Senate Language S3045-3

ARTICLE 2

STATE GOVERNMENT POLICY

Section 1. **[1.1466] STATE FOSSIL.**

Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant beaver, or capa in Dakota and amik in Ojibwe, is designated as the official state fossil of the state of Minnesota.

Subd. 2. **Photograph.** A photograph of the giant beaver, approved by the commissioner of natural resources, shall be preserved and may be displayed in the Office of the Secretary of State.

House Language UES3045-2

ARTICLE 2

STATE GOVERNMENT STATUTORY PROVISIONS

H1837-1

ARTICLE 1

STATE GOVERNMENT POLICY

Section 1. **[1.1466] STATE FOSSIL.**

Subdivision 1. **Designation.** *Castoroides ohioensis*, commonly known as the giant beaver, or Capa in Dakota and Amik in Ojibwe, is designated as the official state fossil of the state of Minnesota.

Subd. 2. **Photograph.** A photograph of the giant beaver, approved by the commissioner of natural resources, shall be preserved and may be displayed in the Office of the Secretary of State.

Sec. 2. **[1.1493] STATE CONSTELLATION.**

Ursa Minor is the official constellation of the state of Minnesota.

UES3045-2

Section 1. **[3.021] DEPLOYED MEMBER; PROXY VOTING.**

(a) A member of the legislature who is deployed on military orders may designate another member as a proxy who may cast the vote of the deployed member if the deployed member submits a signed letter to the speaker of the house or president of the senate that:

(1) certifies that the member has been ordered to active military service;

(2) attaches a copy of the orders compelling the member's military service; and

(3) specifies by name the member who is designated as the deployed member's proxy.

(b) The house of representatives and the senate shall adopt rules to implement this section.

H1837-1

Sec. 3. Minnesota Statutes 2024, section 3.303, subdivision 3, is amended to read:

Subd. 3. **Chair and vice-chair.** The chair of the commission alternates between the president of the senate and the speaker of the house ~~of representatives~~ at the start of the regular legislative session in each odd-numbered year. When not serving as chair, the president of the senate or the speaker of the house serves as vice-chair.

Senate Language S3045-3

Sec. 2. Minnesota Statutes 2024, section 3.06, is amended to read:

3.06 OFFICERS AND EMPLOYEES.

Subdivision 1. **Election.** Thereupon, if a quorum is present, the houses shall elect the following officers, any of whom may be removed by resolution of the appointing body.

The senate shall elect a president, who shall be a member of the senate, secretary, a first and a second assistant secretary, an enrolling clerk, an engrossing clerk, a sergeant-at-arms, an assistant sergeant-at-arms, and a chaplain.

The house of representatives shall elect a speaker, who shall be a member of the house of representatives, a chief clerk, a first and a second assistant clerk, an index clerk, a chief sergeant-at-arms, a first and a second assistant sergeant-at-arms, a postmaster, an assistant postmaster, and a chaplain.

Subd. 2. **Successors.** If an officer of the house of representatives or senate resigns or dies, the duties of the officer shall be performed by a successor as provided in the rules of the officer's house until a successor is elected at a regular or special session.

House Language H1837-1

Sec. 4. Minnesota Statutes 2024, section 3.305, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Legislative commission" means a joint commission, committee, or other entity in the legislative branch composed exclusively of members of the senate and the house of representatives.

(b) "Joint offices" means the Revisor of Statutes, Legislative Reference Library, the Office of Legislative Auditor, the Legislative Budget Office, Legislative Coordinating Commission, and any other joint legislative service office.

Sec. 5. Minnesota Statutes 2024, section 3.305, subdivision 9, is amended to read:

Subd. 9. **Joint legislative studies.** The Legislative Coordinating Commission shall oversee and coordinate all joint legislative studies mandated by the legislature and may require regular progress reports to the commission and appropriate standing committees of the house of representatives and the senate. Appropriations for all joint legislative studies except those specifically assigned to an existing legislative office or commission shall be made to the Legislative Coordinating Commission. Responsibility and appropriations for a joint legislative study may be delegated by the Legislative Coordinating Commission to an existing staff office of the house of representatives or senate, a legislative commission, a joint legislative committee or office or a state agency. The office, commission, joint committee, or agency responsible for the study may contract with another agent for assistance.

UES3045-2

Senate Language S3045-3

Sec. 3. Minnesota Statutes 2024, section 3.971, subdivision 2, is amended to read:

Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial Audits Division ~~and~~, a Program Evaluation Division, and a Special Reviews Division to fulfill the duties prescribed in this section.

(b) Each division may be supervised by a deputy auditor, appointed by the legislative auditor, with the approval of the commission, for a term coterminous with the legislative auditor's term. The deputy auditors may be removed before the expiration of their terms only for cause. The legislative auditor and deputy auditors may each appoint an administrative support specialist to serve at pleasure. The salaries and benefits of the legislative auditor, deputy auditors, and administrative support specialists shall be determined by the compensation plan approved by the Legislative Coordinating Commission. The deputy auditors may perform and exercise the powers, duties and responsibilities imposed by law on the legislative auditor when authorized by the legislative auditor.

(c) The legislative auditor, deputy auditors, and administrative support specialists shall serve in the unclassified civil service, but all other employees of the legislative auditor shall serve in the classified civil service. Compensation for employees of the legislative auditor in the classified service shall be governed by a plan prepared by the legislative auditor and approved by the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 3.

(d) While in office, a person appointed deputy for the Financial Audit Division must hold an active license as a certified public accountant.

(e) Notwithstanding section 43A.32, subdivisions 2 and 3, or any other law to the contrary, an employee of the legislative auditor is prohibited from being a candidate for a partisan elected public office.

House Language UES3045-2

Sec. 2. Minnesota Statutes 2024, section 3.099, subdivision 3, is amended to read:

Subd. 3. **Leaders.** The senate Committee on Rules and Administration for the senate and the house of representatives Committee on Rules and Legislative Administration for the house of representatives may each designate for their respective body up to ~~five~~ six leadership positions to receive up to 140 percent of the compensation of other members.

At the commencement of each biennial legislative session, each house of the legislature shall adopt a resolution designating its majority and minority leader.

The majority leader is the person elected by the caucus of members in each house which is its largest political affiliation. The minority leader is the person elected by the caucus which is its second largest political affiliation.

EFFECTIVE DATE. This section is effective retroactively from January 14, 2025.

H1837-1

Sec. 6. Minnesota Statutes 2024, section 3.971, subdivision 2, is amended to read:

Subd. 2. **Staff; compensation.** (a) The legislative auditor shall establish a Financial Audits Division ~~and~~, a Program Evaluation Division, and a Special Reviews Division to fulfill the duties prescribed in this section.

(b) Each division may be supervised by a deputy auditor, appointed by the legislative auditor, with the approval of the commission, for a term coterminous with the legislative auditor's term. The deputy auditors may be removed before the expiration of their terms only for cause. The legislative auditor and deputy auditors may each appoint an administrative support specialist to serve at pleasure. The salaries and benefits of the legislative auditor, deputy auditors, and administrative support specialists shall be determined by the compensation plan approved by the Legislative Coordinating Commission. The deputy auditors may perform and exercise the powers, duties and responsibilities imposed by law on the legislative auditor when authorized by the legislative auditor.

(c) The legislative auditor, deputy auditors, and administrative support specialists shall serve in the unclassified civil service, but all other employees of the legislative auditor shall serve in the classified civil service. Compensation for employees of the legislative auditor in the classified service shall be governed by a plan prepared by the legislative auditor and approved by the Legislative Coordinating Commission and the legislature under section 3.855, subdivision 3.

(d) While in office, a person appointed deputy for the Financial Audit Division must hold an active license as a certified public accountant.

(e) Notwithstanding section 43A.32, subdivisions 2 and 3, or any other law to the contrary, an employee of the legislative auditor is prohibited from being a candidate for a partisan elected public office.

Senate Language S3045-3

Sec. 4. Minnesota Statutes 2024, section 3.971, subdivision 8a, is amended to read:

Subd. 8a. **Special reviews.** The legislative auditor may conduct a special review to: (1) fulfill a legal requirement; (2) investigate allegations that an individual or organization subject to audit by the legislative auditor may not have complied with legal requirements, including but not limited to legal requirements related to the use of public money, other public resources, or government data classified as not public; (3) respond to a legislative request for a review of an organization or program subject to audit by the legislative auditor; ~~or~~ (4) investigate allegations that an individual may not have complied with section 43A.38 or 43A.39; or (5) follow up on a prior special review to assess what changes have occurred.

Sec. 5. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

Subd. 9. **Obligation to notify the legislative auditor.** ~~The chief executive, financial, or information officers~~ (a) An obligated officer of an organization subject to audit under this section must promptly notify the legislative auditor when the officer obtains information indicating that public money or other public resources may have been used for an unlawful purpose, or when the officer obtains information indicating that government data classified by chapter 13 as not public may have been accessed by or provided to a person without lawful authorization. As necessary, the legislative auditor shall coordinate an investigation of the allegation with appropriate law enforcement officials.

(b) For purposes of this subdivision, "obligated officer" means the organization's:

(1) chief executive officer;

(2) deputy and assistant chief executive officers;

(3) chief administrative, chief financial, chief information, and chief investigative officers;

(4) heads of divisions, bureaus, departments, institutes, or other organizational units; and

(5) board chair, where applicable.

House Language H1837-1

Sec. 7. Minnesota Statutes 2024, section 3.971, subdivision 8a, is amended to read:

Subd. 8a. **Special reviews.** The legislative auditor may conduct a special review to: (1) fulfill a legal requirement; (2) investigate allegations that an individual or organization subject to audit by the legislative auditor may not have complied with legal requirements, including but not limited to legal requirements related to the use of public money, other public resources, or government data classified as not public; (3) respond to a legislative request for a review of an organization or program subject to audit by the legislative auditor; ~~or~~ (4) investigate allegations that an individual may not have complied with section 43A.38 or 43A.39; or (5) follow up on a prior special review to assess what changes have occurred.

Sec. 8. Minnesota Statutes 2024, section 3.971, subdivision 9, is amended to read:

Subd. 9. **Obligation to notify the legislative auditor.** ~~The chief executive, financial, or information officers~~ (a) An obligated officer of an organization subject to audit under this section must promptly notify the legislative auditor when the officer obtains information indicating that public money or other public resources may have been used for an unlawful purpose, or when the officer obtains information indicating that government data classified by chapter 13 as not public may have been accessed by or provided to a person without lawful authorization. As necessary, the legislative auditor shall coordinate an investigation of the allegation with appropriate law enforcement officials.

(b) For purposes of this subdivision, "obligated officer" means the organization's:

(1) chief executive officer;

(2) deputy and assistant chief executive officers;

(3) chief administrative, chief financial, chief information, and chief investigative officers;

(4) heads of divisions, bureaus, departments, institutes, or other organizational units; and

(5) board chair, where applicable.

UES3045-2

Sec. 3. Minnesota Statutes 2024, section 3.971, is amended by adding a subdivision to read:

Subd. 10. **Implementation of audit recommendations.** (a) By February 1 each year, as resources permit, the legislative auditor must submit a report to the chairs and ranking minority members of the legislative committees with fiscal jurisdiction over an entity subject to audit under this section. The report must detail whether the entity has implemented any recommendations identified by the legislative auditor during the prior five years in a financial audit, program evaluation, or special review.

(b) By July 1 each year, as resources permit, the legislative auditor must submit a report to designated legislators listing the standing committees in the senate and the house of

representatives to which the legislative auditor did or did not present their reports under paragraph (a) in a public hearing. For purposes of this paragraph, "designated legislators" means the chairs and ranking minority members of the senate Committees on State and Local Government, Rules and Administration, and Finance, and the house of representatives Committees on State Government Finance and Policy, Rules and Legislative Administration, and Ways and Means.

Sec. 4. Minnesota Statutes 2024, section 3.98, subdivision 1, is amended to read:

Subdivision 1. **Preparation; duties.** (a) The head or chief administrative officer of each department or agency of the state government, including the supreme court, shall prepare a fiscal note consistent with the standards and procedures adopted under section 3.8853, at the request of the chair or ranking minority member of the standing committee to which a bill has been referred, ~~or~~ the chair or ranking minority member of the house of representatives Ways and Means Committee, or the chair or ranking minority member of the senate Committee on Finance.

(b) For purposes of this subdivision, "supreme court" includes all agencies, committees, and commissions supervised or appointed by the state supreme court or the state court administrator.

Sec. 5. Minnesota Statutes 2024, section 3.98, subdivision 3, is amended to read:

Subd. 3. **Distribution.** A copy of the fiscal note shall be delivered to the chair or ranking minority member of the Ways and Means Committee of the house of representatives, the chair or ranking minority member of the Finance Committee of the senate, the chair and ranking minority member of the standing committee to which the bill has been referred, ~~to~~ the chief author of the bill, and ~~to~~ the commissioner of management and budget.

