 63. Minnesota Statutes 2022, section 256.9685, subdivision 1b, is amended to read:

66.19 Subd. 1b. **Appeal of reconsideration.** ~~Notwithstanding section 256B.72, the~~
 66.20 ~~commissioner may recover inpatient hospital payments for services that have been determined~~
 66.21 ~~to be medically unnecessary after the reconsideration and determinations. A physician,~~
 66.22 ~~advanced practice registered nurse, physician assistant, or hospital may appeal the result of~~
 66.23 ~~the reconsideration process by submitting a written request for review to the commissioner~~
 66.24 ~~within 30 days after receiving notice of the action. The commissioner shall review the~~
 66.25 ~~medical record and information submitted during the reconsideration process and the medical~~
 66.26 ~~review agent's basis for the determination that the services were not medically necessary~~
 66.27 ~~for inpatient hospital services. The commissioner shall issue an order upholding or reversing~~
 66.28 ~~the decision of the reconsideration process based on the review. The commissioner's decision~~
 66.29 under subdivision 1a is appealable by petition for writ of certiorari under chapter 606.

67.1 Sec. 64. Minnesota Statutes 2022, section 256.9686, is amended by adding a subdivision
 67.2 to read:

67.3 Subd. 7a. **Medical review agent.** "Medical review agent" means the representative of
 67.4 the commissioner who is authorized by the commissioner to administer medical record
 67.5 reviews; conduct administrative reconsiderations as defined by section 256.9685, subdivision
 67.6 1a; and perform other functions as stipulated in the terms of the agent's contract with the
 67.7 department. Medical records reviews and administrative reconsiderations will be performed
 67.8 by medical professionals within their scope of expertise, including but not limited to
 67.9 physicians, physician assistants, advanced practice registered nurses, and registered nurses.
 67.10 The medical professional performing the review or reconsideration must be on staff with
 67.11 the medical review agent, in good standing, and licensed to practice in the state where the
 67.12 medical professional resides.

67.13 Sec. 65. Minnesota Statutes 2022, section 256B.04, subdivision 15, is amended to read:

67.14 Subd. 15. **Utilization review.** (a) Establish on a statewide basis a new program to
 67.15 safeguard against unnecessary or inappropriate use of medical assistance services, against
 67.16 excess payments, against unnecessary or inappropriate hospital admissions or lengths of
 67.17 stay, and against underutilization of services in prepaid health plans, long-term care facilities
 67.18 or any health care delivery system subject to fixed rate reimbursement. In implementing
 67.19 the program, the state agency shall utilize both prepayment and postpayment review systems

471.16 physician, advanced practice registered nurse, physician assistant, or hospital may request
 471.17 a reconsideration of the decision that inpatient hospital services are not medically necessary
 471.18 by submitting a written request for review to the commissioner within ~~30~~ 45 calendar days
 471.19 after ~~receiving~~ the date of the notice of the decision was mailed. The request for
 471.20 reconsideration ~~process shall take place prior to the procedures of subdivision 1b and shall~~
 471.21 ~~be conducted~~ be reviewed by ~~the~~ at least one medical review agent that is independent of
 471.22 the case under reconsideration. The medical review agent shall make a recommendation to
 471.23 the commissioner. The commissioner's decision on reconsideration is final and not subject
 471.24 to appeal under chapter 14.

471.25 Sec. 34. Minnesota Statutes 2022, section 256.9685, subdivision 1b, is amended to read:

471.26 Subd. 1b. **Appeal of reconsideration.** ~~Notwithstanding section 256B.72, the~~
 471.27 ~~commissioner may recover inpatient hospital payments for services that have been determined~~
 471.28 ~~to be medically unnecessary after the reconsideration and determinations. A physician,~~
 471.29 ~~advanced practice registered nurse, physician assistant, or hospital may appeal the result of~~
 471.30 ~~the reconsideration process by submitting a written request for review to the commissioner~~
 471.31 ~~within 30 days after receiving notice of the action. The commissioner shall review the~~
 471.32 ~~medical record and information submitted during the reconsideration process and the medical~~
 471.33 ~~review agent's basis for the determination that the services were not medically necessary~~
 472.1 ~~for inpatient hospital services. The commissioner shall issue an order upholding or reversing~~
 472.2 ~~the decision of the reconsideration process based on the review. The commissioner's decision~~
 472.3 under subdivision 1a is appealable by petition for writ of certiorari under chapter 606.

472.4 Sec. 35. Minnesota Statutes 2022, section 256.9686, is amended by adding a subdivision
 472.5 to read:

472.6 Subd. 7a. **Medical review agent.** "Medical review agent" means the representative of
 472.7 the commissioner who is authorized by the commissioner to administer medical record
 472.8 reviews; conduct administrative reconsiderations as defined by section 256.9685, subdivision
 472.9 1a; and perform other functions as stipulated in the terms of the agent's contract with the
 472.10 department. Medical records reviews and administrative reconsiderations will be performed
 472.11 by medical professionals within their scope of expertise, including but not limited to
 472.12 physicians, physician assistants, advanced practice registered nurses, and registered nurses.
 472.13 The medical professional performing the review or reconsideration must be on staff with
 472.14 the medical review agent, in good standing, and licensed to practice in the state where the
 472.15 medical professional resides.

472.16 Sec. 36. Minnesota Statutes 2022, section 256B.04, subdivision 15, is amended to read:

472.17 Subd. 15. **Utilization review.** (a) Establish on a statewide basis a new program to
 472.18 safeguard against unnecessary or inappropriate use of medical assistance services, against
 472.19 excess payments, against unnecessary or inappropriate hospital admissions or lengths of
 472.20 stay, and against underutilization of services in prepaid health plans, long-term care facilities
 472.21 or any health care delivery system subject to fixed rate reimbursement. In implementing
 472.22 the program, the state agency shall utilize both prepayment and postpayment review systems

67.20 to determine if utilization is reasonable and necessary. The determination of whether services
 67.21 are reasonable and necessary shall be made by the commissioner in consultation with a
 67.22 professional services advisory group or health care consultant appointed by the commissioner.

67.23 (b) Contracts entered into for purposes of meeting the requirements of this subdivision
 67.24 shall not be subject to the set-aside provisions of chapter 16C.

67.25 (c) A recipient aggrieved by the commissioner's termination of services or denial of
 67.26 future services may appeal pursuant to section 256.045. Unless otherwise provided by law,
 67.27 a vendor aggrieved by the commissioner's determination that services provided were not
 67.28 reasonable or necessary may appeal pursuant to the contested case procedures of chapter
 67.29 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving
 67.30 the commissioner's notice. The appeal request shall specify each disputed item, the reason
 67.31 for the dispute, an estimate of the dollar amount involved for each disputed item, the
 67.32 computation that the vendor believes is correct, the authority in statute or rule upon which
 67.33 the vendor relies for each disputed item, the name and address of the person or firm with
 68.1 whom contacts may be made regarding the appeal, and other information required by the
 68.2 commissioner.

68.3 (d) The commissioner may select providers to provide case management services to
 68.4 recipients who use health care services inappropriately or to recipients who are eligible for
 68.5 other managed care projects. The providers shall be selected based upon criteria that may
 68.6 include a comparison with a peer group of providers related to the quality, quantity, or cost
 68.7 of health care services delivered or a review of sanctions previously imposed by health care
 68.8 services programs or the provider's professional licensing board.

