

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

2.2

**ARTICLE 1**

2.3

**HUMAN SERVICES LICENSING AND OFFICE OF INSPECTOR GENERAL  
POLICY**

2.4

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

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

2.8 (1) each navigator;  
2.9 (2) each in-person assister; and  
2.10 (3) each certified application counselor.

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

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

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

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

H0238-3

89.2

**ARTICLE 4**

89.3

**LICENSING**

UES2995-2

436.26

**ARTICLE 9**

436.27

**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.

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

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

437.1 (1) each navigator;  
437.2 (2) each in-person assister; and  
437.3 (3) each certified application counselor.

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

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

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

437.12 (2) ~~the board has determined that the individual is disqualified; but has received granted~~  
437.13 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.

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

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.

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

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

437.18 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 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 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 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 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 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 for which payment is delinquent; or

11.16 (5) failed to submit the information required of an applicant under subdivision 1, 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 holder and controlling individual may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

11.22 (e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

11.26 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under 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 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 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 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 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 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 for which payment is delinquent; or

444.17 (5) failed to submit the information required of an applicant under subdivision 1, 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 holder and controlling individual may not hold any license under chapter 245A for five years following the revocation, and other licenses held by the applicant, license holder, or controlling individual shall also be revoked.

444.23 (e) The commissioner shall not issue or reissue a license under this chapter if an individual living in the household where the services will be provided as specified under section 245C.03, subdivision 1, has been disqualified and the disqualification has not been set aside and no variance has been granted.

444.27 (f) Pursuant to section 245A.07, subdivision 1, paragraph (b), when a license issued under this chapter has been suspended or revoked and the suspension or revocation is under 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 (4) (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 (4) (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 21.11	21.12 21.13 21.14 21.15 21.16 21.17 21.18 21.19 21.20 21.21	21.10 21.11 21.12 21.13 21.14 21.15 21.16 21.17 21.18 21.19 21.20 21.21	Child Care Center License Fee
1 to 24 persons	\$200		
25 to 49 persons	\$300		
50 to 74 persons	\$400		
75 to 99 persons	\$500		
100 to 124 persons	\$600		
125 to 149 persons	\$700		
150 to 174 persons	\$800		
175 to 199 persons	\$900		
200 to 224 persons	\$1,000		
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	21.29	21.30	21.31	License Holder Annual Revenue	License Fee
				less than or equal to \$10,000	\$200
				greater than \$10,000 but less than or 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:

451.17 451.18	451.19 451.20 451.21 451.22 451.23 451.24 451.25 451.26 451.27 451.28	451.17 451.18 451.19 451.20 451.21 451.22 451.23 451.24 451.25 451.26 451.27 451.28	Child Care Center License Fee
1 to 24 persons	\$200		
25 to 49 persons	\$300		
50 to 74 persons	\$400		
75 to 99 persons	\$500		
100 to 124 persons	\$600		
125 to 149 persons	\$700		
150 to 174 persons	\$800		
175 to 199 persons	\$900		
200 to 224 persons	\$1,000		
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	452.2	452.3	452.4	License Holder Annual Revenue	License Fee
				less than or equal to \$10,000	\$200
				greater than \$10,000 but less than or equal to \$25,000	\$300