Sec. 6. **[4.048] HEALTHY AGING SUBCABINET.**

Subdivision 1. **Establishment.** The Healthy Aging Subcabinet is established in Minnesota Management and Budget. The subcabinet is a distinct entity, separately identifiable from other state agencies and is dedicated to ensuring all people in Minnesota age with dignity and have equitable opportunities for the best possible health and well-being throughout the lifespan.

Subd. 2. **Membership; chair.** The subcabinet consists of the heads of the state agencies that administer policies that impact aging Minnesotans, as determined by the governor in consultation with the director appointed under subdivision 5. The director is the chair of the subcabinet.

Subd. 3. **Purpose.** The purpose of the subcabinet is to:

(1) assist in the design of a statewide planning process for a Minnesota Healthy Aging Plan under subdivision 10;

(2) engage public participation in creating policy solutions for identified challenges and opportunities related to aging in communities and living in one's own home;

(3) identify opportunities within state government to improve quality of life for older adults and promote healthy aging for all Minnesotans; and

(4) serve as a resource to the legislature on policies and practices that will enhance the aging experience for all Minnesotans.

Subd. 4. **Duties.** Led by the director, and in consultation with the Citizens' Engagement Council appointed under subdivision 6, the subcabinet must perform the following duties:

(1) integrate aging-related considerations into state agency planning, decision-making, and measurable outcomes for service delivery processes;

(2) promote the adoption of evidence-based approaches and policies that support healthy aging across the public and private sectors;

(3) ensure that member agencies conduct community engagement to inform strategic plans for each agency;

(4) identify federal and state funding for programs that address the negative impact of social determinants of health and well-being for Minnesotans and those that would significantly benefit from community strategies that prevent or delay disability and that enable quality-of-life outcomes throughout the lifespan;

(5) identify areas of potential savings through economic and community development and resource planning for an aging demographic;

(6) evaluate the impact on healthy aging of current aging-related initiatives in public and private sectors including housing, transit and workforce programs designed for older adults, and community health efforts in order to inform the Minnesota Healthy Aging Plan;

(7) coordinate with local and state agencies and Tribal Nations to analyze the health care delivery system for oral health, chronic and acute health conditions, and palliative and end-of-life care to identify and address access issues throughout Minnesota;

(8) in consultation with Tribal Nations, analyze the extent of family caregiving in private and public sectors to determine the need for greater support through aging policies initiated in the public and private sectors;

(9) in consultation with the ombudsman for long-term care, evaluate the oversight process of long-term care facilities, assisted living residences, and home-care agencies to ensure public safety and accountability;

(10) develop a transparency policy that tracks the use of government funding for long-term care to ensure state funding is used as intended;

(11) monitor and evaluate strategies and findings for progress reports during the planning process to be posted on the subcabinet's website; and

(12) in consultation with the ombudsman for long-term care, evaluate the need for additional long-term care services and training and recruitment of long-term care providers throughout the state.

Subd. 5. **Director; Office of Healthy Aging; staffing; duties.** (a) The governor must appoint a director to establish and lead an Office of Healthy Aging and serve as chair of the Healthy Aging Subcabinet. The director must possess a background in public health, public policy, and community engagement and possess demonstrated knowledge of older adult abilities and needed supports when living at home or in the person's community. The director may have experience working with an aging population. The director's responsibilities at a minimum are to:

(1) lead and coordinate the duties of the Healthy Aging Subcabinet;

(2) initiate and conduct a planning process to develop and adopt the Minnesota Healthy Aging Plan under subdivision 10;

(3) appoint members of, and provide support to, the Citizens' Engagement Council under subdivision 6;

(4) ensure community discussions across public and private sectors and with Tribal governments and the Indian Affairs Council to inform policy recommendations for the Minnesota Healthy Aging Plan under subdivision 10;

(5) ensure that the Minnesota Healthy Aging Plan under subdivision 10 reflects the perspectives of older adults, caregivers, health care and service providers, and advocacy organizations regarding the community development required to support older adults living at home and aging in the community;

(6) explore initiatives that enhance opportunities for an aging adult, regardless of age, income, or ability level, to live in the adult's own home and community if desired and safe;

(7) make efforts to break down silos and work across agencies to better target the state's role in addressing issues impacting aging in Minnesota communities; and

(8) establish and manage external partnerships and build relationships with communities, community leaders, and those who have direct experience with aging to ensure that all voices are represented in the work of the subcabinet, office, and Citizens' Engagement Council.

(b) The director may secure professional development and training opportunities to promote community development initiatives that address aging-related issues and support the Healthy Aging Subcabinet.

(c) The director may hire and compensate out of available funds additional staff as necessary to support the office and conduct the planning process. Staff members must possess relevant expertise and experience in areas such as aging services, policy analysis, community health, and community development and engagement. The director serves in the unclassified service.

Subd. 6. **Citizens' Engagement Council; public engagement.** (a) The director must appoint a Citizens' Engagement Council composed of 20 diverse members from different geographic regions and demographic groups, including older adults, caregivers, elder advocates, the Minnesota area agencies on aging, Tribal Nations, county agencies, nonprofit services, and business sectors. At least ten members of the council must be older adults, caregivers, or elder advocates, and these members may not otherwise represent a specific agency, service, or business sector. The purpose of the council is to:

(1) ensure the voices and perspectives of older adults are included in the recommended initiatives and policies for implementing the Minnesota Healthy Aging Plan under subdivision 10;

(2) provide feedback to the subcabinet on current aging-related programs and services, identifying areas for improvements and innovations; and

(3) provide ongoing input, advice, and strategies for the planning process to engage older Minnesotans and their families.

(b) Except where otherwise provided in this section, the terms, compensation, and removal of council members is governed by section 15.059. A member participating in council activities in the ordinary course of the member's employment is not entitled to compensation from the council.

Subd. 7. **Discretionary powers.** The office may apply for and receive grants from public sources and private foundations, award grants, and enter into contracts subject to applicable law.

Subd. 8. **Staff and administrative support.** The commissioner of management and budget, in coordination with other state agencies and boards as applicable, must provide staffing and administrative support to the Healthy Aging Subcabinet, the Office of Healthy Aging, and the Citizens' Engagement Council.

Subd. 9. **Public awareness.** In order to promote public engagement, the Office of Healthy Aging shall maintain a website and publish annual reports about the work of the office. The office shall also share on its website ideas for how Minnesotans can become involved with and informed on aging issues. By use of this medium, the office shall gather ideas from the public on needed programs for healthy aging in the community.

Subd. 10. **The Minnesota Healthy Aging Plan.** The Office of Healthy Aging must adopt a plan entitled the Minnesota Healthy Aging Plan. A draft plan must be published no later than June 30, 2027, and a final plan must be adopted and published no later than January

15, 2028. The Minnesota Healthy Aging Plan shall include recommendations from the Citizens' Engagement Council and subcabinet members that support the health and well-being of older Minnesotans, their contributions, and their health care needs as follows:

(1) community-based initiatives that support living in one's own home and community if desired, regardless of age, income, or ability level, and as safely, independently, and comfortably as possible;

(2) community-based initiatives with public and private sector funding that provide older adults the choice to remain in and contribute to their communities with needed supports including access to health care and food, independent housing options, opportunities to socialize, innovative residential options for long-term care, and safe and affordable transportation;

(3) public policies that recommend systemwide improvements for safe and affordable housing options and transportation, innovative market-rate housing options, removal of employment barriers and increased opportunities for an aging workforce, outdoor recreational opportunities, broadband communications, and health care that includes mental health and oral health;

(4) public policies that address the current and future demand for home care, assisted living and skilled nursing facilities, and innovations for community-based long-term care services; workforce training, recruitment, and employment opportunities throughout Minnesota; and professional education opportunities for long-term care providers;

(5) public and private sector resource management policies that implement community health strategies to address social determinants of health and well-being;

(6) state agencies' strategic plans that drive innovations for healthy aging in communities across the lifespan;

(7) ongoing aging policy coordination and oversight within state and county agencies and in coordination with Tribal Nations, local communities, and the private sector;

(8) measures to ensure ongoing monitoring and evaluation of the impact of healthy aging policies and programs in order to make improvements and recommend further innovations;

(9) recommendations for full implementation of the Minnesota Healthy Aging Plan that includes administration, staffing, and appropriations; and

(10) measures to evaluate the success and impact of the Minnesota Healthy Aging Plan.

Subd. 11. **Annual report.** By January 15 of each year, the office must submit a report to the governor and the chairs and ranking minority members of the legislative committees with primary jurisdiction over healthy aging policy and funding detailing the activities of the office for the preceding year with legislative recommendations for the coming year.

Sec. 7. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special assistant attorney general whom the attorney general authorizes in writing, has the authority in any county of the state to subpoena and require the production of:

(1) any records of:

(i) telephone companies, cellular phone companies, and paging companies~~,~~;

(ii) subscribers of private computer networks, including Internet service providers or computer bulletin board systems~~,~~;

(iii) electric companies, gas companies, and water utilities~~,~~;

(iv) chemical suppliers~~,~~;

(v) hotels and motels~~,~~;

(vi) pawn shops~~,~~;

(vii) airlines, buses, taxis, and other entities engaged in the business of transporting people~~,~~; and

(viii) freight companies, self-service storage facilities, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery~~, and~~;

(2) wage and employment records;

(3) records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies;

(4) insurance records related to claim settlement; and

(5) banking, credit card, and financial records, including but not limited to a safe deposit, loan and account application and agreement, signature card, statement, check, transfer, account authorization, safe deposit access record, and documentation of fraud, that belong to the subject of an investigation conducted pursuant to the attorney general's authority under section 256B.12, whether the record is held in the investigation subject's name or in another person's name.

(b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 8. Minnesota Statutes 2024, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Management and Budget;

(3) employ professional and clerical staff as necessary;

(4) report to the state board on all operations under the director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy, which is subject to state board approval, relating to the purchase and sale of securities on the basis of competitive offerings or bids;

(7) cause securities acquired to be kept in the custody of the commissioner of management and budget or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library~~, by December 31 of each year,~~ a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year;

(9) include on the state board's website its annual report and an executive summary of its quarterly reports;

(10) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

(11) receive and expend legislative appropriations; and

(12) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 9. Minnesota Statutes 2024, section 11A.07, subdivision 4b, is amended to read:

Subd. 4b. **Annual report.** The report required under subdivision 4, clause (8), must include an executive summary, must be prepared and filed after the completion of the applicable fiscal year audit but no later than March 31 of each year, and must be prepared so as to provide the legislature and the people of the state with:

(1) a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds with assets invested by the state board; and

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Sec. 6. Minnesota Statutes 2024, section 11A.24, is amended by adding a subdivision to read:

Subd. 8. **Contracts.** Section 16C.05, subdivision 8, paragraph (a), clauses (2) and (5), do not apply to contracts entered into by the State Board of Investment related to an investment under this section.

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(2) the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, money managers, and brokerage organizations and the amount of these commissions or other fees.

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Sec. 9. Minnesota Statutes 2024, section 11A.24, is amended by adding a subdivision to read:

Subd. 8. **Contracts.** Section 16C.05, subdivision 8, paragraph (a), clauses (2) and (5), do not apply to contracts entered into by the State Board of Investment related to an investment under this section.

Sec. 10. Minnesota Statutes 2024, section 13.04, subdivision 4, is amended to read:

Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject of the data may contest the accuracy or completeness of public or private data about themselves.

(b) To exercise this right, an individual shall notify in writing the responsible authority of the government entity that maintains the data, describing the nature of the disagreement.

(c) Upon receiving notification from the data subject, the responsible authority shall within 30 days either:

(1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or

(2) notify the individual that the responsible authority has determined the data to be correct. If the challenged data are determined to be accurate or complete, the responsible authority shall inform the individual of the right to appeal the determination to the commissioner as specified under paragraph (d). Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

(d) A data subject may appeal the determination of the responsible authority pursuant to the provisions of the Administrative Procedure Act relating to contested cases. An individual must submit an appeal to the commissioner within 60 days of the responsible authority's notice of the right to appeal or as otherwise provided by the rules of the commissioner. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(e) The commissioner may dismiss an appeal without first attempting to resolve the dispute or before issuing an order and notice of a contested case hearing if:

(1) the appeal to the commissioner is not timely;

(2) the appeal concerns data previously presented as evidence in a court proceeding in which the data subject was a party; or

(3) the individual making the appeal is not the subject of the data challenged as inaccurate or incomplete.