68.9 Sec. 66. Minnesota Statutes 2022, section 256B.064, is amended to read:

68.10 **256B.064 SANCTIONS; MONETARY RECOVERY.**

68.11 Subdivision 1. **Terminating payments to ineligible ~~vendors~~ individuals or entities.** The
 68.12 commissioner may terminate payments under this chapter to any person or facility that,
 68.13 under applicable federal law or regulation, has been determined to be ineligible for payments
 68.14 under title XIX of the Social Security Act.

68.15 Subd. 1a. **Grounds for sanctions ~~against vendors~~.** (a) The commissioner may impose
 68.16 sanctions against ~~a vendor of medical care~~ any individual or entity that receives payments
 68.17 from medical assistance or provides goods or services for which payment is made from
 68.18 medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the
 68.19 provision of medical care goods and services to recipients of public assistance for which
 68.20 payment is made from medical assistance; (2) a pattern of presentment of false or duplicate
 68.21 claims or claims for services not medically necessary; (3) a pattern of making false statements
 68.22 of material facts for the purpose of obtaining greater compensation than that to which the
 68.23 ~~vendor~~ individual or entity is legally entitled; (4) suspension or termination as a Medicare
 68.24 vendor; (5) refusal to grant the state agency access during regular business hours to examine
 68.25 all records necessary to disclose the extent of services provided to program recipients and

472.23 to determine if utilization is reasonable and necessary. The determination of whether services
 472.24 are reasonable and necessary shall be made by the commissioner in consultation with a
 472.25 professional services advisory group or health care consultant appointed by the commissioner.

472.26 (b) Contracts entered into for purposes of meeting the requirements of this subdivision
 472.27 shall not be subject to the set-aside provisions of chapter 16C.

472.28 (c) A recipient aggrieved by the commissioner's termination of services or denial of
 472.29 future services may appeal pursuant to section 256.045. Unless otherwise provided by law,
 472.30 a vendor aggrieved by the commissioner's determination that services provided were not
 472.31 reasonable or necessary may appeal pursuant to the contested case procedures of chapter
 472.32 14. To appeal, the vendor shall notify the commissioner in writing within 30 days of receiving
 472.33 the commissioner's notice. The appeal request shall specify each disputed item, the reason
 473.1 for the dispute, an estimate of the dollar amount involved for each disputed item, the
 473.2 computation that the vendor believes is correct, the authority in statute or rule upon which
 473.3 the vendor relies for each disputed item, the name and address of the person or firm with
 473.4 whom contacts may be made regarding the appeal, and other information required by the
 473.5 commissioner.

473.6 (d) The commissioner may select providers to provide case management services to
 473.7 recipients who use health care services inappropriately or to recipients who are eligible for
 473.8 other managed care projects. The providers shall be selected based upon criteria that may
 473.9 include a comparison with a peer group of providers related to the quality, quantity, or cost
 473.10 of health care services delivered or a review of sanctions previously imposed by health care
 473.11 services programs or the provider's professional licensing board.

473.12 Sec. 37. Minnesota Statutes 2022, section 256B.064, is amended to read:

473.13 **256B.064 SANCTIONS; MONETARY RECOVERY.**

473.14 Subdivision 1. **Terminating payments to ineligible ~~vendors~~ individuals or entities.** The
 473.15 commissioner may terminate payments under this chapter to any person or facility that,
 473.16 under applicable federal law or regulation, has been determined to be ineligible for payments
 473.17 under title XIX of the Social Security Act.

473.18 Subd. 1a. **Grounds for sanctions ~~against vendors~~.** (a) The commissioner may impose
 473.19 sanctions against ~~a vendor of medical care~~ any individual or entity that receives payments
 473.20 from medical assistance or provides goods or services for which payment is made from
 473.21 medical assistance for any of the following: (1) fraud, theft, or abuse in connection with the
 473.22 provision of medical care goods and services to recipients of public assistance for which
 473.23 payment is made from medical assistance; (2) a pattern of presentment of false or duplicate
 473.24 claims or claims for services not medically necessary; (3) a pattern of making false statements
 473.25 of material facts for the purpose of obtaining greater compensation than that to which the
 473.26 ~~vendor~~ individual or entity is legally entitled; (4) suspension or termination as a Medicare
 473.27 vendor; (5) refusal to grant the state agency access during regular business hours to examine
 473.28 all records necessary to disclose the extent of services provided to program recipients and

68.26 appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally
 68.27 established under this section; (7) failure to correct errors in the maintenance of health
 68.28 service or financial records for which a fine was imposed or after issuance of a warning by
 68.29 the commissioner; and (8) any reason for which ~~a vendor~~ an individual or entity could be
 68.30 excluded from participation in the Medicare program under section 1128, 1128A, or
 68.31 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services
 68.32 for which payment is made from medical assistance includes but is not limited to care and
 68.33 services identified in section 256B.0625 or provided pursuant to any federally approved
 68.34 waiver.

69.1 (b) The commissioner may impose sanctions against a pharmacy provider for failure to
 69.2 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
 69.3 (h).

69.4 Subd. 1b. **Sanctions available.** The commissioner may impose the following sanctions
 69.5 for the conduct described in subdivision 1a: suspension or withholding of payments to ~~a~~
 69.6 ~~vendor~~ an individual or entity and suspending or terminating participation in the program,
 69.7 or imposition of a fine under subdivision 2, paragraph (f). When imposing sanctions under
 69.8 this section, the commissioner shall consider the nature, chronicity, or severity of the conduct
 69.9 and the effect of the conduct on the health and safety of persons served by the ~~vendor~~
 69.10 individual or entity. The commissioner shall suspend ~~a vendor's~~ an individual's or entity's
 69.11 participation in the program for a minimum of five years if the ~~vendor~~ individual or entity
 69.12 is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion
 69.13 program for an offense related to a provision of a health service under medical assistance,
 69.14 including a federally approved waiver, or health care fraud. Regardless of imposition of
 69.15 sanctions, the commissioner may make a referral to the appropriate state licensing board.

69.16 Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner
 69.17 may obtain monetary recovery from ~~a vendor who~~ an individual or entity that has been
 69.18 improperly paid by the department either as a result of conduct described in subdivision 1a
 69.19 or as a result of ~~a vendor or department~~ an error by the individual or entity submitting the
 69.20 claim or by the department, regardless of whether the error was intentional. Patterns need
 69.21 not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate
 69.22 claims, claims for services not medically necessary, or claims based on false statements.

69.23 (b) The commissioner may obtain monetary recovery using methods including but not
 69.24 limited to the following: assessing and recovering money improperly paid and debiting from
 69.25 future payments any money improperly paid. The commissioner shall charge interest on
 69.26 money to be recovered if the recovery is to be made by installment payments or debits,
 69.27 except when the monetary recovery is of an overpayment that resulted from a department
 69.28 error. The interest charged shall be the rate established by the commissioner of revenue
 69.29 under section 270C.40.

