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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **5242**

- 04/02/2024 Authored by Hornstein, Tabke and Koegel
- 04/24/2024 The bill was read for the first time and referred to the Committee on Transportation Finance and Policy
- 04/26/2024 Adoption of Report: Amended and re-referred to the Committee on Ways and Means
- 04/26/2024 Adoption of Report: Placed on the General Register as Amended
- 04/30/2024 Read for the Second Time
- 04/30/2024 Calendar for the Day
- 05/01/2024 Bill was laid on the Table
- 05/01/2024 Bill was taken from the Table
- 05/01/2024 Read Third Time as Amended
- 05/01/2024 Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to state government; appropriating money for a supplemental budget for

1.3 the Department of Transportation, Department of Public Safety, and the

1.4 Metropolitan Council; modifying prior appropriations; modifying various provisions

1.5 related to transportation and public safety, including but not limited to an intensive

1.6 driver testing program, greenhouse gas emissions, electric-assisted bicycles, high

1.7 voltage transmission, railroad safety, and transit; establishing civil penalties;

1.8 establishing an advisory committee; labor and industry; making supplemental

1.9 appropriation changes to labor provisions; modifying combative sports regulations,

1.10 construction codes and licensing, Bureau of Mediation provisions, public employee

1.11 labor relations provisions, miscellaneous labor provisions, broadband and pipeline

1.12 safety, employee misclassification, and minors appearing in internet content;

1.13 housing; modifying prior appropriations; establishing new programs and modifying

1.14 existing programs; expanding eligible uses of housing infrastructure bonds;

1.15 authorizing the issuance of housing infrastructure bonds; establishing a working

1.16 group and a task force; authorizing rulemaking; requiring reports; appropriating

1.17 money; amending Minnesota Statutes 2022, sections 13.6905, by adding a

1.18 subdivision; 15.082; 116J.395, subdivision 6; 161.14, by adding subdivisions;

1.19 161.45, by adding subdivisions; 161.46, subdivision 1; 168.09, subdivision 7;

1.20 168.092; 168.301, subdivision 3; 168A.10, subdivision 2; 168A.11, subdivision

1.21 1; 169.011, by adding subdivisions; 169.21, subdivision 6; 169.222, subdivisions

1.22 6a, 6b; 169A.55, subdivision 4; 171.306, subdivisions 1, 8; 174.02, by adding a

1.23 subdivision; 174.75, subdivisions 1, 2, by adding a subdivision; 177.27, subdivision

1.24 3; 179A.12, subdivision 5; 181.171, subdivision 1; 181.722; 181.723; 181.960,

1.25 subdivision 3; 181A.03, by adding subdivisions; 216B.17, by adding a subdivision;

1.26 216E.02, subdivision 1; 221.0255, subdivisions 4, 9, by adding subdivisions;

1.27 270B.14, subdivision 17, by adding a subdivision; 299J.01; 299J.02, by adding a

1.28 subdivision; 299J.04, subdivision 2; 299J.11; 326B.081, subdivisions 3, 6, 8;

1.29 326B.082, subdivisions 1, 2, 4, 6, 7, 10, 11, 13, by adding a subdivision; 326B.701;

1.30 326B.802, subdivision 13; 326B.89, subdivisions 1, 5; 341.28, by adding a

1.31 subdivision; 341.29; 462A.02, subdivision 10; 462A.03, by adding subdivisions;

1.32 462A.05, subdivisions 3b, 14a, 14b, 15, 15b, 21, 23; 462A.07, by adding

1.33 subdivisions; 462A.202, subdivision 3a; 462A.21, subdivisions 7, 8b; 462A.222,

1.34 by adding a subdivision; 462A.35, subdivision 2; 462A.37, by adding a subdivision;

1.35 462A.40, subdivisions 2, 3; 462C.02, subdivision 6; 469.012, subdivision 2j;

1.36 473.13, by adding a subdivision; 473.3927; 626.892, subdivision 10; Minnesota

1.37 Statutes 2023 Supplement, sections 116J.871, subdivision 1, as amended; 161.178;

1.38 161.46, subdivision 2; 168.1259; 169.011, subdivision 27; 169A.44, subdivision