(f) A responsible authority may submit private data to the commissioner to respond to a data subject's appeal of the determination that data are accurate and complete. Section 13.03, subdivision 4, applies to data submitted by the responsible authority. Government data submitted to the commissioner by a government entity, copies of government data submitted by a data subject, or government data described by the data subject in their appeal have the same classification as the data when maintained by the government entity. The commissioner may disclose private data contained within the appeal record to the Office of Administrative Hearings.

~~(f)~~ (g) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a government entity without regard to the requirements of section 138.17.

~~(g)~~ (h) After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

(i) Data maintained by the commissioner that a responsible authority has completed, corrected, or destroyed as the result of the informal resolution process described in paragraph (d) or by order of the commissioner are private data on individuals.

Sec. 11. **[13.357] DATA SHARING.**

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

(b) "Public program" means any program funded by a state or federal agency that involves transfer or disbursement of public funds or other public resources.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud includes acts that constitute a crime against any program, or acts that attempt or conspire to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.

Senate Language S3045-3

Sec. 7. Minnesota Statutes 2024, section 14.48, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A state ~~Office~~ Court of Administrative Hearings is created.

Sec. 8. Minnesota Statutes 2024, section 14.48, subdivision 2, is amended to read:

Subd. 2. **Chief administrative law judge.** (a) The ~~office~~ court shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066.

(b) The chief administrative law judge may hear cases and, in accordance with chapter 43A, shall appoint a deputy chief judge and additional administrative law judges and compensation judges to serve in the ~~office~~ court as necessary to fulfill the duties of the ~~Office~~ Court of Administrative Hearings.

(c) The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. The chief administrative law judge is subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial Standards, and the provisions of the Code of Judicial Conduct.

(d) If a vacancy in the position of chief administrative law judge occurs, an acting or temporary chief administrative law judge must be named as follows:

(1) at the end of the term of a chief administrative law judge, the incumbent chief administrative law judge may, at the discretion of the appointing authority, serve as acting chief administrative law judge until a successor is appointed; and

(2) if at the end of a term of a chief administrative law judge the incumbent chief administrative law judge is not designated as acting chief administrative law judge, or if a vacancy occurs in the position of chief administrative law judge, the deputy chief judge shall immediately become temporary chief administrative law judge without further official action.

(e) The appointing authority of the chief administrative law judge may appoint a person other than the deputy chief judge to serve as temporary chief administrative law judge and may replace any other acting or temporary chief administrative law judge designated pursuant to paragraph (d), clause (1) or (2).

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Subd. 2. **Authority to share data regarding fraud in public programs.** Notwithstanding any provision of law to the contrary specifically prohibiting data sharing, any government entity may disclose data relating to suspected or confirmed fraud in public programs to any other government entity, federal agency, or law enforcement agency if the access would promote the protection of public resources, promote the integrity of public programs, or aid the law enforcement process.

Sec. 12. Minnesota Statutes 2024, section 14.48, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A state ~~Office~~ Court of Administrative Hearings is created.

Sec. 13. Minnesota Statutes 2024, section 14.48, subdivision 2, is amended to read:

Subd. 2. **Chief administrative law judge.** (a) The ~~office~~ court shall be under the direction of a chief administrative law judge who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. Senate confirmation of the chief administrative law judge shall be as provided by section 15.066.

(b) The chief administrative law judge may hear cases and, in accordance with chapter 43A, shall appoint a deputy chief judge and additional administrative law judges and compensation judges to serve in the ~~office~~ court as necessary to fulfill the duties of the ~~Office~~ Court of Administrative Hearings.

(c) The chief administrative law judge may delegate to a subordinate employee the exercise of a specified statutory power or duty as deemed advisable, subject to the control of the chief administrative law judge. Every delegation must be by written order filed with the secretary of state. The chief administrative law judge is subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the Board on Judicial Standards, and the provisions of the Code of Judicial Conduct.

(d) If a vacancy in the position of chief administrative law judge occurs, an acting or temporary chief administrative law judge must be named as follows:

(1) at the end of the term of a chief administrative law judge, the incumbent chief administrative law judge may, at the discretion of the appointing authority, serve as acting chief administrative law judge until a successor is appointed; and

(2) if at the end of a term of a chief administrative law judge the incumbent chief administrative law judge is not designated as acting chief administrative law judge, or if a vacancy occurs in the position of chief administrative law judge, the deputy chief judge shall immediately become temporary chief administrative law judge without further official action.

(e) The appointing authority of the chief administrative law judge may appoint a person other than the deputy chief judge to serve as temporary chief administrative law judge and may replace any other acting or temporary chief administrative law judge designated pursuant to paragraph (d), clause (1) or (2).

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Sec. 9. Minnesota Statutes 2024, section 14.62, subdivision 1, is amended to read:

Subdivision 1. **Writing required.** Every decision and order rendered by an agency in a contested case shall be in writing, shall be based on the record and shall include the agency's findings of fact and conclusions on all material issues. A decision or order that rejects or modifies a finding of fact, conclusion, or recommendation contained in the report of the administrative law judge required under sections 14.48 to 14.56, or requests remand under subdivision 2b, must include the reasons for each rejection ~~or~~, modification, or request for remand. A copy of the decision and order shall be served upon each party or the party's representative and the administrative law judge by first class mail.

Sec. 10. Minnesota Statutes 2024, section 14.62, subdivision 2a, is amended to read:

Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise provided by law, the report or order of the administrative law judge constitutes the final decision in the case unless the agency modifies ~~or rejects it under~~, rejects, or requests remand pursuant to subdivision 1 within 90 days after the record of the proceeding closes under section 14.61. When the agency fails to act within 90 days on a licensing case, the agency must return the record of the proceeding to the administrative law judge for consideration of disciplinary action. In all contested cases where the report or order of the administrative law judge constitutes the final decision in the case, the administrative law judge shall issue findings of fact, conclusions, and an order within 90 days after the hearing record closes under section 14.61. Upon a showing of good cause by a party or the agency, the chief administrative law judge may order a reasonable extension of either of the two 90-day deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief administrative law judge considers a request for reasonable extension so long as the request was filed and served within the applicable 90-day period.

Sec. 11. Minnesota Statutes 2024, section 14.62, is amended by adding a subdivision to read:

Subd. 2b. **Agency request for remand.** (a) An agency may request remand of a finding of fact, conclusion of law, or recommendation within 45 days following the close of the hearing record under section 14.61. Upon a showing of good cause by the agency, the chief administrative law judge may consider a request for remand received after the deadline specified in this provision.

(b) The requesting agency must state with specificity the reasons the agency is requesting remand. If the agency requests remand for additional fact finding, the agency must state with specificity that it is requesting remand for further fact finding, identify the issues for which further fact finding is needed, and explain why further fact finding is necessary to facilitate a fair and just final decision.

(c) The chief judge, or their designee, must accept a request for remand within ten business days if:

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Sec. 14. Minnesota Statutes 2024, section 14.62, subdivision 1, is amended to read:

Subdivision 1. **Writing required.** Every decision and order rendered by an agency in a contested case shall be in writing, shall be based on the record and shall include the agency's findings of fact and conclusions on all material issues. A decision or order that rejects or modifies a finding of fact, conclusion, or recommendation contained in the report of the administrative law judge required under sections 14.48 to 14.56, or requests remand under subdivision 2b, must include the reasons for each rejection ~~or~~, modification, or request for remand. A copy of the decision and order shall be served upon each party or the party's representative and the administrative law judge by first class mail.

Sec. 15. Minnesota Statutes 2024, section 14.62, subdivision 2a, is amended to read:

Subd. 2a. **Administrative law judge decision final; exception.** Unless otherwise provided by law, the report or order of the administrative law judge constitutes the final decision in the case unless the agency modifies ~~or rejects it under~~, rejects, or requests remand pursuant to subdivision 1 within 90 days after the record of the proceeding closes under section 14.61. When the agency fails to act within 90 days on a licensing case, the agency must return the record of the proceeding to the administrative law judge for consideration of disciplinary action. In all contested cases where the report or order of the administrative law judge constitutes the final decision in the case, the administrative law judge shall issue findings of fact, conclusions, and an order within 90 days after the hearing record closes under section 14.61. Upon a showing of good cause by a party or the agency, the chief administrative law judge may order a reasonable extension of either of the two 90-day deadlines specified in this subdivision. The 90-day deadline will be tolled while the chief administrative law judge considers a request for reasonable extension so long as the request was filed and served within the applicable 90-day period.

Sec. 16. Minnesota Statutes 2024, section 14.62, is amended by adding a subdivision to read:

Subd. 2b. **Agency request for remand.** (a) An agency may request remand of a finding of fact, conclusion of law, or recommendation within 45 days following the close of the hearing record under section 14.61. Upon a showing of good cause by the agency, the chief administrative law judge may consider a request for remand received after the deadline specified in this provision.

(b) The requesting agency must state with specificity the reasons the agency is requesting remand. If the agency requests remand for additional fact finding, the agency must state with specificity that it is requesting remand for further fact finding, identify the issues for which further fact finding is needed, and explain why further fact finding is necessary to facilitate a fair and just final decision.

(c) The chief administrative law judge, or their designee, must accept a request for remand within ten business days if:

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(1) the agency rejects a recommendation to grant summary disposition;

(2) a party who had procedurally defaulted during the administrative proceedings seeks to participate; and

(3) following remand from the Minnesota Court of Appeals or Minnesota Supreme Court, or identification of a mathematical or clerical error, the agency identifies a need for additional proceedings before the Court of Administrative Hearings.

(d) The chief judge, or their designee, may accept a request for remand within ten business days for other reasons as justice requires and consistent with section 14.001.

(e) When a request for remand is accepted by the chief judge or their designee, the chief judge or their designee must assign an administrative law judge to conduct further proceedings under this chapter on the issues accepted for remand.

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(1) the agency rejects a recommendation to grant summary disposition;

(2) a party who had procedurally defaulted during the administrative proceedings seeks to participate; or

(3) following remand from the Minnesota Court of Appeals or Minnesota Supreme Court, or identification of a mathematical or clerical error, the agency identifies a need for additional proceedings before the Court of Administrative Hearings.

(d) The chief administrative law judge, or their designee, may accept a request for remand within ten business days for other reasons as justice requires and consistent with section 14.001.

(e) When a request for remand is accepted by the chief administrative law judge or their designee, the chief administrative law judge or their designee must assign an administrative law judge to conduct further proceedings under this chapter on the issues accepted for remand.

Sec. 17. **[15.013] PROGRAM PAYMENTS WITHHELD; FRAUD.**

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

(b) "Credible allegation of fraud" means an allegation of fraud that has been verified by the head of a state agency from any source, including but not limited to fraud complaints; patterns identified through audits, civil cases, law enforcement investigations, or investigations by other state or federal agencies; and court filings and other legal documents, including but not limited to police reports, complaints, indictments, information, affidavits, declarations, and search warrants.

(c) "Fraud" means an intentional or deliberate act to deprive another of property or money or to acquire property or money by deception or other unfair means. Fraud includes intentionally submitting false information to a federal, state, or local government entity for the purpose of obtaining a greater compensation or benefit than that to which the person is legally entitled. Fraud also includes acts which constitute a crime against any program, or the attempts or plans to commit those crimes, including but not limited to theft in violation of section 609.52, perjury in violation of section 609.48, and aggravated forgery and forgery in violation of sections 609.625 and 609.63, and substantially similar federal laws.

(d) "Individual" means a natural person.

(e) "Program" means any program funded by a state or federal agency that involves the transfer or disbursement of public funds or other public resources.

(f) "Program participant" means any entity or individual that receives, disburses, or has custody of funds or other resources transferred or disbursed under a program.

(g) "State agency" means any department or agency of the state as defined in sections 15.01 and 15.012.

Subd. 2. **Withholding of payments.** (a) Except as otherwise authorized and to the extent permitted by federal law, the head of any state agency may withhold payments to a program participant in any program administered by that agency if the agency head determines there is a credible allegation of fraud under investigation and the program participant is a subject of the investigation.

(b) Notwithstanding subdivision 3, the state agency head must send notice of the withholding of payments to the program participant within five days of taking such action. The notice must:

(1) state that payments are being withheld in accordance with this section;

(2) state the reasons for withholding payments, but need not disclose specific information concerning an ongoing investigation;

(3) state that the withholding is for a temporary period and cite the circumstances under which withholding shall be terminated; and

(4) inform the program participant of the right to submit written evidence for consideration by the state agency head.

(c) The withholding of payments shall not continue after the state agency head determines there is insufficient evidence of fraud by the program participant, or after legal proceedings relating to the alleged fraud are completed, unless the state agency head is authorized by law to take additional action against the program participant and complies with all requirements in law to take such action.

(d) The withholding of payments is a temporary action and is not subject to appeal under chapter 14.