69.30 Subd. 1d. **Investigative costs.** The commissioner may seek recovery of investigative
 69.31 costs from any ~~vendor of medical care or services who~~ individual or entity that willfully
 69.32 submits a claim for reimbursement for services that the ~~vendor~~ individual or entity knows,

473.29 appropriateness of claims for payment; (6) failure to repay an overpayment or a fine finally
 473.30 established under this section; (7) failure to correct errors in the maintenance of health
 473.31 service or financial records for which a fine was imposed or after issuance of a warning by
 473.32 the commissioner; and (8) any reason for which ~~a vendor~~ an individual or entity could be
 473.33 excluded from participation in the Medicare program under section 1128, 1128A, or
 473.34 1866(b)(2) of the Social Security Act. For the purposes of this section, goods or services
 474.1 for which payment is made from medical assistance includes but is not limited to care and
 474.2 services identified in section 256B.0625 or provided pursuant to any federally approved
 474.3 waiver.

474.4 (b) The commissioner may impose sanctions against a pharmacy provider for failure to
 474.5 respond to a cost of dispensing survey under section 256B.0625, subdivision 13e, paragraph
 474.6 (h).

474.7 Subd. 1b. **Sanctions available.** The commissioner may impose the following sanctions
 474.8 for the conduct described in subdivision 1a: suspension or withholding of payments to ~~a~~
 474.9 ~~vendor~~ an individual or entity and suspending or terminating participation in the program,
 474.10 or imposition of a fine under subdivision 2, paragraph (f). When imposing sanctions under
 474.11 this section, the commissioner shall consider the nature, chronicity, or severity of the conduct
 474.12 and the effect of the conduct on the health and safety of persons served by the ~~vendor~~
 474.13 individual or entity. The commissioner shall suspend ~~a vendor's~~ an individual's or entity's
 474.14 participation in the program for a minimum of five years if the ~~vendor~~ individual or entity
 474.15 is convicted of a crime, received a stay of adjudication, or entered a court-ordered diversion
 474.16 program for an offense related to a provision of a health service under medical assistance,
 474.17 including a federally approved waiver, or health care fraud. Regardless of imposition of
 474.18 sanctions, the commissioner may make a referral to the appropriate state licensing board.

474.19 Subd. 1c. **Grounds for and methods of monetary recovery.** (a) The commissioner
 474.20 may obtain monetary recovery from ~~a vendor who~~ an individual or entity that has been
 474.21 improperly paid by the department either as a result of conduct described in subdivision 1a
 474.22 or as a result of ~~a vendor or department~~ an error by the individual or entity submitting the
 474.23 claim or by the department, regardless of whether the error was intentional. Patterns need
 474.24 not be proven as a precondition to monetary recovery of erroneous or false claims, duplicate
 474.25 claims, claims for services not medically necessary, or claims based on false statements.

474.26 (b) The commissioner may obtain monetary recovery using methods including but not
 474.27 limited to the following: assessing and recovering money improperly paid and debiting from
 474.28 future payments any money improperly paid. The commissioner shall charge interest on
 474.29 money to be recovered if the recovery is to be made by installment payments or debits,
 474.30 except when the monetary recovery is of an overpayment that resulted from a department
 474.31 error. The interest charged shall be the rate established by the commissioner of revenue
 474.32 under section 270C.40.

474.33 Subd. 1d. **Investigative costs.** The commissioner may seek recovery of investigative
 474.34 costs from any ~~vendor of medical care or services who~~ individual or entity that willfully
 475.1 submits a claim for reimbursement for services that the ~~vendor~~ individual or entity knows,

69.33 or reasonably should have known, is a false representation and that results in the payment
 69.34 of public funds for which the ~~vendor~~ individual or entity is ineligible. Billing errors that
 69.35 result in unintentional overcharges shall not be grounds for investigative cost recoupment.

70.1 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall
 70.2 determine any monetary amounts to be recovered and sanctions to be imposed upon ~~a vendor~~
 70.3 ~~of medical care~~ an individual or entity under this section. Except as provided in paragraphs
 70.4 (b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner
 70.5 without prior notice and an opportunity for a hearing, according to chapter 14, on the
 70.6 commissioner's proposed action, provided that the commissioner may suspend or reduce
 70.7 payment to ~~a vendor of medical care~~ an individual or entity, except a nursing home or
 70.8 convalescent care facility, after notice and prior to the hearing if in the commissioner's
 70.9 opinion that action is necessary to protect the public welfare and the interests of the program.

70.10 (b) Except when the commissioner finds good cause not to suspend payments under
 70.11 Code of Federal Regulations, title 42, section 455.23 (e) or (f), the commissioner shall
 70.12 withhold or reduce payments to ~~a vendor of medical care~~ an individual or entity without
 70.13 providing advance notice of such withholding or reduction if either of the following occurs:

70.14 (1) the ~~vendor~~ individual or entity is convicted of a crime involving the conduct described
 70.15 in subdivision 1a; or

70.16 (2) the commissioner determines there is a credible allegation of fraud for which an
 70.17 investigation is pending under the program. Allegations are considered credible when they
 70.18 have an indicium of reliability and the state agency has reviewed all allegations, facts, and
 70.19 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of
 70.20 fraud is an allegation which has been verified by the state, from any source, including but
 70.21 not limited to:

70.22 (i) fraud hotline complaints;

70.23 (ii) claims data mining; and

70.24 (iii) patterns identified through provider audits, civil false claims cases, and law
 70.25 enforcement investigations.

70.26 ~~Allegations are considered to be credible when they have an indicia of reliability and~~
 70.27 ~~the state agency has reviewed all allegations, facts, and evidence carefully and acts~~
 70.28 ~~judiciously on a case-by-case basis.~~

70.29 (c) The commissioner must send notice of the withholding or reduction of payments
 70.30 under paragraph (b) within five days of taking such action unless requested in writing by a
 70.31 law enforcement agency to temporarily withhold the notice. The notice must:

70.32 (1) state that payments are being withheld according to paragraph (b);

71.1 (2) set forth the general allegations as to the nature of the withholding action, but need
 71.2 not disclose any specific information concerning an ongoing investigation;

475.2 or reasonably should have known, is a false representation and that results in the payment
 475.3 of public funds for which the ~~vendor~~ individual or entity is ineligible. Billing errors that
 475.4 result in unintentional overcharges shall not be grounds for investigative cost recoupment.

475.5 Subd. 2. **Imposition of monetary recovery and sanctions.** (a) The commissioner shall
 475.6 determine any monetary amounts to be recovered and sanctions to be imposed upon ~~a vendor~~
 475.7 ~~of medical care~~ an individual or entity under this section. Except as provided in paragraphs
 475.8 (b) and (d), neither a monetary recovery nor a sanction will be imposed by the commissioner
 475.9 without prior notice and an opportunity for a hearing, according to chapter 14, on the
 475.10 commissioner's proposed action, provided that the commissioner may suspend or reduce
 475.11 payment to ~~a vendor of medical care~~ an individual or entity, except a nursing home or
 475.12 convalescent care facility, after notice and prior to the hearing if in the commissioner's
 475.13 opinion that action is necessary to protect the public welfare and the interests of the program.