2.1 1; 171.0705, subdivision 2; 171.13, subdivision 1; 174.38, subdivisions 3, 6;
 2.2 174.634, subdivision 2, by adding a subdivision; 177.27, subdivisions 1, 2, 4, 7;
 2.3 177.42, subdivision 2; 179A.041, subdivision 10; 179A.06, subdivision 6; 179A.07,
 2.4 subdivisions 8, 9; 179A.10, subdivision 2; 179A.12, subdivisions 2a, 6, 11; 219.015,
 2.5 subdivision 2; 326B.106, subdivision 1; 326B.802, subdivision 15; 341.25; 341.28,
 2.6 subdivision 5; 341.30, subdivision 4; 341.321; 341.33, by adding a subdivision;
 2.7 341.355; 462A.05, subdivisions 14, 45; 462A.22, subdivision 1; 462A.37,
 2.8 subdivisions 2, 5; 462A.39, subdivision 2; 473.4051, by adding a subdivision;
 2.9 477A.35, subdivisions 1, 2, 4, 5, 6, by adding a subdivision; Laws 2021, First
 2.10 Special Session chapter 5, article 1, section 2, subdivision 2; Laws 2023, chapter
 2.11 37, article 1, section 2, subdivisions 1, 2, 17, 29, 32; article 2, section 12,
 2.12 subdivision 2; Laws 2023, chapter 52, article 19, section 120; Laws 2023, chapter
 2.13 53, article 19, sections 2, subdivisions 1, 3, 5; 4; proposing coding for new law in
 2.14 Minnesota Statutes, chapters 116J; 161; 168; 169; 171; 174; 181; 181A; 219; 325F;
 2.15 462A; 469; 504B; repealing Minnesota Statutes 2022, sections 116J.398; 168.1297;
 2.16 179.81; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; 179.85; Minnesota
 2.17 Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250; 5520.0300;
 2.18 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620; 5520.0700;
 2.19 5520.0710; 5520.0800; 7410.6180.

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

2.21 **ARTICLE 1**

2.22 **TRANSPORTATION APPROPRIATIONS**

2.23 Section 1. **TRANSPORTATION APPROPRIATIONS.**

2.24 The sums shown in the columns marked "Appropriations" are added to the appropriations
 2.25 in Laws 2023, chapter 68, article 1, to the agencies and for the purposes specified in this
 2.26 article. The appropriations are from the trunk highway fund, or another named fund, and
 2.27 are available for the fiscal years indicated for each purpose. Amounts for "Total
 2.28 Appropriation" and sums shown in the corresponding columns marked "Appropriations by
 2.29 Fund" are summary only and do not have legal effect. Unless specified otherwise, the
 2.30 amounts in fiscal year 2025 under "Appropriations by Fund" are added to the base within
 2.31 the meaning of Minnesota Statutes, section 16A.11, subdivision 3, by fund. The figures
 2.32 "2024" and "2025" used in this article mean that the appropriations listed under them are
 2.33 available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "Each
 2.34 year" is each of fiscal years 2024 and 2025.

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

2.39 **Sec. 2. DEPARTMENT OF**
 2.40 **TRANSPORTATION**

| | | | | |
|-------------------------------------------------------|------------------|-------------------|------------------|--------------------------|
| 2.41 <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>-0-</u> | <u>\$</u> | <u>91,500,000</u> |
|-------------------------------------------------------|------------------|-------------------|------------------|--------------------------|

3.1 Appropriations by Fund

| | <u>2024</u> | <u>2025</u> |
|----------------------------|-------------|-------------------|
| 3.3 <u>General</u> | <u>-0-</u> | <u>9,000,000</u> |
| 3.4 <u>Trunk Highway</u> | <u>-0-</u> | <u>78,750,000</u> |
| 3.5 <u>Special Revenue</u> | <u>-0-</u> | <u>3,750,000</u> |

3.6 The appropriations in this section are to the
 3.7 commissioner of transportation.

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

3.11 Subd. 2. State Roads

| | | |
|--------------------------------------------|------------|------------------|
| 3.12 <u>(a) Operations and Maintenance</u> | <u>-0-</u> | <u>1,300,000</u> |
|--------------------------------------------|------------|------------------|

3.13 \$300,000 in fiscal year 2025 is for rumble
 3.14 strips under Minnesota Statutes, section
 3.15 161.1258.

3.16 \$1,000,000 in fiscal year 2025 is for
 3.17 landscaping improvements under the
 3.18 Department of Transportation's community
 3.19 roadside landscape partnership program, with
 3.20 prioritization of tree planting as feasible.

| | | |
|-----------------------------------------------|------------|------------------|
| 3.21 <u>(b) Program Planning and Research</u> | <u>-0-</u> | <u>3,800,000</u> |
|-----------------------------------------------|------------|------------------|

3.22 \$3,000,000 in fiscal year 2025 is for
 3.23 implementation and development of statewide
 3.24 and regional travel demand modeling related
 3.25 to the requirements under Minnesota Statutes,
 3.26 section 161.178. This is a onetime
 3.27 appropriation and is available until June 30,
 3.28 2026.