Subd. 3. **Data classification and access.** (a) During the payment withholding period under this section, all data relating to a credible allegation of fraud and withholding of payments under this section are classified as: (1) confidential data on individuals pursuant to section 13.02, subdivision 3; or (2) protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals. The agency head may disclose that payments are being withheld from a program participant if the agency head determines that doing so will not compromise an ongoing investigation.

(b) Except for the identity of a complainant, after a determination has been made under subdivision 2, paragraph (c), that withholding of payments shall not continue, all data relating to a credible allegation of fraud and withholding of payments under this section becomes public unless classified otherwise under state or federal law. The identity of a complainant is private.

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Sec. 12. **[15.0143] EXPIRATION OF MULTIMEMBER AGENCIES.**

A commission, task force, working group, advisory council or committee, or other multimember agency, excluding licensing boards, expires within two years of the enactment date of its enabling statute, unless another expiration date is specified in the group's enabling statute.

Sec. 13. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES OR DATA.**

The commissioner or chief executive officer of each state department, board, commission, office, or other agency must ensure that employee and nonemployee concerns about the misuse of public money, other public resources, or government data are promptly directed to one or more of the obligated officers identified in section 3.971, subdivision 9, or the Office of the Legislative Auditor. The commissioner of management and budget must develop a policy to operationalize and standardize the process under this section across state agencies.

Sec. 14. **[15.442] LOCAL NEWS ORGANIZATION ADVERTISING BY STATE AGENCIES.**

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

(b) "Advertising" means paid communication transmitted via newspaper, magazine, radio, television, social media, Internet, or other electronic means to make any person aware of information relevant to an agency or a program or public awareness campaign operated by an agency.

(c) "Agency" means any board, commission, authority, department, entity, or organization of the executive branch of state government. Agency does not include the Minnesota State Colleges and Universities or the Minnesota Zoo.

(d) "Local news organization" means a print, digital, or hybrid publication, or a broadcast television or radio station, that:

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(c) Any state agency may disclose any data classified as confidential or protected nonpublic under this section to any federal, state, or local government agency, or any law enforcement agency, if the state agency determines that access will help prevent fraud against public programs or aid the law enforcement process.

Sec. 18. **[15.0573] REPORTING ALLEGED MISUSE OF PUBLIC RESOURCES OR DATA.**

The commissioner or chief executive officer of each state department, board, commission, office, or other agency must ensure that employee and nonemployee concerns about the misuse of public money, other public resources, or government data are promptly directed to one or more of the obligated officers identified in section 3.971, subdivision 9, or the Office of the Legislative Auditor. The commissioner of management and budget must develop a policy to operationalize and standardize the process under this section across state agencies.

Sec. 19. **[15.0574] ORGANIZATIONAL CHARTS POSTED.**

Each state agency must clearly post on the agency's website a current organizational chart that includes the name and contact information for the agency head, all deputy and assistant agency heads, and the head of each division or bureau within the agency.

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(1) primarily serves the needs of the state of Minnesota or a regional, local, or ethnic community within Minnesota;

(2) primarily has content derived from primary sources relating to news, information, and current events;

(3) employs at least one journalist who resides in Minnesota and who regularly gathers, collects, photographs, records, writes, or reports news or information that concerns local events or other matters of local public interest;

(4) has a known Minnesota-based office of publication or broadcast station where business is transacted during usual business hours with a local telephone number and must list contact information in each updated publication or on their website; and

(5) has not received more than 50 percent of its gross receipts for the previous year from political action committees or other entities described in section 527 of the Internal Revenue Code, or from an organization that maintains section 501(c)(4), 501(c)(5), or 501(c)(6) status under the Internal Revenue Code.

Subd. 2. **State agency advertising.** Agencies are encouraged to direct advertising spending toward local news organizations when practicable and in support of the agency's advertising goals. Advertising primarily targeted at out-of-state residents is not subject to this section. Nothing in this section prevents a state agency from contracting with outside vendors to conduct advertising work.

Subd. 3. **Transparency.** By February 1, 2026, and each year thereafter, all agencies must publish the following information on their website for the previous fiscal year:

(1) the total advertising spending by the agency;

(2) the total percentage of advertising spending in local news organizations; and

(3) the total percentage of advertising spending in local newspapers.

EFFECTIVE DATE. This section is effective August 1, 2025.

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Sec. 20. **[15.761] SAVI PROGRAM.**

Subdivision 1. **Program established.** The state agency value initiative (SAVI) program is established to encourage state agencies to identify cost-effective and efficiency measures in agency programs and operations that result in cost savings for the state. All state agencies, including Minnesota State Colleges and Universities, may participate in this program.

Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative cost savings by state employees, upon approval of the commissioner of management and budget, 50 percent of any appropriations for agency operations that remain unspent at the end of a biennium because of unanticipated innovation, efficiencies, or creative cost-savings may

be carried forward and retained by the agency to fund specific agency proposals or projects. Agencies choosing to spend retained savings funds must ensure that project expenditures do not create future obligations beyond the amounts available from the retained savings. The retained savings must be used only to fund projects that directly support the agency's mission. This section does not restrict authority granted by other law to carry forward money for a different period or for different purposes.

(b) This section supersedes any contrary provision of section 16A.28.

Subd. 3. **Special peer review panel; review process.** (a) Each participating agency must organize a peer review panel that will determine which proposal or project receives funding from the SAVI program. The peer review panel must be comprised of department employees who are credited with cost-savings initiatives and department managers. The ratio between managers and department employees must be balanced.

(b) An agency may spend money for a project recommended for funding by the peer review panel after:

(1) the agency has posted notice of spending for the proposed project on the agency website for at least 30 days; and

(2) the commissioner of management and budget has approved spending money from the SAVI account for the project.

(c) Before approving a project, the commissioner of management and budget must submit the request to the Legislative Advisory Commission for its review and recommendation. Upon receiving a request from the commissioner, the Legislative Advisory Commission shall post notice of the request on a legislative website for at least 30 days. Failure of the commission to make a recommendation within this 30-day period is considered a negative recommendation. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all members entitled to vote on the item.

Subd. 4. **SAVI-dedicated account.** Each agency that participates in the SAVI program shall have a SAVI-dedicated account in the special revenue fund, or other appropriate fund as determined by the commissioner of management and budget, into which the agency's savings are deposited. The agency will manage and review projects that are funded from this account. Money in the account is appropriated to the participating agency for purposes authorized by this section.

Subd. 5. **Expiration.** This section expires June 30, 2030.

EFFECTIVE DATE. This section is effective June 30, 2025, and first applies to funds to be carried forward from the biennium ending June 30, 2025, to the biennium beginning July 1, 2025.

Sec. 15. Minnesota Statutes 2024, section 15B.06, subdivision 1, is amended to read:

Subdivision 1. **Zoning rules.** (a) Under the comprehensive plan, the board may regulate in the Capitol Area:

(1) the kind, character, height, and location of buildings and other structures;

(2) the size of yards and open spaces;

Sec. 21. Minnesota Statutes 2024, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations and determination.** (a) By ~~April~~ September 1 in each ~~odd-numbered~~ even-numbered year, the Compensation Council shall submit to the speaker of the house and the president of the senate salary recommendations for justices of the supreme court, and judges of the court of appeals and district court. The recommended salaries take effect on July 1 of ~~that~~ the next year and July 1 of the subsequent even-numbered year ~~and at whatever interval the council recommends thereafter~~, unless the legislature by law provides otherwise. The salary recommendations take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected.

(b) By April 1 in each odd-numbered year, the Compensation Council must prescribe salaries for constitutional officers, and for the agency and metropolitan agency heads identified in section 15A.0815. The prescribed salary for each office must take effect July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council determines thereafter, unless the legislature by law provides otherwise. An appropriation by the legislature to fund the relevant office, branch, or agency of an amount sufficient to pay the salaries prescribed by the council constitutes a prescription by law as provided in the Minnesota Constitution, article V, sections 4 and 5.

(c) By April 1 in each odd-numbered year, the Compensation Council must prescribe daily compensation for voting members of the Direct Care and Treatment executive board. The recommended daily compensation takes effect on July 1 of that year and July 1 of the subsequent even-numbered year and at whatever interval the council recommends thereafter, unless the legislature by law provides otherwise.

Sec. 22. Minnesota Statutes 2024, section 15A.082, subdivision 7, is amended to read:

Subd. 7. **No ex parte communications.** Members may not have any communication with a constitutional officer, a head of a state agency, a member of the judiciary, or a member of the Direct Care and Treatment executive board during the period after the first meeting is convened under this section and the date the prescribed and recommended salaries and daily compensation are submitted under subdivision 3. This subdivision does not apply to testimony provided to the council in the course of an official council meeting or to other communications when a majority of the members are present. This subdivision does not preclude a member who is an attorney from communicating with an agency head, judge, or justice as necessary to represent a client.

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(3) the percentage of lots to be occupied; and

(4) the uses of land, buildings, and other structures.

(b) The regulation must be done by zoning rules adopted under chapter 14, the Administrative Procedure Act.

(c) Notwithstanding any other provision of this chapter, the board must not impose a rule that specifies a minimum number of motor vehicle parking spaces, including on-street or off-street within a garage or other enclosed area.

Sec. 16. Minnesota Statutes 2024, section 16A.152, subdivision 8, is amended to read:

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of management and budget shall develop and annually review a methodology for evaluating the adequacy of the budget reserve based on the volatility of Minnesota's general fund tax structure. The review must take into consideration relevant statistical and economic literature. After completing the review, the commissioner may revise the methodology if necessary. The commissioner must use the methodology to annually estimate the percentage of the current biennium's general fund nondedicated revenues recommended as a budget reserve.

(b) By ~~September~~ October 30 of each year, the commissioner shall report the percentage of the current biennium's general fund nondedicated revenue that is recommended as a budget reserve to the chairs and ranking minority members of the senate Committee on Finance, the house of representatives Committee on Ways and Means, and the senate and house of representatives Committees on Taxes. The report must also specify:

(1) whether the commissioner revised the recommendation as a result of significant changes in the mix of general fund taxes or the base of one or more general fund taxes;

(2) whether the commissioner revised the recommendation as a result of a revision to the methodology; and

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Sec. 10. Minnesota Statutes 2024, section 16A.057, subdivision 5, is amended to read:

Subd. 5. **Monitoring Office of the Legislative Auditor audits.** (a) The commissioner must review audit reports from the Office of the Legislative Auditor and take appropriate steps to address internal control problems found in executive agencies.

(b) The commissioner must submit a report to the legislative auditor no later than September 1 of each year detailing the implementation status of all recommendations identified in an auditor's financial audit, program evaluation, or special review during the prior five years. The report must include a specific itemization of recommendations that have not been implemented during that period, along with the basis for that decision.

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(3) any additional appropriate information.

Sec. 17. Minnesota Statutes 2024, section 16B.055, subdivision 1, is amended to read:

Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration is designated as the lead agency to carry out all the responsibilities under the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the 21st Century Assistive Technology Act, as provided by Public Law ~~108-364, as amended~~ 117-263. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

(1) State Services for the Blind who has assistive technology expertise;

(2) vocational rehabilitation services who has assistive technology expertise;

(3) the Workforce Development Board; ~~and~~

(4) the Department of Education who has assistive technology expertise~~.~~; and

(5) the Board on Aging.

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Sec. 23. Minnesota Statutes 2024, section 16A.28, subdivision 3, is amended to read:

Subd. 3. **Lapse.** Any portion of any appropriation not carried forward and remaining unexpended and unencumbered at the close of a fiscal year lapses to the fund from which it was originally appropriated. Except as provided in section 15.761, any appropriation amounts not carried forward and remaining unexpended and unencumbered at the close of a biennium lapse to the fund from which the appropriation was made.

EFFECTIVE DATE. This section is effective June 30, 2025.

Sec. 24. Minnesota Statutes 2024, section 16B.055, subdivision 1, is amended to read:

Subdivision 1. **Federal Assistive Technology Act.** (a) The Department of Administration is designated as the lead agency to carry out all the responsibilities under the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the 21st Century Assistive Technology Act, as provided by Public Law ~~108-364, as amended~~ 117-263. Because the existence of this council is required by federal law, this council does not expire.

(b) Except as provided in paragraph (c), the governor shall appoint the membership of the council as required by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the 21st Century Assistive Technology Act ~~of 1998~~, as provided by Public Law ~~108-364, as amended~~ 117-263. The members of the council shall select their chair at the first meeting following their appointment.

(c) After consulting with the appropriate commissioner, the commissioner of administration shall appoint a representative from:

(1) State Services for the Blind who has assistive technology expertise;

(2) vocational rehabilitation services who has assistive technology expertise;

(3) the Workforce Development Board; ~~and~~

(4) the Department of Education who has assistive technology expertise; and

(5) the Board on Aging.