475.14 (b) Except when the commissioner finds good cause not to suspend payments under
 475.15 Code of Federal Regulations, title 42, section 455.23 (e) or (f), the commissioner shall
 475.16 withhold or reduce payments to ~~a vendor of medical care~~ an individual or entity without
 475.17 providing advance notice of such withholding or reduction if either of the following occurs:

475.18 (1) the ~~vendor~~ individual or entity is convicted of a crime involving the conduct described
 475.19 in subdivision 1a; or

475.20 (2) the commissioner determines there is a credible allegation of fraud for which an
 475.21 investigation is pending under the program. Allegations are considered credible when they
 475.22 have an indicium of reliability and the state agency has reviewed all allegations, facts, and
 475.23 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of
 475.24 fraud is an allegation which has been verified by the state, from any source, including but
 475.25 not limited to:

475.26 (i) fraud hotline complaints;

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475.28 (iii) patterns identified through provider audits, civil false claims cases, and law
 475.29 enforcement investigations.

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 475.31 ~~the state agency has reviewed all allegations, facts, and evidence carefully and acts~~
 475.32 ~~judiciously on a case-by-case basis.~~

476.1 (c) The commissioner must send notice of the withholding or reduction of payments
 476.2 under paragraph (b) within five days of taking such action unless requested in writing by a
 476.3 law enforcement agency to temporarily withhold the notice. The notice must:

476.4 (1) state that payments are being withheld according to paragraph (b);

476.5 (2) set forth the general allegations as to the nature of the withholding action, but need
 476.6 not disclose any specific information concerning an ongoing investigation;

71.3 (3) except in the case of a conviction for conduct described in subdivision 1a, state that
 71.4 the withholding is for a temporary period and cite the circumstances under which withholding
 71.5 will be terminated;

71.6 (4) identify the types of claims to which the withholding applies; and

71.7 (5) inform the vendor individual or entity of the right to submit written evidence for
 71.8 consideration by the commissioner.

71.9 (d) The withholding or reduction of payments will not continue after the commissioner
 71.10 determines there is insufficient evidence of fraud by the vendor individual or entity, or after
 71.11 legal proceedings relating to the alleged fraud are completed, unless the commissioner has
 71.12 sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon
 71.13 conviction for a crime related to the provision, management, or administration of a health
 71.14 service under medical assistance, a payment held pursuant to this section by the commissioner
 71.15 or a managed care organization that contracts with the commissioner under section 256B.035
 71.16 is forfeited to the commissioner or managed care organization, regardless of the amount
 71.17 charged in the criminal complaint or the amount of criminal restitution ordered.

71.18 ~~(d)~~ (c) The commissioner shall suspend or terminate ~~a vendor's~~ an individual's or entity's
 71.19 participation in the program without providing advance notice and an opportunity for a
 71.20 hearing when the suspension or termination is required because of the vendor's individual's
 71.21 or entity's exclusion from participation in Medicare. Within five days of taking such action,
 71.22 the commissioner must send notice of the suspension or termination. The notice must:

71.23 (1) state that suspension or termination is the result of the vendor's individual's or entity's
 71.24 exclusion from Medicare;

71.25 (2) identify the effective date of the suspension or termination; and

71.26 (3) inform the vendor individual or entity of the need to be reinstated to Medicare before
 71.27 reapplying for participation in the program.

71.28 ~~(e)~~ (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction
 71.29 is to be imposed, ~~a vendor~~ an individual or entity may request a contested case, as defined
 71.30 in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal.
 71.31 The appeal request must be received by the commissioner no later than 30 days after the
 71.32 date the notification of monetary recovery or sanction was mailed to the vendor individual
 71.33 or entity. The appeal request must specify:

72.1 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount
 72.2 involved for each disputed item;

72.3 (2) the computation that the vendor individual or entity believes is correct;

72.4 (3) the authority in statute or rule upon which the vendor individual or entity relies for
 72.5 each disputed item;

476.7 (3) except in the case of a conviction for conduct described in subdivision 1a, state that
 476.8 the withholding is for a temporary period and cite the circumstances under which withholding
 476.9 will be terminated;

476.10 (4) identify the types of claims to which the withholding applies; and

476.11 (5) inform the vendor individual or entity of the right to submit written evidence for
 476.12 consideration by the commissioner.

476.13 (d) The withholding or reduction of payments will not continue after the commissioner
 476.14 determines there is insufficient evidence of fraud by the vendor individual or entity, or after
 476.15 legal proceedings relating to the alleged fraud are completed, unless the commissioner has
 476.16 sent notice of intention to impose monetary recovery or sanctions under paragraph (a). Upon
 476.17 conviction for a crime related to the provision, management, or administration of a health
 476.18 service under medical assistance, a payment held pursuant to this section by the commissioner
 476.19 or a managed care organization that contracts with the commissioner under section 256B.035
 476.20 is forfeited to the commissioner or managed care organization, regardless of the amount
 476.21 charged in the criminal complaint or the amount of criminal restitution ordered.

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 476.26 the commissioner must send notice of the suspension or termination. The notice must:

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 477.6 or entity. The appeal request must specify:

477.7 (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount
 477.8 involved for each disputed item;

477.9 (2) the computation that the vendor individual or entity believes is correct;

477.10 (3) the authority in statute or rule upon which the vendor individual or entity relies for
 477.11 each disputed item;

72.6 (4) the name and address of the person or entity with whom contacts may be made
72.7 regarding the appeal; and

72.8 (5) other information required by the commissioner.

72.9 ~~(f)~~ (g) The commissioner may order ~~a vendor~~ an individual or entity to forfeit a fine for
72.10 failure to fully document services according to standards in this chapter and Minnesota
72.11 Rules, chapter 9505. The commissioner may assess fines if specific required components
72.12 of documentation are missing. The fine for incomplete documentation shall equal 20 percent
72.13 of the amount paid on the claims for reimbursement submitted by the ~~vendor~~ individual or
72.14 entity, or up to \$5,000, whichever is less. If the commissioner determines that ~~a vendor~~ an
72.15 individual or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota
72.16 Rules, chapter 9505, related to the provision of services to program recipients and the
72.17 submission of claims for payment, the commissioner may order ~~a vendor~~ an individual or
72.18 entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an
72.19 amount of up to \$5,000 or 20 percent of the value of the claims, whichever is greater.

72.20 ~~(g)~~ (h) The ~~vendor~~ individual or entity shall pay the fine assessed on or before the
72.21 payment date specified. If the ~~vendor~~ individual or entity fails to pay the fine, the
72.22 commissioner may withhold or reduce payments and recover the amount of the fine. A
72.23 timely appeal shall stay payment of the fine until the commissioner issues a final order.

72.24 Subd. 3. ~~Vendor Mandates on prohibited payments.~~ (a) The commissioner shall
72.25 maintain and publish a list of each excluded individual and entity that was convicted of a
72.26 crime related to the provision, management, or administration of a medical assistance health
72.27 service, or suspended or terminated under subdivision 2. Medical assistance payments cannot
72.28 be made by ~~a vendor~~ an individual or entity for items or services furnished either directly
72.29 or indirectly by an excluded individual or entity, or at the direction of excluded individuals
72.30 or entities.

72.31 (b) The ~~vendor~~ entity must check the exclusion list on a monthly basis and document
72.32 the date and time the exclusion list was checked and the name and title of the person who
73.1 checked the exclusion list. The ~~vendor~~ entity must immediately terminate payments to an
73.2 individual or entity on the exclusion list.