21.32	greater than \$25,000 but less than or equal to \$50,000	\$400	452.5	greater than \$25,000 but less than or equal to \$50,000	\$400
21.33			452.6		
21.34	greater than \$50,000 but less than or equal to \$100,000	\$500	452.7	greater than \$50,000 but less than or equal to \$100,000	\$500
21.35			452.8		
22.1	greater than \$100,000 but less than or equal to \$150,000	\$600	452.9	greater than \$100,000 but less than or equal to \$150,000	\$600
22.2			452.10		
22.3	greater than \$150,000 but less than or equal to \$200,000	\$800	452.11	greater than \$150,000 but less than or equal to \$200,000	\$800
22.4			452.12		
22.5	greater than \$200,000 but less than or equal to \$250,000	\$1,000	452.13	greater than \$200,000 but less than or equal to \$250,000	\$1,000
22.6			452.14		
22.7	greater than \$250,000 but less than or equal to \$300,000	\$1,200	452.15	greater than \$250,000 but less than or equal to \$300,000	\$1,200
22.8			452.16		
22.9	greater than \$300,000 but less than or equal to \$350,000	\$1,400	452.17	greater than \$300,000 but less than or equal to \$350,000	\$1,400
22.10			452.18		
22.11	greater than \$350,000 but less than or equal to \$400,000	\$1,600	452.19	greater than \$350,000 but less than or equal to \$400,000	\$1,600
22.12			452.20		
22.13	greater than \$400,000 but less than or equal to \$450,000	\$1,800	452.21	greater than \$400,000 but less than or equal to \$450,000	\$1,800
22.14			452.22		
22.15	greater than \$450,000 but less than or equal to \$500,000	\$2,000	452.23	greater than \$450,000 but less than or equal to \$500,000	\$2,000
22.16			452.24		
22.17	greater than \$500,000 but less than or equal to \$600,000	\$2,250	452.25	greater than \$500,000 but less than or equal to \$600,000	\$2,250
22.18			452.26		
22.19	greater than \$600,000 but less than or equal to \$700,000	\$2,500	452.27	greater than \$600,000 but less than or equal to \$700,000	\$2,500
22.20			452.28		
22.21	greater than \$700,000 but less than or equal to \$800,000	\$2,750	452.29	greater than \$700,000 but less than or equal to \$800,000	\$2,750
22.22			452.30		
22.23	greater than \$800,000 but less than or equal to \$900,000	\$3,000	452.31	greater than \$800,000 but less than or equal to \$900,000	\$3,000
22.24			452.32		
22.25	greater than \$900,000 but less than or equal to \$1,000,000	\$3,250	452.33	greater than \$900,000 but less than or equal to \$1,000,000	\$3,250
22.26			452.34		

22.27	greater than \$1,000,000 but less than or equal to \$1,250,000	\$3,500	452.35	greater than \$1,000,000 but less than or equal to \$1,250,000	\$3,500
22.28			452.36		
22.29	greater than \$1,250,000 but less than or equal to \$1,500,000	\$3,750	452.37	greater than \$1,250,000 but less than or equal to \$1,500,000	\$3,750
22.30			452.38		
22.31	greater than \$1,500,000 but less than or equal to \$1,750,000	\$4,000	452.39	greater than \$1,500,000 but less than or equal to \$1,750,000	\$4,000
22.32			452.40		
22.33	greater than \$1,750,000 but less than or equal to \$2,000,000	\$4,250	452.41	greater than \$1,750,000 but less than or equal to \$2,000,000	\$4,250
22.34			452.42		
22.35	greater than \$2,000,000 but less than or equal to \$2,500,000	\$4,500	452.43	greater than \$2,000,000 but less than or equal to \$2,500,000	\$4,500
22.36			452.44		
22.37	greater than \$2,500,000 but less than or equal to \$3,000,000	\$4,750	453.1	greater than \$2,500,000 but less than or equal to \$3,000,000	\$4,750
22.38			453.2		
22.39	greater than \$3,000,000 but less than or equal to \$3,500,000	\$5,000	453.3	greater than \$3,000,000 but less than or equal to \$3,500,000	\$5,000
22.40			453.4		
22.41	greater than \$3,500,000 but less than or equal to \$4,000,000	\$5,500	453.5	greater than \$3,500,000 but less than or equal to \$4,000,000	\$5,500
22.42			453.6		
22.43	greater than \$4,000,000 but less than or equal to \$4,500,000	\$6,000	453.7	greater than \$4,000,000 but less than or equal to \$4,500,000	\$6,000
22.44			453.8		
22.45	greater than \$4,500,000 but less than or equal to \$5,000,000	\$6,500	453.9	greater than \$4,500,000 but less than or equal to \$5,000,000	\$6,500
22.46			453.10		
23.1	greater than \$5,000,000 but less than or equal to \$7,500,000	\$7,000	453.11	greater than \$5,000,000 but less than or equal to \$7,500,000	\$7,000
23.2			453.12		
23.3	greater than \$7,500,000 but less than or equal to \$10,000,000	\$8,500	453.13	greater than \$7,500,000 but less than or equal to \$10,000,000	\$8,500
23.4			453.14		
23.5	greater than \$10,000,000 but less than or equal to \$12,500,000	\$10,000	453.15	greater than \$10,000,000 but less than or equal to \$12,500,000	\$10,000
23.6			453.16		
23.7	greater than \$12,500,000 but less than or equal to \$15,000,000	\$14,000	453.17	greater than \$12,500,000 but less than or equal to \$15,000,000	\$14,000
23.8			453.18		
23.9	greater than \$15,000,000	\$18,000	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:

Licensed Capacity	License Fee
1 to 24 persons	\$600
25 to 49 persons	\$800
50 to 74 persons	\$1,000
75 to 99 persons	\$1,200
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:

Licensed Capacity	License Fee
1 to 24 persons	\$760
25 to 49 persons	\$960
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:

Licensed Capacity	License Fee
1 to 24 persons	\$600
25 to 49 persons	\$800
50 to 74 persons	\$1,000
75 to 99 persons	\$1,200
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:

Licensed Capacity	License Fee
1 to 24 persons	\$760
25 to 49 persons	\$960
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 245I.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 245I.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 (f) (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 (f) (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:

25.7	Licensed Capacity	License Fee
25.8	1 to 24 persons	\$500
25.9	25 to 49 persons	\$700
25.10	50 to 74 persons	\$900
25.11	75 to 99 persons	\$1,100
25.12	100 or more persons	\$1,300

25.13 (f) (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 (f) (k) A mental health clinic certified under section 245L.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 (f) (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 (f) (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:

455.13	Licensed Capacity	License Fee
455.14	1 to 24 persons	\$500
455.15	25 to 49 persons	\$700
455.16	50 to 74 persons	\$900
455.17	75 to 99 persons	\$1,100
455.18	100 or more persons	\$1,300

455.19 (f) (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 (f) (k) A mental health clinic certified under section 245L.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       (+) (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       (+) (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       (+) (3) the license holder is a church or religious organization;

26.19       (+) (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       (+) (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       (+) (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       (+) (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       (+) (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       (+) (3) the license holder is a church or religious organization;

105.12       (+) (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       (+) (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       (+) (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       ~~(7)~~(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       ~~(8)~~(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       ~~(9)~~(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       ~~(10)~~(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       ~~(11)~~(i) the program is in compliance with local zoning regulations;

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

27.25       ~~(13)~~(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       ~~(14)~~(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       ~~(7)~~(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       ~~(8)~~(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       ~~(9)~~(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       ~~(10)~~(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       ~~(11)~~(i) the program is in compliance with local zoning regulations;

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

106.17       ~~(13)~~(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       ~~(14)~~(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       ~~(3)~~(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       ~~(5)~~(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), (e), 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 ~~(4)~~(d). Each license must operate as a distinct and separate program in  
28.12       compliance with all applicable laws and regulations.

28.13       ~~(6)~~(c) For licenses issued under paragraph (b), (e), (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       ~~(7)~~(d) For a license issued under paragraph (b), (e), 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       ~~(8)~~(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       ~~(3)~~(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       ~~(5)~~(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), (e), 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 ~~(4)~~(d). Each license must operate as a distinct and separate program in  
107.3       compliance with all applicable laws and regulations.

107.4       ~~(6)~~(c) For licenses issued under paragraph (b), (e), (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       ~~(7)~~(d) For a license issued under paragraph (b), (e), 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       ~~(8)~~(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:

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

29.7 (a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form approved developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement 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 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with 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 this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation 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 the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

29.33 (d) When a license holder places an infant under one year of age down to sleep, the 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 a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

30.5 (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this 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:

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

107.30 (a) When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's physician, advanced practice registered nurse, or physician assistant directing an alternative sleeping position for the infant. The physician, advanced practice registered nurse, or physician assistant directive must be on a form approved developed by the commissioner and must remain on file at the licensed location. An infant who independently rolls onto its stomach after being placed to sleep on its back may be allowed to remain sleeping on its stomach if the infant is at least six months of age or the license holder has a signed statement 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 fitted sheet that is appropriate to the mattress size, that fits tightly on the mattress, and overlaps the underside of the mattress so it cannot be dislodged by pulling on the corner of the sheet with reasonable effort. The license holder must not place anything in the crib with the infant except for the infant's pacifier, as defined in Code of Federal Regulations, title 16, part 1511. The pacifier must be free from any sort of attachment. The requirements of this section apply to license holders serving infants younger than one year of age. Licensed child care providers must meet the crib requirements under section 245A.146. A correction order shall not be issued under this paragraph unless there is evidence that a violation 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 the infant to a crib as soon as practicable, and must keep the infant within sight of the license holder until the infant is placed in a crib. When an infant falls asleep while being held, the license holder must consider the supervision needs of other children in care when determining how long to hold the infant before placing the infant in a crib to sleep. The sleeping infant must not be in a position where the airway may be blocked or with anything covering the infant's face.

108.24 (d) When a license holder places an infant under one year of age down to sleep, the 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 a helmet if the license holder has signed documentation by a physician, advanced practice registered nurse, physician assistant, licensed occupational therapist, or licensed physical therapist on a form developed by the commissioner.

108.30 (f) Placing a swaddled infant down to sleep in a licensed setting is not recommended for an infant of any age and is prohibited for any infant who has begun to roll over independently. However, with the written consent of a parent or guardian according to this 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 (f) (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 (f) (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 (f) (g) 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 (f) (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 (f) (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 (f) (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 (f) (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 (f) (g) 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 (f) (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 (f) (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.

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:

### H0238-3

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 ~~(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 ~~(f) (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 individual's most recent conviction;

35.17 (6) if the individual has had a substance use disorder, successful completion of a substance use disorder assessment, substance use disorder treatment, and recommended continuing care, if applicable, demonstrated abstinence from controlled substances, as defined in section 152.01, subdivision 4, or the establishment of a sober network;

35.18 (7) if the individual has had a mental illness or documented mental health issues, demonstrated completion of a mental health evaluation, participation in therapy or other recommended mental health treatment, or appropriate medication management, if applicable;

35.19 (8) if the individual's offense or conduct involved domestic violence, demonstrated completion of a domestic violence or anger management program, and the absence of any orders for protection or harassment restraining orders against the individual since the previous offense or conduct;

35.20 (9) written letters of support from individuals of good repute, including but not limited to employers, members of the clergy, probation or parole officers, volunteer supervisors, or social services workers;

35.21 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior changes; and

35.22 (11) absence of convictions or arrests since the previous offense or conduct, including any convictions that were expunged or pardoned.

35.23 (c) An applicant for a family foster setting license must sign all releases of information requested by the county or private licensing agency.

35.24 (d) When licensing a relative for a family foster setting, the commissioner shall also consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether an application will be denied.

35.25 (e) When recommending that the commissioner deny or revoke a license, the county or private licensing agency must send a summary of the review completed according to paragraph (a), on a form developed by the commissioner, to the commissioner and include 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 individual's most recent conviction;

114.11 (6) if the individual has had a substance use disorder, successful completion of a substance use disorder assessment, substance use disorder treatment, and recommended continuing care, if applicable, demonstrated abstinence from controlled substances, as defined in section 152.01, subdivision 4, or the establishment of a sober network;

114.12 (7) if the individual has had a mental illness or documented mental health issues, demonstrated completion of a mental health evaluation, participation in therapy or other recommended mental health treatment, or appropriate medication management, if applicable;

114.13 (8) if the individual's offense or conduct involved domestic violence, demonstrated completion of a domestic violence or anger management program, and the absence of any orders for protection or harassment restraining orders against the individual since the previous offense or conduct;

114.14 (9) written letters of support from individuals of good repute, including but not limited to employers, members of the clergy, probation or parole officers, volunteer supervisors, or social services workers;

114.15 (10) demonstrated remorse for convictions or conduct, or demonstrated positive behavior changes; and

114.16 (11) absence of convictions or arrests since the previous offense or conduct, including any convictions that were expunged or pardoned.