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Sec. 18. Minnesota Statutes 2024, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made, including projects that are exempt under subdivision 1, paragraph (b), must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

(1) capital projects needed to comply with the Americans with Disabilities Act;

(2) asset preservation projects to which section 16B.307 applies;

(3) projects funded by an agency's operating budget; or

(4) projects funded by a capital asset preservation and replacement account under section 16A.632, a higher education asset preservation and replacement account under section 135A.046, or a natural resources asset preservation and replacement account under section 84.946.

Sec. 19. Minnesota Statutes 2024, section 16B.48, subdivision 4, is amended to read:

Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each agency shall reimburse the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs.

(b) The commissioner of administration shall report the rates to be charged for the general services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration.

(c) The commissioner of management and budget shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of management and budget, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days.

(d) All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations,

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Sec. 25. Minnesota Statutes 2024, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made, including projects that are exempt under subdivision 1, paragraph (b), must not proceed until the recipient undertaking the project has notified the chairs and ranking minority members of the senate Capital Investment and Finance Committees and the house of representatives Capital Investment and Ways and Means Committees that the work is ready to begin. Notice is not required for:

(1) capital projects needed to comply with the Americans with Disabilities Act;

(2) asset preservation projects to which section 16B.307 applies;

(3) projects funded by an agency's operating budget; or

(4) projects funded by a capital asset preservation and replacement account under section 16A.632, a higher education asset preservation and replacement account under section 135A.046, or a natural resources asset preservation and replacement account under section 84.946.

Sec. 26. Minnesota Statutes 2024, section 16B.48, subdivision 4, is amended to read:

Subd. 4. **Reimbursements.** (a) Except as specifically provided otherwise by law, each agency shall reimburse the general services revolving funds for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund must include reasonable overhead costs.

(b) The commissioner of administration shall report the rates to be charged for the general services revolving funds no later than ~~July 1~~ September 15 each year to the chair of the committee or division in the senate and house of representatives with primary jurisdiction over the budget of the Department of Administration.

(c) The commissioner of management and budget shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of management and budget, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the commissioner of management and budget, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days.

(d) All reimbursements and other money received by the commissioner of administration under this section must be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 16B.51 at the end of each fiscal year not otherwise needed for present or future operations,

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as determined by the commissioners of administration and management and budget, must be transferred to the general fund.

Sec. 20. Minnesota Statutes 2024, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the enterprise fleet. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the enterprise fleet is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the enterprise fleet any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

(2) the lieutenant governor;

(3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

(4) the Financial Institutions Division and investigative staff of the Department of Commerce;

(5) the Division of Disease Prevention and Control of the Department of Health;

(6) the State Lottery;

(7) criminal investigators of the Department of Revenue;

(8) state-owned community service facilities in Direct Care and Treatment;

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as determined by the commissioners of administration and management and budget, must be transferred to the general fund.

Sec. 27. Minnesota Statutes 2024, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the enterprise fleet. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the enterprise fleet. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the enterprise fleet. The title to all motor vehicles assigned to or purchased or acquired for the enterprise fleet is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the enterprise fleet any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

(2) the lieutenant governor;

(3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;

(4) the Financial Institutions Division and investigative staff of the Department of Commerce;

(5) the Division of Disease Prevention and Control of the Department of Health;

(6) the State Lottery;

(7) criminal investigators of the Department of Revenue;

(8) state-owned community service facilities in Direct Care and Treatment;

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(9) the Office of the Attorney General;

(10) the investigative staff of the Gambling Control Board; ~~and~~

(11) the Department of Corrections inmate community work crew program under section 352.91, subdivision 3g~~.~~; and

(12) the Office of Ombudsman for Long-Term Care.

Sec. 21. **[16B.851] STATE BUILDING RENEWABLE ENERGY; STORAGE; ELECTRIC VEHICLE ACCOUNT.**

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

(b) "Energy storage" means the predesign, design, acquisition, construction, or installation of technology which stores and delivers electric or thermal energy.

(c) "EVSE" means electric vehicle service equipment, including charging equipment and associated infrastructure and site upgrades.

(d) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1, paragraph (c), and the same sources in thermal energy.

(e) "Renewable energy improvement" means the predesign, design, acquisition, construction, or installation of a renewable energy production system or energy storage equipment or system, and associated infrastructure and facilities, that is designed to result in a demand-side net reduction in energy use by the state building's electrical, heating, ventilating, air-conditioning, or hot water systems.

(f) "State agency" has the definition given in section 13.02, subdivision 17, or the designated definition given in section 15.01 and includes the Office of Higher Education, Housing Finance Agency, Pollution Control Agency, and Bureau of Mediation Services. State agency includes agencies, boards, commissions, committees, councils, and authorities as defined in section 15.012.

(g) "State building" means a building or facility owned by the state of Minnesota.

Subd. 2. **Account established.** A state building renewable energy, storage, and electric vehicle account is established in the special revenue fund to provide funds to state agencies to:

(1) design, construct, and equip renewable energy improvement and renewable energy storage projects at state buildings;

(2) purchase state fleet electric vehicles in accordance with section 16C.135;

(3) purchase and install EVSE and related infrastructure; and

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(9) the Office of the Attorney General;

(10) the investigative staff of the Gambling Control Board; ~~and~~

(11) the Department of Corrections inmate community work crew program under section 352.91, subdivision 3g~~.~~; and

(12) the Office of Ombudsman for Long-Term Care.

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(4) carry out management of the program by the commissioner.

Subd. 3. **Account management.** The commissioner shall manage and administer the state building renewable energy, storage, and electric vehicle account.

Subd. 4. **Accepting funds.** (a) The commissioner shall be responsible for making application to the federal government on behalf of the state of Minnesota for state projects eligible for elective payments under sections 6417 and 6418 of the Internal Revenue Code, as added by Public Law 117-169, 136 Statute 1818, the Inflation Reduction Act of 2022.

(b) The commissioner may apply for, receive, and expend money made available from federal, state, or other sources for the purposes of carrying out the duties in this section.

(c) Notwithstanding section 16A.72, all funds received under this subdivision are deposited into the state building renewable energy, storage, and electric vehicle account and appropriated to the commissioner for the purposes of subdivision 2 and as permitted under this section.

(d) Money in the state building renewable energy, storage, and electric vehicle account does not cancel and is available until expended.

Subd. 5. **Applications.** A state agency applying for state building renewable energy, storage, EVSE, and electric fleet vehicle funds must submit an application to the commissioner on a form, in the manner, and at the time prescribed by the commissioner.

Subd. 6. **Treatment of certain payments received from federal government.** (a) Federal payments received for eligible renewable energy improvement and storage projects, and EVSE projects, made with appropriations from general obligation bonds, may be transferred to the state bond fund, if consistent with federal treasury regulations.

(b) Federal payments received for eligible electric fleet vehicle purchases by the Department of Administration's fleet division must be transferred to the motor pool revolving account established in section 16B.54, subdivision 8.

(c) Federal payments received for eligible electric fleet vehicle purchases made directly by a state agency shall be transferred to the fund from which the purchase was made.

(d) When obligated to fulfill financing agreements, federal payments received for eligible renewable energy improvements shall be transferred to the appropriate agency.

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

Sec. 22. Minnesota Statutes 2024, section 16B.97, subdivision 1, is amended to read:

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

~~A grant agreement is~~ (1) "grant agreement" means a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the

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Sec. 28. Minnesota Statutes 2024, section 16B.97, subdivision 1, is amended to read:

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

~~A grant agreement is~~ (1) "grant agreement" means a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the

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principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency~~.~~; and

(2) "grantee" means a potential or current recipient of a state-issued grant.

(b) This section does not apply to general obligation grants as defined by section 16A.695 ~~and~~, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642, all of which are subject to the policies and procedures adopted by the commissioner of management and budget and other requirements specified in applicable law.

Sec. 23. Minnesota Statutes 2024, section 16B.97, is amended by adding a subdivision to read:

Subd. 6. **Grants management training.** All state agency staff assigned grant management responsibilities must complete initial grants management training before assuming grants management job duties and must complete continuing grants management training on an annual basis.

Sec. 24. Minnesota Statutes 2024, section 16B.98, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree ~~to minimize~~ that administrative costs must be necessary and reasonable. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

(b) This section does not apply to general obligation grants as defined by section 16A.695 and also capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Sec. 25. Minnesota Statutes 2024, section 16B.98, subdivision 4, is amended to read:

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants is ~~encouraged~~ required to report the violation or suspected violation to the employee's supervisor, the commissioner or the commissioner's designee, or the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. The auditor's report to the Legislative Audit Commission under this section must disclose only the number and type of violations alleged. An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

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principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency; and

(2) "grantee" means a potential or current recipient of a state-issued grant.

(b) This section does not apply to general obligation grants as defined by section 16A.695 ~~and~~, capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Sec. 29. Minnesota Statutes 2024, section 16B.98, subdivision 1, is amended to read:

Subdivision 1. **Limitation.** (a) As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree ~~to minimize~~ that administrative costs must be necessary and reasonable. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

(b) This section does not apply to general obligation grants as defined by section 16A.695 and also capital project grants to political subdivisions as defined by section 16A.86, or capital project grants otherwise subject to section 16A.642.

Sec. 30. Minnesota Statutes 2024, section 16B.98, subdivision 4, is amended to read:

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants ~~is encouraged to~~ must promptly report the violation or suspected violation to the employee's supervisor or manager, the commissioner or the commissioner's designee, or the legislative auditor. If the state employee notifies the employee's supervisor or manager, or the commissioner or the commissioner's designee, then the supervisor, manager, commissioner, or commissioner's designee must notify the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. ~~The auditor's report to the Legislative Audit Commission under this section must disclose only the number and type of violations alleged.~~ An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

Sec. 31. Minnesota Statutes 2024, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement and amendments are not valid and do not bind unless:

(1) the grant agreement and amendments have been executed by the head of the agency or a delegate who is party to the grant;

(2) the grant agreement and amendments have been approved by the commissioner;

(3) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner except as provided in subdivision 11; and

(4) the grant agreement and amendments include an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices. As determined by the commissioner, grant agreements must require the grantee to clearly post on the grantee's website the names of, and contact information for, the organization's leadership and the employee or other person who directly manages and oversees the grant for the grantee.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Sec. 26. Minnesota Statutes 2024, section 16B.981, subdivision 4, is amended to read:

Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency requires additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement, the agency must give the grantee ~~30 business~~ 15 calendar days within which the grantee can respond to the agency for the purpose of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the concerns.

(b) If, after performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information

Sec. 32. Minnesota Statutes 2024, section 16B.981, subdivision 4, is amended to read:

Subd. 4. **Agency authority to not award grant.** (a) If, while performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, the agency requires additional information to determine whether there is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant agreement, the agency must give the grantee ~~30 business~~ 15 calendar days within which the grantee can respond to the agency for the purpose of satisfying the agency's concerns or work with the agency to develop a plan to satisfy the concerns.

(b) If, after performing the required steps in subdivision 2 and pursuant to sections 16B.97, 16B.98, and 16B.991, and after reviewing any additional requested information

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from the grantee, the agency still has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the agency must either create a plan to satisfy remaining concerns with the grantee or must not award the grant.

(c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive, single-source, or sole-source grant, the agency must provide notification to the grantee and the commissioner of administration of the determination. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision, and notify the applicant of the process for contesting the agency's decision ~~with the agency and the applicant's options~~ under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~

(d) The final decision by an agency under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 30 ~~business~~ calendar days of the date of written notification of a final decision by the agency.

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~ The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

Sec. 27. Minnesota Statutes 2024, section 16B.991, subdivision 2, is amended to read:

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines

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from the grantee, the agency still has concerns that there is a substantial risk that a potential grantee cannot or would not perform the required duties under the grant agreement, the agency must either create a plan to satisfy remaining concerns with the grantee or must not award the grant.

(c) If, pursuant to paragraphs (a) and (b), the agency does not award a competitive, single-source, or sole-source grant, the agency must provide notification to the grantee and the commissioner of administration of the determination. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision, and notify the applicant of the process for contesting the agency's decision ~~with the agency and the applicant's options~~ under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~

(d) The final decision by an agency under paragraph (c) may be challenged as a contested case under chapter 14. The contested case proceeding must be initiated within 30 ~~business~~ calendar days of the date of written notification of a final decision by the agency.