73.3 (c) ~~A vendor's~~ An entity's requirement to check the exclusion list and to terminate
73.4 payments to individuals or entities on the exclusion list applies to each individual or entity
73.5 on the exclusion list, even if the named individual or entity is not responsible for direct
73.6 patient care or direct submission of a claim to medical assistance.

73.7 (d) ~~A vendor~~ An entity that pays medical assistance program funds to an individual or
73.8 entity on the exclusion list must refund any payment related to either items or services
73.9 rendered by an individual or entity on the exclusion list from the date the individual or entity

477.12 (4) the name and address of the person or entity with whom contacts may be made
477.13 regarding the appeal; and

477.14 (5) other information required by the commissioner.

477.15 ~~(f)~~ (g) The commissioner may order ~~a vendor~~ an individual or entity to forfeit a fine for
477.16 failure to fully document services according to standards in this chapter and Minnesota
477.17 Rules, chapter 9505. The commissioner may assess fines if specific required components
477.18 of documentation are missing. The fine for incomplete documentation shall equal 20 percent
477.19 of the amount paid on the claims for reimbursement submitted by the ~~vendor~~ individual or
477.20 entity, or up to \$5,000, whichever is less. If the commissioner determines that ~~a vendor~~ an
477.21 individual or entity repeatedly violated this chapter, chapter 254B or 245G, or Minnesota
477.22 Rules, chapter 9505, related to the provision of services to program recipients and the
477.23 submission of claims for payment, the commissioner may order ~~a vendor~~ an individual or
477.24 entity to forfeit a fine based on the nature, severity, and chronicity of the violations, in an
477.25 amount of up to \$5,000 or 20 percent of the value of the claims, whichever is greater. The
477.26 commissioner may issue fines under this paragraph in place of or in addition to full monetary
477.27 recovery of the value of the claims submitted under subdivision 1c.

477.28 ~~(g)~~ (h) The ~~vendor~~ individual or entity shall pay the fine assessed on or before the
477.29 payment date specified. If the ~~vendor~~ individual or entity fails to pay the fine, the
477.30 commissioner may withhold or reduce payments and recover the amount of the fine. A
477.31 timely appeal shall stay payment of the fine until the commissioner issues a final order.

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478.3 be made by ~~a vendor~~ an individual or entity for items or services furnished either directly
478.4 or indirectly by an excluded individual or entity, or at the direction of excluded individuals
478.5 or entities.

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478.7 the date and time the exclusion list was checked and the name and title of the person who
478.8 checked the exclusion list. The ~~vendor~~ entity must immediately terminate payments to an
478.9 individual or entity on the exclusion list.

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478.11 payments to individuals or entities on the exclusion list applies to each individual or entity
478.12 on the exclusion list, even if the named individual or entity is not responsible for direct
478.13 patient care or direct submission of a claim to medical assistance.

478.14 (d) ~~A vendor~~ An entity that pays medical assistance program funds to an individual or
478.15 entity on the exclusion list must refund any payment related to either items or services
478.16 rendered by an individual or entity on the exclusion list from the date the individual or entity

73.10 is first paid or the date the individual or entity is placed on the exclusion list, whichever is
73.11 later, and ~~a vendor~~ an entity may be subject to:

73.12 (1) sanctions under subdivision 2;

73.13 (2) a civil monetary penalty of up to \$25,000 for each determination by the department
73.14 that the vendor employed or contracted with an individual or entity on the exclusion list;
73.15 and

73.16 (3) other fines or penalties allowed by law.

73.17 Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2
73.18 ~~shall be served~~ by certified mail at the address submitted to the department by the ~~vendor~~
73.19 ~~individual or entity~~. Service is complete upon mailing. ~~The commissioner shall place an~~
73.20 ~~affidavit of the certified mailing in the vendor's file as an indication of the address and the~~
73.21 ~~date of mailing.~~

73.22 (b) The department shall give notice in writing to a recipient placed in the Minnesota
73.23 restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200.
73.24 The department shall send the notice ~~shall be sent~~ by first class mail to the recipient's current
73.25 address on file with the department. A recipient placed in the Minnesota restricted recipient
73.26 program may contest the placement by submitting a written request for a hearing to the
73.27 department within 90 days of the notice being mailed.

73.28 Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report
73.29 is immune from any civil or criminal liability that might otherwise arise from reporting or
73.30 participating in the investigation. Nothing in this subdivision affects ~~a vendor's~~ an individual's
73.31 or entity's responsibility for an overpayment established under this subdivision.

73.32 (b) A person employed by a lead investigative agency who is conducting or supervising
73.33 an investigation or enforcing the law according to the applicable law or rule is immune from
74.1 any civil or criminal liability that might otherwise arise from the person's actions, if the
74.2 person is acting in good faith and exercising due care.

74.3 (c) For purposes of this subdivision, "person" includes a natural person or any form of
74.4 a business or legal entity.

74.5 (d) After an investigation is complete, the reporter's name must be kept confidential.
74.6 The subject of the report may compel disclosure of the reporter's name only with the consent
74.7 of the reporter or upon a written finding by a district court that the report was false and there
74.8 is evidence that the report was made in bad faith. This subdivision does not alter disclosure
74.9 responsibilities or obligations under the Rules of Criminal Procedure, except that when the
74.10 identity of the reporter is relevant to a criminal prosecution the district court shall conduct
74.11 an in-camera review before determining whether to order disclosure of the reporter's identity.

478.17 is first paid or the date the individual or entity is placed on the exclusion list, whichever is
478.18 later, and ~~a vendor~~ an entity may be subject to:

478.19 (1) sanctions under subdivision 2;

478.20 (2) a civil monetary penalty of up to \$25,000 for each determination by the department
478.21 that the vendor employed or contracted with an individual or entity on the exclusion list;
478.22 and

478.23 (3) other fines or penalties allowed by law.

478.24 Subd. 4. **Notice.** (a) The department shall serve the notice required under subdivision 2
478.25 ~~shall be served~~ by certified mail at the address submitted to the department by the ~~vendor~~
478.26 ~~individual or entity~~. Service is complete upon mailing. ~~The commissioner shall place an~~
478.27 ~~affidavit of the certified mailing in the vendor's file as an indication of the address and the~~
478.28 ~~date of mailing.~~

478.29 (b) The department shall give notice in writing to a recipient placed in the Minnesota
478.30 restricted recipient program under section 256B.0646 and Minnesota Rules, part 9505.2200.
478.31 The department shall send the notice ~~shall be sent~~ by first class mail to the recipient's current
478.32 address on file with the department. A recipient placed in the Minnesota restricted recipient
479.1 program may contest the placement by submitting a written request for a hearing to the
479.2 department within 90 days of the notice being mailed.

479.3 Subd. 5. **Immunity; good faith reporters.** (a) A person who makes a good faith report
479.4 is immune from any civil or criminal liability that might otherwise arise from reporting or
479.5 participating in the investigation. Nothing in this subdivision affects ~~a vendor's~~ an individual's
479.6 or entity's responsibility for an overpayment established under this subdivision.

479.7 (b) A person employed by a lead investigative agency who is conducting or supervising
479.8 an investigation or enforcing the law according to the applicable law or rule is immune from
479.9 any civil or criminal liability that might otherwise arise from the person's actions, if the
479.10 person is acting in good faith and exercising due care.