114.17 (c) An applicant for a family foster setting license must sign all releases of information requested by the county or private licensing agency.

114.18 (d) When licensing a relative for a family foster setting, the commissioner shall also consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether an application will be denied.

114.19 (e) When recommending that the commissioner deny or revoke a license, the county or private licensing agency must send a summary of the review completed according to paragraph (a), on a form developed by the commissioner, to the commissioner and include 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  
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  
under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.  
The requirements in this section are in addition to any applicable requirements for the use  
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  
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  
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  
equipment, or mechanical restraint that holds a person immobile or limits the voluntary  
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  
a prone restraint on any person receiving services in a program, except in the instances  
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  
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,  
a person may be briefly held in a prone restraint for the purpose of applying mechanical  
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  
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  
not implement a restraint on a person receiving services in a program in a way that is  
contraindicated for any of the person's known medical or psychological conditions. Prior  
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  
of the child foster care license.~~

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  
under this chapter, chapters 245D, 245F, 245G, 245H, and sections 245I.20 and 245I.23.  
The requirements in this section are in addition to any applicable requirements for the use  
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  
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  
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  
equipment, or mechanical restraint that holds a person immobile or limits the voluntary  
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  
a prone restraint on any person receiving services in a program, except in the instances  
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  
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,  
a person may be briefly held in a prone restraint for the purpose of applying mechanical  
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  
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  
not implement a restraint on a person receiving services in a program in a way that is  
contraindicated for any of the person's known medical or psychological conditions. Prior  
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 malreatment, 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:

**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:

**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 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 ~~(+) 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 ~~(+) 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 action taken under this chapter against a provider are established in sections 119B.16 and, 61.3 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 (e) (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 action taken under this chapter against a provider are established in sections 119B.16 and, 30.3 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 (e) (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 plan that identifies risks to children served by the child care center. The assessment of risk must include risks presented by (1) the physical plant where the certified services are provided, including electrical hazards; and (2) the environment, including the proximity to busy roads and bodies of water.

65.15 (b) The certification holder must establish policies and procedures to minimize identified risks. After any change to the risk reduction plan, the certification holder must inform staff 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 children, the certification holder must establish policies and procedures to ensure adequate 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 use positive behavior guidance and do not subject children to:

65.25 (1) corporal punishment, including but not limited to rough handling, shoving, hair 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 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, subdivision 15, the commissioner shall establish an administrative reconsideration process 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 plan that identifies risks to children served by the child care center. The assessment of risk must include risks presented by (1) the physical plant where the certified services are provided, including electrical hazards; and (2) the environment, including the proximity to busy roads and bodies of water.

128.1 (b) The certification holder must establish policies and procedures to minimize identified risks. After any change to the risk reduction plan, the certification holder must inform staff 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 children, the certification holder must establish policies and procedures to ensure adequate 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 use positive behavior guidance and do not subject children to:

470.4 (1) corporal punishment, including but not limited to rough handling, shoving, hair 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 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, subdivision 15, the commissioner shall establish an administrative reconsideration process 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 presentation 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 presentation 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.

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 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:

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 475.23 evidence carefully and acts judiciously on a case-by-case basis. A credible allegation of  
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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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 476.3 law enforcement agency to temporarily withhold the notice. The notice must:

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 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       (e) 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       (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  
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 476.26      the commissioner must send notice of the suspension or termination. The notice must:

476.27       (1) state that suspension or termination is the result of the vendor's individual's or entity's  
 476.28      exclusion from Medicare;

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 476.31      reapplying for participation in the program.

477.1       (f) Upon receipt of a notice under paragraph (a) that a monetary recovery or sanction  
 477.2      is to be imposed, a vendor an individual or entity may request a contested case, as defined  
 477.3      in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal.  
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 477.5      date the notification of monetary recovery or sanction was mailed to the vendor individual  
 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.

478.6 (b) The vendor entity must check the exclusion list on a monthly basis and document  
 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.

77.1 **ARTICLE 2**77.2 **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 ~~5.3,~~ 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 ~~5.3,~~ 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.