(e) If, pursuant to paragraphs (a) and (b), the agency does not award a legislatively named grant, the agency must delay award of the grant until adjournment of the next regular or special legislative session for action from the legislature. The agency must provide notification to the potential grantee, the commissioner of administration, and the chairs and ranking minority members of the Ways and Means Committee in the house of representatives and the chairs and ranking minority members of the Finance Committee in the senate. The notification to the grantee must include the agency's reason for postponing or forgoing the grant, including information sufficient to explain and support the agency's decision and notify the applicant of the process for contesting the agency's decision under paragraph (d). ~~If the applicant contests the agency's decision no later than 15 business days after receiving the notice, the agency must consider any additional written information submitted by the grantee. The agency has 15 business days to consider this information, during which the agency may reverse or modify the agency's initial decision to postpone or forgo the grant.~~ The notification to the commissioner of administration and legislators must identify the legislatively named potential grantee and the agency's reason for postponing or forgoing the grant. After hearing the concerns of the agency, the legislature may reaffirm the award of the grant or reappropriate the funds to a different legislatively named grantee. Based on the action of the legislature, the agency must award the grant to the legislatively named grantee. If the legislature does not provide direction to the agency on the disposition of the grant, the funds revert to the original appropriation source.

Sec. 33. Minnesota Statutes 2024, section 16B.991, subdivision 2, is amended to read:

Subd. 2. **Authority.** A grant agreement must by its terms permit the commissioner to unilaterally terminate the grant agreement prior to completion if the commissioner determines

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that further performance under the grant agreement would not serve agency purposes or performance under the grant agreement is not in the best interests of the state.

Sec. 28. Minnesota Statutes 2024, section 16C.05, is amended by adding a subdivision to read:

Subd. 8. **Unenforceable terms.** (a) A contract entered into by the state shall not contain a term that:

(1) requires the state to defend, indemnify, or hold harmless another person or entity, unless specifically authorized by statute;

(2) binds a party by terms and conditions that may be unilaterally changed by the other party;

(3) requires mandatory arbitration;

(4) attempts to extend arbitration obligations to disputes unrelated to the original contract;

(5) construes the contract in accordance with the laws of a state other than Minnesota;

(6) obligates state funds in subsequent fiscal years in the form of automatic renewal as defined in section 325G.56; or

(7) is inconsistent with chapter 13, the Minnesota Government Data Practices Act.

(b) If a contract is entered into that contains a term prohibited in paragraph (a), that term shall be void and the contract is enforceable as if it did not contain that term.

(c) The commissioner shall post a copy of this section on its website.

Sec. 29. **[16C.0715] REQUIRED TERM IN FEDERAL CONTRACTS.**

A contract between the state or a state agency and a federal government entity for the state to administer the dispersion of federal funds must authorize the state to withhold payments to a recipient of the federal money when a state official or employee has a reasonable suspicion that the recipient has secured the payment through an intentional or deceptive act to gain an unlawful benefit.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts executed on or after that date.

Sec. 30. Minnesota Statutes 2024, section 16C.137, subdivision 2, is amended to read:

Subd. 2. ~~**Report**~~ **Evaluation.** (a) The commissioner of administration, in collaboration with the commissioners of the Pollution Control Agency, the Departments of Agriculture, Commerce, Natural Resources, and Transportation, and other state departments, must evaluate the goals and directives established in this section and ~~report~~ include their findings ~~to the governor and the appropriate committees of the legislature by February 1 of each odd-numbered year~~ in the public dashboard under section 16B.372. In the ~~report~~ public

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that further performance under the grant agreement would not serve agency purposes or performance under the grant agreement is not in the best interests of the state.

Sec. 34. Minnesota Statutes 2024, section 16C.05, is amended by adding a subdivision to read:

Subd. 8. **Unenforceable terms.** (a) A contract entered into by the state shall not contain a term that:

(1) requires the state to defend, indemnify, or hold harmless another person or entity, unless specifically authorized by statute;

(2) binds a party by terms and conditions that may be unilaterally changed by the other party;

(3) requires mandatory arbitration;

(4) attempts to extend arbitration obligations to disputes unrelated to the original contract;

(5) construes the contract in accordance with the laws of a state other than Minnesota;

(6) obligates state funds in subsequent fiscal years in the form of automatic renewal, as defined in section 325G.56, subdivision 2; or

(7) is inconsistent with chapter 13, the Minnesota Government Data Practices Act.

(b) If a contract is entered into that contains a term prohibited in paragraph (a), that term shall be void and the contract is enforceable as if it did not contain that term.

(c) The commissioner shall post a copy of this section on the department's website.

Sec. 35. Minnesota Statutes 2024, section 16C.137, subdivision 2, is amended to read:

Subd. 2. ~~**Report**~~ **Evaluation.** (a) The commissioner of administration, in collaboration with the commissioners of the Pollution Control Agency, the Departments of Agriculture, Commerce, Natural Resources, and Transportation, and other state departments, must evaluate the goals and directives established in this section and ~~report~~ include their findings ~~to the governor and the appropriate committees of the legislature by February 1 of each odd-numbered year~~ in the public dashboard under section 16B.372. In the ~~report~~ public

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dashboard, the commissioner must make recommendations for new or adjusted goals, directives, or legislative initiatives, in light of the progress the state has made implementing this section and the availability of new or improved technologies.

(b) The Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section.

Sec. 31. Minnesota Statutes 2024, section 16C.16, subdivision 2, is amended to read:

Subd. 2. **Small business.** The commissioner shall adopt the size standards for ~~"small business" found in Code of Federal Regulations, title 49, section 26.65,~~ a small business for purposes of sections 16C.16 to 16C.21, 137.31, 137.35, 161.321, and 473.142, provided that the business has its principal place of business in Minnesota. The commissioner may use the definition for "small business" in the Code of Federal Regulations, title 49, section 26.65, or may adopt another standard.

Sec. 32. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a 12 percent preference for specified goods or services to small targeted group businesses.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to small businesses or small targeted group businesses if the commissioner determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small businesses or small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.~~

Sec. 33. Minnesota Statutes 2024, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a 12 percent preference, but no less than the percentage awarded to any other group under

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dashboard, the commissioner must make recommendations for new or adjusted goals, directives, or legislative initiatives, in light of the progress the state has made implementing this section and the availability of new or improved technologies.

(b) The Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section.

Sec. 36. Minnesota Statutes 2024, section 16C.16, subdivision 6, is amended to read:

Subd. 6. **Purchasing methods.** (a) The commissioner may award up to a 12 percent preference for specified goods or services to small targeted group businesses.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to small businesses or small targeted group businesses if the commissioner determines that at least three small businesses or small targeted group businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small businesses or small targeted group businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses or small targeted group businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of small business or small targeted group business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses or small targeted group businesses.~~

Sec. 37. Minnesota Statutes 2024, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a 12 percent preference, but no less than the percentage awarded to any other group under

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this section, on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a veteran-owned small business if the commissioner determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a veteran-owned small business. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.~~

(e) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(f) Before the commissioner certifies that a small business is majority-owned and operated by a veteran, the commissioner of veterans affairs must verify that the owner of the small business is a veteran, as defined in section 197.447.

Sec. 34. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to a 12 percent preference on state procurement to small businesses located in an economically disadvantaged area.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business located in an economically disadvantaged area without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if the commissioner determines that at least three small businesses located in an economically disadvantaged area are likely to respond to a solicitation.

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this section, on state procurement to certified small businesses that are majority-owned and operated by veterans.

(b) The commissioner may award a contract for goods, services, or construction directly to a veteran-owned small business without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a veteran-owned small business if the commissioner determines that at least three veteran-owned small businesses are likely to respond to a solicitation.

(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a veteran-owned small business. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.~~

(e) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(f) Before the commissioner certifies that a small business is majority-owned and operated by a veteran, the commissioner of veterans affairs must verify that the owner of the small business is a veteran, as defined in section 197.447.

Sec. 38. Minnesota Statutes 2024, section 16C.16, subdivision 7, is amended to read:

Subd. 7. **Economically disadvantaged areas.** (a) The commissioner may award up to a 12 percent preference on state procurement to small businesses located in an economically disadvantaged area.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business located in an economically disadvantaged area without going through a competitive solicitation process up to a total contract award value, including extension options, of $100,000.

(c) The commissioner may designate a purchase of goods or services for award only to a small business located in an economically disadvantaged area if the commissioner determines that at least three small businesses located in an economically disadvantaged area are likely to respond to a solicitation.

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(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a small business located in an economically disadvantaged area. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors that are small businesses located in an economically disadvantaged area and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses located in an economically disadvantaged area.~~

(e) A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a certified rehabilitation facility or extended employment provider as described in chapter 268A.

(f) The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as border city enterprise zones under section 469.166 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

(g) The Department of Revenue shall gather data necessary to make the determinations required by paragraph (e), clause (1), and shall annually certify counties that qualify under paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

Sec. 35. Minnesota Statutes 2024, section 16D.09, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) When a debt is determined by a state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, that may be available for payment of the debt are insufficient, (6) the debt has been

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(d) The commissioner, as a condition of awarding a construction contract or approving a contract for professional or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to a small business located in an economically disadvantaged area. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small businesses located in an economically disadvantaged area are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors that are small businesses located in an economically disadvantaged area and financial penalties for prime contractors who fail to meet goals under this paragraph. ~~The subcontracting requirements of this paragraph do not apply to prime contractors who are small businesses located in an economically disadvantaged area.~~

(e) A business is located in an economically disadvantaged area if:

(1) the owner resides in or the business is located in a county in which the median income for married couples is less than 70 percent of the state median income for married couples;

(2) the owner resides in or the business is located in an area designated a labor surplus area by the United States Department of Labor; or

(3) the business is a certified rehabilitation facility or extended employment provider as described in chapter 268A.

(f) The commissioner may designate one or more areas designated as targeted neighborhoods under section 469.202 or as border city enterprise zones under section 469.166 as economically disadvantaged areas for purposes of this subdivision if the commissioner determines that this designation would further the purposes of this section. If the owner of a small business resides or is employed in a designated area, the small business is eligible for any preference provided under this subdivision.

(g) The Department of Revenue shall gather data necessary to make the determinations required by paragraph (e), clause (1), and shall annually certify counties that qualify under paragraph (e), clause (1). An area designated a labor surplus area retains that status for 120 days after certified small businesses in the area are notified of the termination of the designation by the United States Department of Labor.

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discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) Uncollectible debt must be reported by the state agency as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds $100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 36. Minnesota Statutes 2024, section 43A.231, subdivision 3, is amended to read:

Subd. 3. **Procurement of a pharmacy benefit manager.** (a) Notwithstanding any law to the contrary, the commissioner of management and budget shall procure a contract for the services of a pharmacy benefit manager to administer the prescription drug benefit and pharmacy benefit management services, effective January 1, 2023. For subsequent procurements, if the commissioner intends to separate prescription drug benefit and pharmacy benefit management services into multiple vendors or intends to fold prescription drug benefits into the overall medical benefit, rather than a single full-service pharmacy benefit manager, this section shall not apply.

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

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

(1) common definitions;

(2) prescription drug classifications;

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

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

discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt.

(b) Uncollectible debt must be reported by the state agency as part of its quarterly reports to the commissioner of management and budget. The basis for the determination of the uncollectibility of the debt must be maintained by the state agency. If an uncollectible debt equals or exceeds $100,000, the agency shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over the state agency's budget at the time the debt is determined to be uncollectible. The information reported shall contain the entity associated with the uncollected debt, the amount of the debt, the revenue type, the reason the debt is considered uncollectible, and the duration the debt has been outstanding. The commissioner of management and budget shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over Minnesota Management and Budget an annual summary of the number and dollar amount of debts determined to be uncollectible during the previous fiscal year by ~~October 31~~ November 30 of each year. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

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

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

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

(g) The commissioner must perform annual market checks on pharmacy benefit manager services performed by the pharmacy benefit manager during the term of the contract. A market check performed under this paragraph may include an evaluation of the effect of alternative drug pricing metrics, such as the national average drug acquisition cost and average wholesale price, on the cost of prescription drugs and savings to the state.

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

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

Sec. 37. Minnesota Statutes 2024, section 43A.231, subdivision 4, is amended to read:

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

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

(2) automatically adjudicate prescription drug claims; and

(3) collect data on pharmacy reimbursement.

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

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

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

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

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

(3) simultaneously evaluate~~, within six hours,~~ diverse and complex multiple proposals from full-service pharmacy benefit managers that shall include at least guaranteed net cost, Average Wholesale Price and National Average Drug Acquisition Cost (NADAC) pricing models, as well as proposals from pharmacy benefit administrators and specialty drug and rebate carve-out services providers; and

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

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

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

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

(1) a pharmacy benefit manager;

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

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

(e) ~~The vendor who is awarded the contract under this subdivision must not subcontract any part of the reverse auction process or the review described under paragraph (b), clause (5).~~ The commissioner shall also hire a vendor to perform an electronic, line-by-line, claim-by-claim review of all invoiced pharmacy benefit manager claims that allows for an online comparison of pharmacy benefit manager invoices and identifies all deviations from the specific terms of the services contract resulting from the reverse auction. The claim review vendor and the platform vendor may be the same or they may be distinct.