479.11 (c) For purposes of this subdivision, "person" includes a natural person or any form of
479.12 a business or legal entity.

479.13 (d) After an investigation is complete, the reporter's name must be kept confidential.
479.14 The subject of the report may compel disclosure of the reporter's name only with the consent
479.15 of the reporter or upon a written finding by a district court that the report was false and there
479.16 is evidence that the report was made in bad faith. This subdivision does not alter disclosure
479.17 responsibilities or obligations under the Rules of Criminal Procedure, except that when the
479.18 identity of the reporter is relevant to a criminal prosecution the district court shall conduct
479.19 an in-camera review before determining whether to order disclosure of the reporter's identity.

74.12 Sec. 67. Minnesota Statutes 2022, section 256B.27, subdivision 3, is amended to read:

74.13 Subd. 3. **Access to medical records.** The commissioner of human services, with the

74.14 written consent of the recipient, on file with the local welfare agency, shall be allowed

74.15 access in the manner and within the time prescribed by the commissioner to all personal

74.16 medical records of medical assistance recipients solely for the purposes of investigating

74.17 whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a

74.18 cost report or a rate application which is duplicative, erroneous, or false in whole or in part,

74.19 or which results in the vendor obtaining greater compensation than the vendor is legally

74.20 entitled to; or (b) the medical care was medically necessary. When the commissioner is

74.21 investigating a possible overpayment of Medicaid funds, the commissioner must be given

74.22 immediate access without prior notice to the vendor's office during regular business hours

74.23 and to documentation and records related to services provided and submission of claims

74.24 for services provided. The department shall document in writing the need for immediate

74.25 access to records related to a specific investigation. Denying the commissioner access to

74.26 records is cause for the vendor's immediate suspension of payment or termination according

74.27 to section 256B.064. The determination of provision of services not medically necessary

74.28 shall be made by the commissioner. Notwithstanding any other law to the contrary, a vendor

74.29 of medical care shall not be subject to any civil or criminal liability for providing access to

74.30 medical records to the commissioner of human services pursuant to this section.

74.31 Sec. 68. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

74.32 Subd. 2a. **Procedure; state licensing agency data.** (a) The court shall request the

74.33 commissioner of human services to provide the court within 25 working days of receipt of

75.1 the request with licensing agency data for licenses directly related to the responsibilities of

75.2 a professional fiduciary if the study subject indicates current or prior affiliation from the

75.3 following agencies in Minnesota:

75.4 (1) Lawyers Responsibility Board;

75.5 (2) State Board of Accountancy;

75.6 (3) Board of Social Work;

75.7 (4) Board of Psychology;

75.8 (5) Board of Nursing;

75.9 (6) Board of Medical Practice;

75.10 ~~(7) Department of Education;~~

75.11 ~~(8)~~ (7) Department of Commerce;

479.20 Sec. 38. Minnesota Statutes 2022, section 256B.27, subdivision 3, is amended to read:

479.21 Subd. 3. **Access to medical records.** The commissioner of human services, with the

479.22 written consent of the recipient, on file with the local welfare agency, shall be allowed

479.23 access in the manner and within the time prescribed by the commissioner to all personal

479.24 medical records of medical assistance recipients solely for the purposes of investigating

479.25 whether or not: (a) a vendor of medical care has submitted a claim for reimbursement, a

479.26 cost report or a rate application which is duplicative, erroneous, or false in whole or in part,

479.27 or which results in the vendor obtaining greater compensation than the vendor is legally

479.28 entitled to; or (b) the medical care was medically necessary. When the commissioner is

479.29 investigating a possible overpayment of Medicaid funds, the commissioner must be given

479.30 immediate access without prior notice to the vendor's office during regular business hours

479.31 and to documentation and records related to services provided and submission of claims

479.32 for services provided. The department shall document in writing the need for immediate

479.33 access to records related to a specific investigation. Denying the commissioner access to

479.34 records is cause for the vendor's immediate suspension of payment or termination according

480.1 to section 256B.064. Any records not provided to the commissioner at the date and time of

480.2 the request are inadmissible if offered as evidence by the provider in any proceeding to

480.3 contest sanctions against or monetary recovery from the provider. The determination of

480.4 provision of services not medically necessary shall be made by the commissioner.

480.5 Notwithstanding any other law to the contrary, a vendor of medical care shall not be subject

480.6 to any civil or criminal liability for providing access to medical records to the commissioner

480.7 of human services pursuant to this section.

480.8 Sec. 39. Minnesota Statutes 2022, section 524.5-118, subdivision 2a, is amended to read:

480.9 Subd. 2a. **Procedure; state licensing agency data.** (a) The court shall request the

480.10 commissioner of human services to provide the court within 25 working days of receipt of

480.11 the request with licensing agency data for licenses directly related to the responsibilities of

480.12 a professional fiduciary if the study subject indicates current or prior affiliation from the

480.13 following agencies in Minnesota:

480.14 (1) Lawyers Responsibility Board;

480.15 (2) State Board of Accountancy;

480.16 (3) Board of Social Work;

480.17 (4) Board of Psychology;

480.18 (5) Board of Nursing;

480.19 (6) Board of Medical Practice;

480.20 ~~(7) Department of Education;~~

480.21 ~~(8)~~ (7) Department of Commerce;

75.12 ~~(9)~~ (8) Board of Chiropractic Examiners;
75.13 ~~(10)~~ (9) Board of Dentistry;
75.14 ~~(11)~~ (10) Board of Marriage and Family Therapy;
75.15 ~~(12)~~ (11) Department of Human Services;
75.16 ~~(13)~~ (12) Peace Officer Standards and Training (POST) Board; and
75.17 ~~(14)~~ (13) Professional Educator Licensing and Standards Board.
75.18 (b) The commissioner shall enter into agreements with these agencies to provide the
75.19 commissioner with electronic access to the relevant licensing data, and to provide the
75.20 commissioner with a quarterly list of new sanctions issued by the agency.
75.21 (c) The commissioner shall provide to the court the electronically available data
75.22 maintained in the agency's database, including whether the proposed guardian or conservator
75.23 is or has been licensed by the agency, and if the licensing agency database indicates a
75.24 disciplinary action or a sanction against the individual's license, including a condition,
75.25 suspension, revocation, or cancellation.
75.26 (d) If the proposed guardian or conservator has resided in a state other than Minnesota
75.27 in the previous ten years, licensing agency data under this section shall also include the
75.28 licensing agency data from any other state where the proposed guardian or conservator
75.29 reported to have resided during the previous ten years if the study subject indicates current
75.30 or prior affiliation. If the proposed guardian or conservator has or has had a professional
76.1 license in another state that is directly related to the responsibilities of a professional fiduciary
76.2 from one of the agencies listed under paragraph (a), state licensing agency data shall also
76.3 include data from the relevant licensing agency of that state.
76.4 (e) The commissioner is not required to repeat a search for Minnesota or out-of-state
76.5 licensing data on an individual if the commissioner has provided this information to the
76.6 court within the prior five years.
76.7 (f) The commissioner shall review the information in paragraph (c) at least once every
76.8 four months to determine if an individual who has been studied within the previous five
76.9 years:
76.10 (1) has new disciplinary action or sanction against the individual's license; or
76.11 (2) did not disclose a prior or current affiliation with a Minnesota licensing agency.
76.12 (g) If the commissioner's review in paragraph (f) identifies new information, the
76.13 commissioner shall provide any new information to the court.