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Sec. 38. Minnesota Statutes 2024, section 43A.231, subdivision 6, is amended to read:

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

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

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

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

Sec. 39. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

(iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the retiree's death.

(d) A spouse of a person eligible under paragraph (a) who is a dependent under the retired employee's coverage may purchase the coverage listed in this subdivision if the retired employee loses eligibility for coverage because the retired employee enrolls in medical assistance under chapter 256B and has a disability that meets the categorical eligibility requirements of the Supplemental Security Income program.

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Sec. 40. Minnesota Statutes 2024, section 43A.27, subdivision 3, is amended to read:

Subd. 3. **Retired employees.** (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

(iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the retiree's death.

(d) A spouse of a person eligible under paragraph (a) who is a dependent under the retired employee's coverage may purchase the coverage listed in this subdivision if the retired employee loses eligibility for coverage because the retired employee enrolls in medical assistance under chapter 256B and has a disability that meets the categorical eligibility requirements of the Supplemental Security Income program.

Senate Language S3045-3

~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

House Language H1837-1

~~(d)~~ (e) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 41. Minnesota Statutes 2024, section 151.741, subdivision 5, is amended to read:

Subd. 5. **Insulin repayment account; annual transfer from health care access fund.** (a) The insulin repayment account is established in the special revenue fund in the state treasury. Money in the account is appropriated each fiscal year to the commissioner of administration to reimburse manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h), and to cover costs incurred by the commissioner in providing these reimbursement payments.

(b) By June 30, 2025, and each June 30 thereafter, the commissioner of administration shall certify to the commissioner of management and budget the total amount expended in the prior fiscal year for:

(1) reimbursement to manufacturers for insulin dispensed under the insulin safety net program in section 151.74, in accordance with section 151.74, subdivisions 3, paragraph (h), and 6, paragraph (h); and

(2) costs incurred by the commissioner of administration in providing the reimbursement payments described in clause (1).

(c) The commissioner of management and budget shall transfer from the health care access fund to the ~~special revenue fund~~ insulin repayment account, beginning July 1, 2025, and each July 1 thereafter, an amount equal to the amount to which the commissioner of administration certified pursuant to paragraph (b).

Sec. 42. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision to read:

Subd. 3a. **Fraud.** "Fraud" means an intentional or deceptive act, or failure to act, to gain an unlawful benefit.

Sec. 43. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision to read:

Subd. 4a. **Misuse.** "Misuse" means the improper use of authority or position for personal gain or to cause harm to others, including the improper use of public resources or programs contrary to their intended purpose.

Sec. 44. Minnesota Statutes 2024, section 181.931, is amended by adding a subdivision to read:

Subd. 5a. **Personal gain.** "Personal gain" means a benefit to a person; a person's spouse, parent, child, or other legal dependent; or an in-law of the person or the person's child.

Sec. 45. Minnesota Statutes 2024, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, penalize, interfere with, threaten, restrain, coerce, or otherwise retaliate or discriminate against an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(1) the employee, or a person acting on behalf of an employee, in good faith, reports a violation, suspected violation, or planned violation of any federal or state law or common law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(2) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(3) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason;

(4) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm;

(5) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official; or

(6) ~~an employee in the classified service of state government~~ a state employee communicates information that the employee, in good faith, believes to be truthful and accurate, and that relates to state ~~services, including the financing of state services~~ programs, services, or financing, including but not limited to fraud or misuse within state programs, services, or financing, to:

Senate Language S3045-3

Sec. 40. Minnesota Statutes 2024, section 240.131, subdivision 7, is amended to read:

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

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

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(i) a legislator or the legislative auditor; ~~or~~

(ii) a constitutional officer~~.~~;

(iii) an employer;

(iv) any governmental body; or

(v) a law enforcement official.

The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law.

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Sec. 11. Minnesota Statutes 2024, section 240.131, subdivision 7, is amended to read:

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

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

Sec. 12. Minnesota Statutes 2024, section 256B.12, is amended to read:

256B.12 LEGAL REPRESENTATION.

The attorney general or the appropriate county attorney appearing at the direction of the attorney general shall be the attorney for the state agency, and the county attorney of the appropriate county shall be the attorney for the local agency in all matters pertaining hereto. To prosecute under this chapter or sections ~~609.466 and~~ 609.467 and 609.52, subdivision 2, or to recover payments wrongfully made under this chapter, the attorney general or the appropriate county attorney, acting independently or at the direction of the attorney general may institute a criminal or civil action.

Senate Language S3045-3

Sec. 41. Minnesota Statutes 2024, section 349A.01, is amended by adding a subdivision to read:

Subd. 13a. **Responsible lottery official.** "Responsible lottery official" means an officer, director, or owner of an organization, firm, partnership, or corporation that have oversight of lottery ticket sales.

Sec. 42. Minnesota Statutes 2024, section 349A.06, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) The director may not contract with a ~~retailer~~ sole proprietor to be a lottery retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes $500 or more in delinquent taxes as defined in section 270C.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(5) is a member of the immediate family, residing in the same household, as the director or any employee of the lottery;

(6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(7) is a currency exchange, as defined in section 53A.01.

~~A contract entered into before August 1, 1990, which violates clause (7) may continue in effect until its expiration but may not be renewed.~~

(b) The director may not contract with an organization, firm, partnership, or corporation to be a lottery retailer that:

(1) has a responsible lottery official who: (i) is under the age of 18; (ii) owes $500 or more in delinquent taxes as defined in section 270C.72; or (iii) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

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EFFECTIVE DATE. This section is effective August 1, 2025.

Sec. 17. Minnesota Statutes 2024, section 349A.01, is amended by adding a subdivision to read:

Subd. 13a. **Responsible lottery official.** "Responsible lottery official" means the officers, directors, or owners of an organization, firm, partnership, or corporation that have oversight of lottery ticket sales.

Sec. 18. Minnesota Statutes 2024, section 349A.06, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** (a) The director may not contract with a retailer who is a sole proprietor who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes $500 or more in delinquent taxes as defined in section 270C.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(5) is a member of the immediate family, residing in the same household, as the director or any employee of the lottery;

(6) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(7) is a currency exchange, as defined in section 53A.01.

~~A contract entered into before August 1, 1990, which violates clause (7) may continue in effect until its expiration but may not be renewed.~~

(b) The director may not contract with a retailer that is an organization, firm, partnership, or corporation that:

(1) has a responsible lottery official who:

(i) is under the age of 18;

(ii) owes $500 or more in delinquent taxes as defined in section 270C.72; or

(iii) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

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(2) ~~An organization, firm, partnership, or corporation that~~ has a stockholder who owns more than five percent of the business or the stock of the corporation, a responsible lottery official, an officer, or a director, ~~that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section~~ who is a member of the immediate family of, or resides in the same household as, the director or any employee of the lottery;

(3) is in business solely as a seller of lottery tickets;

(4) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(5) is a currency exchange, as defined in section 53A.01.

~~(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.~~

Sec. 43. Minnesota Statutes 2024, section 349A.06, subdivision 4, is amended to read:

Subd. 4. **Criminal history.** (a) Upon the director's request, an applicant for a lottery retailer contract must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and required fees to the director or the Bureau of Criminal Apprehension. Upon receipt of this information, the director must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension.

(b) After receiving this information, the bureau must conduct a Minnesota criminal history records check of the individual. The bureau is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau shall return the results of the Minnesota and national criminal history records checks to the director to determine the individual's compliance with the requirements of subdivision 2.

(c) The director shall request a Minnesota and national criminal history check for any sole proprietor or responsible lottery official who applies to be a lottery retailer who (1) has not undergone a check under this section within the past seven years or (2) has had any lapse in its contracts to sell lottery tickets.

(d) The director may request the director of alcohol and gambling enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2. The director may issue a temporary contract, valid for

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~~An organization, firm, partnership, or corporation that~~ (2) has a stockholder who owns more than five percent of the business or the stock of the corporation, a responsible lottery official, an officer, or a director, that ~~does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section~~ is a member of the immediate family, residing in the same household, as the director or any employee of the lottery; or

(3)(i) is in business solely as a seller of lottery tickets;

(ii) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery; or

(iii) is a currency exchange, as defined in section 53A.01.

~~(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.~~

Sec. 19. Minnesota Statutes 2024, section 349A.06, subdivision 4, is amended to read:

Subd. 4. **Criminal history.** ~~The director may request the director of alcohol and gambling enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2.~~

(a) Upon the director's request, an applicant for a lottery retailer contract must submit a completed criminal history records check consent form, a full set of classifiable fingerprints, and required fees to the director or the Bureau of Criminal Apprehension. Upon receipt of the information, the director must submit the completed criminal history records check consent form, full set of classifiable fingerprints, and required fees to the Bureau of Criminal Apprehension.

(b) After receiving the information, the bureau must conduct a Minnesota criminal history records check of the individual. The bureau is authorized to exchange the fingerprints with the Federal Bureau of Investigation to obtain the applicant's national criminal history record information. The bureau must return the results of the Minnesota and national criminal history records checks to the director to determine the individual's compliance with the requirements of subdivision 2.

(c) The director must request a Minnesota and national criminal history records check for any sole proprietor or responsible lottery official that applies to be a lottery retailer and (1) has not undergone a check under this section within the past seven years, or (2) has had any lapse in a contract to sell lottery tickets.

(d) The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section. The director has access to all criminal history data compiled by the

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not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section. The director has access to all criminal history data compiled by the director of alcohol and gambling enforcement and the Bureau of Criminal Apprehension on (1) any person holding or applying for a retailer contract, (2) any person holding a lottery vendor contract or who has submitted a bid on such a contract, and (3) any person applying for employment with the lottery.

Sec. 44. Minnesota Statutes 2024, section 349A.06, subdivision 11, is amended to read:

Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a) The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) ~~has~~ is a sole proprietor or has a responsible lottery official who has been convicted of a felony or gross misdemeanor in any jurisdiction in the United States;

(2) ~~has~~ is a sole proprietor or has a responsible lottery official who has committed ~~fraud, misrepresentation, or deceit~~ any crime involving fraud or misrepresentation, or a gambling-related offense in any jurisdiction in the United States;

(3) has provided false or misleading information to the lottery; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case

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~~director of alcohol and gambling enforcement~~ Bureau of Criminal Apprehension on (1) any person holding or applying for a retailer contract, (2) any person holding a lottery vendor contract or who has submitted a bid on such a contract, and (3) any person applying for employment with the lottery.

Sec. 20. Minnesota Statutes 2024, section 349A.06, subdivision 11, is amended to read:

Subd. 11. **Cancellation, suspension, and refusal to renew contracts or locations.** (a) The director shall cancel the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) has a sole proprietor or responsible lottery official that has been convicted of a felony or gross misdemeanor in any jurisdiction in the United States;

(2) has a sole proprietor or responsible lottery official that has committed any crime involving fraud~~,~~ or misrepresentation, or ~~deceit~~ a gambling-related offense in any jurisdiction in the United States;

(3) has provided false or misleading information to the lottery; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer or prohibit a lottery retailer from selling lottery tickets at a business location who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to file a bond, securities, or a letter of credit as required under subdivision 3;

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or

(8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract or prohibit a lottery retailer from selling lottery tickets at a business location if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, refusal to renew, or prohibiting a lottery retailer from selling lottery tickets at a business location under this subdivision is a contested case

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under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

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under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract or temporarily prohibit a lottery retailer from selling lottery tickets at a business location without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or prohibition or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension or prohibition taking effect, the suspension or prohibition becomes permanent unless the director vacates or modifies the order.

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Sec. 46. Minnesota Statutes 2024, section 471.6985, subdivision 2, is amended to read:

Subd. 2. **If ~~$350,000~~ $750,000 sales, audited statement.** Any city operating a municipal liquor store with total annual sales in excess of ~~$350,000~~ $750,000 shall submit to the state auditor audited financial statements for the liquor store that have been attested to by a certified public accountant or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may extend the deadline upon request of a city and a showing of inability to conform. The state auditor may accept this report in lieu of the report required by subdivision 1.

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

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Sec. 21. **[609.467] MEDICAL ASSISTANCE FRAUD.**

Subdivision 1. **Medical assistance fraud prohibited.** A person who intentionally presents, submits, tenders, offers, or participates in the preparation of a claim for payment, claim for reimbursement, cost report, or rate application relating to the payment of medical assistance funds under chapter 256B knowing or having reason to know that any part of the claim, report, or application is false is guilty of medical assistance fraud and may be sentenced as provided in subdivision 2.