480.22 ~~(9)~~ (8) Board of Chiropractic Examiners;
480.23 ~~(10)~~ (9) Board of Dentistry;
480.24 ~~(11)~~ (10) Board of Marriage and Family Therapy;
480.25 ~~(12)~~ (11) Department of Human Services;
480.26 ~~(13)~~ (12) Peace Officer Standards and Training (POST) Board; and
480.27 ~~(14)~~ (13) Professional Educator Licensing and Standards Board.
480.28 (b) The commissioner shall enter into agreements with these agencies to provide the
480.29 commissioner with electronic access to the relevant licensing data, and to provide the
480.30 commissioner with a quarterly list of new sanctions issued by the agency.
481.1 (c) The commissioner shall provide to the court the electronically available data
481.2 maintained in the agency's database, including whether the proposed guardian or conservator
481.3 is or has been licensed by the agency, and if the licensing agency database indicates a
481.4 disciplinary action or a sanction against the individual's license, including a condition,
481.5 suspension, revocation, or cancellation.
481.6 (d) If the proposed guardian or conservator has resided in a state other than Minnesota
481.7 in the previous ten years, licensing agency data under this section shall also include the
481.8 licensing agency data from any other state where the proposed guardian or conservator
481.9 reported to have resided during the previous ten years if the study subject indicates current
481.10 or prior affiliation. If the proposed guardian or conservator has or has had a professional
481.11 license in another state that is directly related to the responsibilities of a professional fiduciary
481.12 from one of the agencies listed under paragraph (a), state licensing agency data shall also
481.13 include data from the relevant licensing agency of that state.
481.14 (e) The commissioner is not required to repeat a search for Minnesota or out-of-state
481.15 licensing data on an individual if the commissioner has provided this information to the
481.16 court within the prior five years.
481.17 (f) The commissioner shall review the information in paragraph (c) at least once every
481.18 four months to determine if an individual who has been studied within the previous five
481.19 years:
481.20 (1) has new disciplinary action or sanction against the individual's license; or
481.21 (2) did not disclose a prior or current affiliation with a Minnesota licensing agency.
481.22 (g) If the commissioner's review in paragraph (f) identifies new information, the
481.23 commissioner shall provide any new information to the court.

76.14 Sec. 69. **REVISOR INSTRUCTION.**

76.15 The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section
76.16 245C.02, in alphabetical order and correct any cross-reference changes that result.

76.17 **Sec. 70. REPEALER.**

76.18 (a) Minnesota Statutes 2022, sections 245A.22; 245C.02, subdivision 9; 245C.301; and
76.19 256.9685, subdivisions 1c and 1d, are repealed.

76.20 (b) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are
76.21 repealed.

76.22 (c) Minnesota Statutes 2022, sections 245A.144; and 245A.175, are repealed.

76.23 (d) Minnesota Rules, parts 2960.3070; 2960.3210; and 9502.0425, subparts 5 and 10,
76.24 are repealed.

76.25 **EFFECTIVE DATE.** Paragraphs (a) and (b) are effective the day following final
76.26 enactment. Paragraphs (c) and (d) are effective January 1, 2024.

ARTICLE 2

CHILDREN AND FAMILY SERVICES POLICY

77.3 Section 1. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

77.4 Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a)
77.5 Any agency completing initial assessments, special assessments, or reassessments must
77.6 designate one or more supervisors or other staff to examine and approve assessments
77.7 completed by others in the agency under subdivision 2. The person approving an assessment
77.8 must not be the case manager or staff member completing that assessment.

77.9 (b) In cases where a special assessment or reassessment for Northstar kinship assistance
77.10 and adoption assistance is required under subdivision 8 or 11, the commissioner shall review
77.11 and approve the assessment as part of the eligibility determination process outlined in section
77.12 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision
77.13 7, for adoption assistance. The assessment determines the maximum of the negotiated
77.14 agreement amount under section 256N.25.

77.15 (c) The effective date of the new rate is ~~effective the calendar month that the assessment~~
77.16 ~~is approved, or the effective date of the agreement, whichever is later.~~ determined as follows:

481.24 Sec. 40. **REVISOR INSTRUCTION.**

481.25 The revisor of statutes shall renumber the subdivisions in Minnesota Statutes, section
481.26 245C.02, in alphabetical order and correct any cross-reference changes that result.

481.27 Sec. 41. **REPEALER.**

481.28 (a) Minnesota Statutes 2022, sections 245A.22; 245C.02, subdivision 9; 245C.301; and
481.29 256.9685, subdivisions 1c and 1d, are repealed.

481.30 (b) Minnesota Rules, parts 9505.0505, subpart 18; and 9505.0520, subpart 9b, are
481.31 repealed.

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

THE FOLLOWING THREE SECTIONS ARE FROM H0238-3 ARTICLE 2 AND ALSO APPEAR IN THE ARTICLE 14 SIDE BY SIDE.

H0238-3

35.13 Sec. 4. Minnesota Statutes 2022, section 256N.24, subdivision 12, is amended to read:

35.14 Subd. 12. **Approval of initial assessments, special assessments, and reassessments.** (a)
35.15 Any agency completing initial assessments, special assessments, or reassessments must
35.16 designate one or more supervisors or other staff to examine and approve assessments
35.17 completed by others in the agency under subdivision 2. The person approving an assessment
35.18 must not be the case manager or staff member completing that assessment.

35.19 (b) In cases where a special assessment or reassessment for Northstar kinship assistance
35.20 and adoption assistance is required under subdivision 8 or 11, the commissioner shall review
35.21 and approve the assessment as part of the eligibility determination process outlined in section
35.22 256N.22, subdivision 7, for Northstar kinship assistance, or section 256N.23, subdivision
35.23 7, for adoption assistance. The assessment determines the maximum of the negotiated
35.24 agreement amount under section 256N.25.

35.25 (c) The effective date of the new rate is ~~effective the calendar month that the assessment~~
35.26 ~~is approved, or the effective date of the agreement, whichever is later.~~ determined as follows:

77.17 (1) for initial assessments of children in foster care, the new rate is effective based on
77.18 the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision
77.19 6;

77.20 (2) for special assessments, the new rate is effective the date of the finalized adoption
77.21 decree or the date of the court order that transfers permanent legal and physical custody to
77.22 a relative;

77.23 (3) for postpermanency reassessments, the new rate is effective the date that the
77.24 commissioner signs the amendment to the Northstar Adoption Assistance or Northstar
77.25 Kinship Assistance benefit agreement.

77.26 Sec. 2. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

77.27 Subdivision 1. **Relative search requirements.** (a) The responsible social services agency
77.28 shall exercise due diligence to identify and notify adult relatives, as defined in section
77.29 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or
77.30 within 30 days after the child's removal from the parent, regardless of whether a child is
77.31 placed in a relative's home, as required under subdivision 2. The relative search required
77.32 by this section shall be comprehensive in scope.