Subd. 2. **Penalties.** Whoever violates subdivision 1 may be sentenced as follows:

(1) to imprisonment of not more than 20 years, payment of a fine of not more than $100,000, or both if the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is more than $35,000;

(2) to imprisonment of not more than ten years, payment of a fine of not more than $20,000, or both if:

(i) the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is more than $5,000 but not more than $35,000; or

(ii) the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is not more than $5,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.247; 609.52; 609.522; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(3) to imprisonment of not more than five years, payment of a fine of not more than $10,000, or both if the part of any claim for payment, claim for reimbursement, cost report, or rate application submitted, tendered, or offered that is false is not more than $5,000.

Subd. 3. **Aggregation.** The total of all claims for payment, claims for reimbursement, cost reports, and rate applications submitted, tendered, or offered in violation of subdivision 1 within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of subdivision 2. When the same person commits two or more offenses in two or more counties, the accused may be prosecuted for all of the offenses aggregated under this subdivision in any county in which one of the offenses was committed.

Subd. 4. **Venue.** Notwithstanding anything to the contrary in section 627.01, a violation of this section may be prosecuted in:

(1) the county where any part of the offense occurred; or

(2) the county where the entity who received a claim for payment, claim for reimbursement, cost report, or rate application is located.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2024, section 609.52, subdivision 2, is amended to read:

Subd. 2. **Acts constituting theft.** (a) Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a

superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

~~(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or~~

~~(iv)~~ (iii) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

~~(v)~~ (iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without

first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed-upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed-upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least $100.

Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or

obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in clauses (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(A) made or was aware of the connection; and

(B) was aware that the connection was unauthorized;

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent; or

(18) intentionally, and without claim of right, takes motor fuel from a retailer without the retailer's consent and with intent to deprive the retailer permanently of possession of the fuel by driving a motor vehicle from the premises of the retailer without having paid for the fuel dispensed into the vehicle; or

(19) commits wage theft under subdivision 1, clause (13).

(b) Proof that the driver of a motor vehicle into which motor fuel was dispensed drove the vehicle from the premises of the retailer without having paid for the fuel permits the factfinder to infer that the driver acted intentionally and without claim of right, and that the driver intended to deprive the retailer permanently of possession of the fuel. This paragraph does not apply if: (1) payment has been made to the retailer within 30 days of the receipt of notice of nonpayment under section 604.15; or (2) a written notice as described in section 604.15, subdivision 4, disputing the retailer's claim, has been sent. This paragraph does not apply to the owner of a motor vehicle if the vehicle or the vehicle's license plate has been reported stolen before the theft of the fuel.

EFFECTIVE DATE. This section is effective August 1, 2025, and applies to crimes committed on or after that date.

Sec. 23. Minnesota Statutes 2024, section 628.26, is amended to read:

628.26 LIMITATIONS.

(a) Indictments or complaints for any crime resulting in the death of the victim may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for a violation of section 609.25 may be found or made at any time after the commission of the offense.

(c) Indictments or complaints for violation of section 609.282 may be found or made at any time after the commission of the offense if the victim was under the age of 18 at the time of the offense.

(d) Indictments or complaints for violation of section 609.282 where the victim was 18 years of age or older at the time of the offense, or 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.322, 609.342 to 609.345, and 609.3458 may be found or made at any time after the commission of the offense.

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Sec. 45. **REVIEW OF MULTIMEMBER AGENCIES.**

By February 1, 2026, the Legislative Coordinating Commission must report to the chairs and ranking minority members of the committees in the senate and the house of representatives with jurisdiction over state government, listing all multimember agencies, excluding licensing boards; identifying their enabling statutes; specifying the expiration date of the group; listing the dates of the group's most recent three meetings; and describing the group's duties and the work product of the group over the past year. The report should

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(f) Indictments or complaints for violation of sections ~~609.466~~ 609.467 and 609.52, subdivision 2, paragraph (a), clause (3), item (iii), shall be found or made and filed in the proper court within six years after the commission of the offense.

(g) Indictments or complaints for violation of section 609.2335, 609.52, subdivision 2, paragraph (a), clause (3), items (i) and (ii), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, or for violation of section 609.527 where the offense involves eight or more direct victims or the total combined loss to the direct and indirect victims is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(h) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(i) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

(j) Indictments or complaints for violation of section 609.746 shall be found or made and filed in the proper court within the later of three years after the commission of the offense or three years after the offense was reported to law enforcement authorities.

(k) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

(l) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

(m) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

(n) The limitations periods contained in this section shall not include any period of time during which physical evidence relating to the offense was undergoing DNA analysis, as defined in section 299C.155, unless the defendant demonstrates that the prosecuting or law enforcement agency purposefully delayed the DNA analysis process in order to gain an unfair advantage.

EFFECTIVE DATE. This section is effective August 1, 2025.

make note of any groups that the Legislative Coordinating Commission determines are redundant or unnecessary.

Sec. 46. **TASK FORCE ON BEST LEGISLATIVE PRACTICES FOR APPROPRIATING MONEY FOR GRANTS.**

Subdivision 1. **Membership.** (a) The Task Force on Best Legislative Practices for Appropriating Money for Grants consists of nine members appointed as follows:

(1) two members appointed by the majority leader of the senate, one of whom must be designated by the majority leader to convene the first meeting of the task force;

(2) two members appointed by the minority leader of the senate;

(3) two members appointed by the speaker of the house of representatives;

(4) two members appointed by the speaker emerita of the house of representatives; and

(5) one member appointed by the Minnesota Council of Nonprofits.

(b) Appointees must have knowledge and expertise in the legislative process, legislative appropriations, and government grantmaking. A person affiliated with an organization that has received a grant of state money in the past three years or is likely to seek a grant of state money in the current or next biennium is not eligible to be appointed to the task force.

(c) Current legislators are not eligible to be appointed to the task force.

(d) Appointments must be made by August 15, 2025.

Subd. 2. **Chair; meetings.** The first meeting of the task force must be convened by September 15, 2025, by the member designated by the senate majority leader. The members must select a chair from among their members at their first meeting.

Subd. 3. **Compensation; expense reimbursement.** Members will be compensated and reimbursed for expenses, as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 4. **Duties.** The task force must develop recommendations and advice to the legislature for best practices for appropriating money for grants and for determining when to appropriate money through competitive grant programs, when to appropriate money for a grant to a named organization, and when services could best be procured through a contracting process under Minnesota Statutes, chapter 16C. In developing the recommendations and advice, the task force should consider the following:

(1) whether grants that are made traditionally or perennially to named grantees warrant a different process for selection than grants to grantees that do not receive perennial state funding, with consideration of the importance of correcting inequities in services for communities who have been historically underrepresented or underserved, the unique role

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that a perennially named grantee may have to provide valued services, and the dependence that grantees may have on state funding;

(2) past efforts to change legislative practices related to grantmaking; past efforts to provide agencies with processes around administration of grants, including Minnesota Statutes, section 16B.981; and the degree to which measures enacted applicable to agencies can be adapted for the legislature's process for selection of named grant recipients;

(3) guidelines that may assist legislators in making choices about whether to appropriate money to be administered through a competitive grant program, to a named organization, or through a contract for services awarded through a procurement process under Minnesota Statutes, chapter 16C; and

(4) other states' practices for appropriating money through competitive grants and through grants to named organizations.

Subd. 5. **Administrative support; meeting space.** The Legislative Coordinating Commission must provide meeting space and administrative support for the task force.

Subd. 6. **Report.** The task force must report to the chairs and ranking minority members of the committee on finance in the senate and the committee on ways and means in the house of representatives by January 31, 2026, with the recommendations and advice developed under subdivision 4.

Subd. 7. **Expiration.** The task force expires January 31, 2026, or the day after delivering the report required under subdivision 6, whichever is earlier.

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Sec. 47. **2025 COMPENSATION COUNCIL REVIVED.**

The Compensation Council appointed under Minnesota Statutes, section 15A.082, in 2025 is revived on June 1, 2026, and expires upon the council's submission of judicial salary recommendations in accordance with Minnesota Statutes, section 15A.082, subdivision 3, paragraph (a), as amended in section 21.

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Sec. 24. **OPEN POSITIONS REPORT.**

The commissioner of management and budget must report the number of posted executive branch job openings that have gone unfilled for at least six months. The commissioner's report must identify such openings by agency and job title, and identify which specific job titles or classes take longest to fill on average and those that experience the most turnover. No later than February 1, 2026, August 1, 2026, and February 1, 2027, the commissioner

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Sec. 47. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "Office of Administrative Hearings" to "Court of Administrative Hearings" wherever the term appears in Minnesota Statutes. The revisor of statutes shall also change the term "office" to "court" wherever the term "office" appears and refers to the Office of Administrative Hearings in Minnesota Statutes.

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must submit this report to the chairs and ranking minority members of the legislative committees with jurisdiction over state government finance and policy.

Sec. 25. **INTEGRATING APPLICATION INFORMATION AND A REFERRAL PROCESS FOR THE TRANSIT ASSISTANCE PROGRAM ON THE MNBENEFITS WEB PORTAL.**

No later than June 30, 2026, the commissioner of children, youth, and families, in consultation with Metro Transit and the commissioners of transportation, human services, and Minnesota IT Services, must integrate application information and a referral process for the transit assistance program administered by Metro Transit into the MNbenefits web portal. Metro Transit and the Metropolitan Council must continue to process applications for the transit assistance program after application information and a referral process are integrated into the MNbenefits web portal.

Sec. 26. **STATUE REPLACEMENT.**

The commissioner of administration may accept private funds, submit a request to the Joint Committee on the Library of Congress, and erect a new statue in Statuary Hall in the United States Capitol, including removing an existing statue from Statuary Hall and transporting it to Minnesota, recasting an existing statue in Minnesota, and transporting and installing the new statue in Statuary Hall. All money accepted by the commissioner under this section must be deposited in a dedicated account in the special revenue fund and is appropriated to the commissioner for purposes of this section. The account expires on January 1, 2028, with any money remaining in the account at that time appropriated to the State Arts Board for purposes of the programs and activities authorized under Minnesota Statutes, chapter 129D.

EFFECTIVE DATE. This section is effective the day after the chief clerk of the house of representatives and the secretary of the senate jointly notify the revisor of statutes and the commissioner of administration that the state has satisfied the requirements for a statue replacement request under United States Code, title 2, chapter 30, section 2132.

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Sec. 48. **REVISOR INSTRUCTION.**

The revisor of statutes shall change the term "Office of Administrative Hearings" to "Court of Administrative Hearings" wherever the term appears in Minnesota Statutes. The revisor of statutes shall also change the term "office" to "court" wherever the term "office" appears and refers to the Office of Administrative Hearings in Minnesota Statutes.

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Sec. 48. **REPEALER.**

Subdivision 1. **Political and campaign provisions.** Minnesota Statutes 2024, sections 211B.06; and 211B.08, are repealed.

Subd. 2. **Model ordinance for outdoor lighting.** Minnesota Statutes 2024, section 16B.328, subdivision 2, is repealed.

Subd. 3. **Reorganization services under master contract.** Minnesota Statutes 2024, section 16C.36, is repealed.

Subd. 4. **Legislative auditor.** Minnesota Statutes 2024, section 16B.45, is repealed.

Subd. 5. **Administrative costs for grants.** Minnesota Statutes 2024, section 16B.98, subdivision 14, is repealed.

THIS IS ALSO IN ARTICLE 4

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Sec. 27. **REVISOR INSTRUCTION.**

The revisor of statutes must replace each reference to section 609.466 in Minnesota Statutes with a reference to section 609.467.

EFFECTIVE DATE. This section is effective August 1, 2025.

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Sec. 49. **REPEALER.**

Subd. 4. **Fair campaign practices.** Minnesota Statutes 2024, sections 211B.06; and 211B.08, are repealed.

Subd. 3. **Department of Administration.** Minnesota Statutes 2024, sections 16B.328, subdivision 2; and 16C.36, are repealed.

Subd. 2. **Office of the Legislative Auditor.** Minnesota Statutes 2024, section 16B.45, is repealed.

Subdivision 1. **Legislative commissions.** (a) Minnesota Statutes 2024, sections 3.8842; and 3.8845, are repealed.

(b) Laws 2019, First Special Session chapter 3, article 2, section 34, as amended by Laws 2020, chapter 100, section 22; and Laws 2022, chapter 50, article 3, section 2, are repealed.

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Sec. 28. **REPEALER.**

Subdivision 1. **Employee gainsharing.** Minnesota Statutes 2024, section 16A.90, is repealed.

Subd. 2. **Advisory Council on Infrastructure.** Minnesota Statutes 2024, sections 16B.356; 16B.357; 16B.358; and 16B.359, are repealed.

Subd. 3. **CPA substantial equivalence.** Minnesota Rules, part 1105.7900, item D, is repealed.

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Subd. 4. **Medical assistance fraud.** Minnesota Statutes 2024, section 609.466, is repealed.

EFFECTIVE DATE. Subdivision 3 is effective the day following final enactment. Subdivision 4 is effective August 1, 2025.