78.1 (b) The relative search required by this section shall include both maternal and paternal
78.2 adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians
78.3 of the child's siblings; and any other adult relatives suggested by the child's parents, subject
78.4 to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall
78.5 also include getting information from the child in an age-appropriate manner about who the
78.6 child considers to be family members and important friends with whom the child has resided
78.7 or had significant contact. The relative search required under this section must fulfill the
78.8 agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the
78.9 breakup of the Indian family under United States Code, title 25, section 1912(d), and to
78.10 meet placement preferences under United States Code, title 25, section 1915.

78.11 (c) The responsible social services agency has a continuing responsibility to search for
78.12 and identify relatives of a child and send the notice to relatives that is required under
78.13 subdivision 2, unless the court has relieved the agency of this duty under subdivision 5,
78.14 paragraph (e).

78.15 Sec. 3. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

78.16 Subd. 3. **Order; retention of jurisdiction.** (a) A certified copy of the findings and the
78.17 order terminating parental rights, and a summary of the court's information concerning the
78.18 child shall be furnished by the court to the commissioner or the agency to which guardianship
78.19 is transferred.

78.20 (b) The orders shall be on a document separate from the findings. The court shall furnish
78.21 the guardian a copy of the order terminating parental rights.

35.27 (1) for initial assessments of children in foster care, the new rate is effective based on
35.28 the emergency foster care rate for initial placement pursuant to section 256N.26, subdivision
35.29 6;

35.30 (2) for special assessments, the new rate is effective on the date of the finalized adoption
35.31 decree or the date of the court order that transfers permanent legal and physical custody to
35.32 a relative;

36.1 (3) for postpermanency reassessments, the new rate is effective on the date that the
36.2 commissioner signs the amendment to the Northstar Adoption Assistance or Northstar
36.3 Kinship Assistance benefit agreement.

40.11 Sec. 9. Minnesota Statutes 2022, section 260C.221, subdivision 1, is amended to read:

40.12 Subdivision 1. **Relative search requirements.** (a) The responsible social services agency
40.13 shall exercise due diligence to identify and notify adult relatives, as defined in section
40.14 260C.007, subdivision 27, and current caregivers of a child's sibling, prior to placement or
40.15 within 30 days after the child's removal from the parent, regardless of whether a child is
40.16 placed in a relative's home, as required under subdivision 2. The relative search required
40.17 by this section shall be comprehensive in scope.

40.18 (b) The relative search required by this section shall include both maternal and paternal
40.19 adult relatives of the child; all adult grandparents; all legal parents, guardians, or custodians
40.20 of the child's siblings; and any other adult relatives suggested by the child's parents, subject
40.21 to the exceptions due to family violence in subdivision 5, paragraph (b). The search shall
40.22 also include getting information from the child in an age-appropriate manner about who the
40.23 child considers to be family members and important friends with whom the child has resided
40.24 or had significant contact. The relative search required under this section must fulfill the
40.25 agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the
40.26 breakup of the Indian family under United States Code, title 25, section 1912(d), and to
40.27 meet placement preferences under United States Code, title 25, section 1915.

40.28 (c) The responsible social services agency has a continuing responsibility to search for
40.29 and identify relatives of a child and send the notice to relatives that is required under
40.30 subdivision 2, unless the court has relieved the agency of this duty under subdivision 5,
40.31 paragraph (e).

41.1 Sec. 10. Minnesota Statutes 2022, section 260C.317, subdivision 3, is amended to read:

41.2 Subd. 3. **Order; retention of jurisdiction.** (a) A certified copy of the findings and the
41.3 order terminating parental rights, and a summary of the court's information concerning the
41.4 child shall be furnished by the court to the commissioner or the agency to which guardianship
41.5 is transferred.

41.6 (b) The orders shall be on a document separate from the findings. The court shall furnish
41.7 the guardian a copy of the order terminating parental rights.

78.22 (c) When the court orders guardianship pursuant to this section, the guardian ad litem
78.23 and counsel for the child shall continue on the case until an adoption decree is entered. An
78.24 in-court appearance hearing must be held every 90 days following termination of parental
78.25 rights for the court to review progress toward an adoptive placement and the specific
78.26 recruitment efforts the agency has taken to find an adoptive family for the child and to
78.27 finalize the adoption or other permanency plan. Review of the progress toward adoption of
78.28 a child under guardianship of the commissioner of human services shall be conducted
78.29 according to section 260C.607.

78.30 (d) Upon terminating parental rights or upon a parent's consent to adoption under
78.31 ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or~~ section 260C.515, subdivision
78.32 ~~§ 3,~~ resulting in an order for guardianship to the commissioner of human services, the court
78.33 shall retain jurisdiction:

79.1 (1) until the child is adopted;

79.2 (2) through the child's minority; or

79.3 (3) as long as the child continues in or reenters foster care, until the individual becomes
79.4 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

79.5 Sec. 4. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

79.6 Subd. 1b. **Increase in income of custodial parent.** In a modification of support under
79.7 section 518A.39, the court may deviate from the presumptive child support obligation under
79.8 section 518A.34 when the only change in circumstances is an increase to the custodial
79.9 parent's income and:

79.10 ~~(1) the basic support increases;~~

79.11 ~~(2) the parties' combined gross income is \$6,000 or less; or~~

79.12 ~~(3) the obligor's income is \$2,000 or less.~~

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

79.14 Sec. 5. **REPEALER.**

79.15 Minnesota Statutes 2022, sections 256D.63, subdivision 1; and 518A.59, are repealed.

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

41.8 (c) When the court orders guardianship pursuant to this section, the guardian ad litem
41.9 and counsel for the child shall continue on the case until an adoption decree is entered. An
41.10 in-court appearance hearing must be held every 90 days following termination of parental
41.11 rights for the court to review progress toward an adoptive placement and the specific
41.12 recruitment efforts the agency has taken to find an adoptive family for the child and to
41.13 finalize the adoption or other permanency plan. Review of the progress toward adoption of
41.14 a child under guardianship of the commissioner of human services shall be conducted
41.15 according to section 260C.607.

41.16 (d) Upon terminating parental rights or upon a parent's consent to adoption under
41.17 ~~Minnesota Statutes 2010, section 260C.201, subdivision 11, or~~ section 260C.515, subdivision
41.18 ~~§ 3,~~ resulting in an order for guardianship to the commissioner of human services, the court
41.19 shall retain jurisdiction:

41.20 (1) until the child is adopted;

41.21 (2) through the child's minority; or

41.22 (3) as long as the child continues in or reenters foster care, until the individual becomes
41.23 21 years of age according to sections 260C.193, subdivision 6, and 260C.451.

THE FOLLOWING TWO SECTIONS ARE FROM H0238-3 ARTICLE 3 AND
ALSO APPEAR IN THE ARTICLE 14 SIDE BY SIDE.

83.13 Sec. 8. Minnesota Statutes 2022, section 518A.43, subdivision 1b, is amended to read:

83.14 Subd. 1b. **Increase in income of custodial parent.** In a modification of support under
83.15 section 518A.39, the court may deviate from the presumptive child support obligation under
83.16 section 518A.34 when the only change in circumstances is an increase to the custodial
83.17 parent's income and:

83.18 ~~(1) the basic support increases;~~

83.19 ~~(2) the parties' combined gross income is \$6,000 or less; or~~

83.20 ~~(3) the obligor's income is \$2,000 or less.~~

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

88.31 Sec. 11. **REPEALER.**

88.32 Minnesota Statutes 2022, section 518A.59, is repealed.

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