3.29 \$800,000 in fiscal year 2025 is for one or more
 3.30 grants to metropolitan planning organizations
 3.31 outside the metropolitan area, as defined in
 3.32 Minnesota Statutes, section 473.121,
 3.33 subdivision 2, for modeling activities related
 3.34 to the requirements under Minnesota Statutes,

4.1 section 161.178. This is a onetime
 4.2 appropriation.

4.3 **Subd. 3. Small Cities** -0- 9,000,000

4.4 \$9,000,000 in fiscal year 2025 is from the
 4.5 general fund for the small cities assistance
 4.6 program under Minnesota Statutes, section
 4.7 162.145. This appropriation must be allocated
 4.8 and distributed in the July 2024 payment. This
 4.9 is a onetime appropriation.

4.10 **Subd. 4. Trunk Highway 65** -0- 1,000,000

4.11 \$1,000,000 in fiscal year 2025 is from the
 4.12 trunk highway fund for one or more grants to
 4.13 the city of Blaine, Anoka County, or both, for
 4.14 predesign and design of intersection safety
 4.15 improvements along marked Trunk Highway
 4.16 65 from the interchange with marked U.S.
 4.17 Highway 10 to 99th Avenue Northeast in the
 4.18 city of Blaine. This is a onetime appropriation.

4.19 **Subd. 5. Mississippi Skyway Trail Bridge** -0- 3,750,000

4.20 Notwithstanding the requirements under
 4.21 Minnesota Statutes, section 174.38,
 4.22 subdivision 3, paragraph (a), this appropriation
 4.23 is from the active transportation account in
 4.24 the special revenue fund for a grant to the city
 4.25 of Ramsey for design, environmental analysis,
 4.26 site preparation, and construction of the
 4.27 Mississippi Skyway Trail Bridge over marked
 4.28 U.S. Highways 10 and 169 in Ramsey to
 4.29 provide for a grade-separated crossing by
 4.30 pedestrians and nonmotorized vehicles. This
 4.31 is a onetime appropriation.

4.32 **Subd. 6. High-Priority Bridge** -0- 40,000,000

4.33 This appropriation is for the acquisition,
 4.34 environmental analysis, predesign, design,

5.1 engineering, construction, reconstruction, and
 5.2 improvement of trunk highway bridges,
 5.3 including design-build contracts, program
 5.4 delivery, consultant usage to support these
 5.5 activities, and the cost of payments to
 5.6 landowners for lands acquired for highway
 5.7 rights-of-way. Projects under this
 5.8 appropriation must follow eligible investment
 5.9 priorities identified in the Minnesota state
 5.10 highway investment plan under Minnesota
 5.11 Statutes, section 174.03, subdivision 1c. The
 5.12 commissioner may use up to 17 percent of this
 5.13 appropriation for program delivery. This is a
 5.14 onetime appropriation.

5.15 **Subd. 7. Drainage Asset Management Program** -0- 4,800,000

5.16 This appropriation is for predesign, design,
 5.17 construction, and equipping of one or more
 5.18 drainage asset management projects. Drainage
 5.19 asset management projects may include but
 5.20 are not limited to repairing and replacing
 5.21 highway culverts, storm sewer system
 5.22 rehabilitations, and flood resiliency
 5.23 improvements. The commissioner may use up
 5.24 to 17 percent of this appropriation for program
 5.25 delivery. This is a onetime appropriation.

5.26 **Subd. 8. Truck Parking Safety Improvements** -0- 7,750,000

5.27 This appropriation is for land acquisition,
 5.28 predesign, design, and construction of
 5.29 expanded truck parking at Big Spunk in Avon
 5.30 and Enfield Rest Areas and for the
 5.31 rehabilitation or replacement of truck parking
 5.32 information management system equipment
 5.33 at Department of Transportation-owned
 5.34 parking rest area locations. This is a onetime
 5.35 appropriation.

| | | | | |
|------|----------------------------------------------------------|-----------|------------|---------------------|
| 6.1 | <u>Subd. 9. Facilities Capital Program</u> | | <u>-0-</u> | <u>20,100,000</u> |
| 6.2 | <u>This appropriation is for the transportation</u> | | | |
| 6.3 | <u>facilities capital program under Minnesota</u> | | | |
| 6.4 | <u>Statutes, section 174.595. This is a onetime</u> | | | |
| 6.5 | <u>appropriation.</u> | | | |
| 6.6 | <u>Sec. 3. METROPOLITAN COUNCIL</u> | <u>\$</u> | <u>-0-</u> | <u>\$ 1,000,000</u> |
| 6.7 | <u>The appropriation in this section is from the</u> | | | |
| 6.8 | <u>general fund to the Metropolitan Council.</u> | | | |
| 6.9 | <u>\$1,000,000 in fiscal year 2025 is for a grant</u> | | | |
| 6.10 | <u>to the Ramsey County Regional Railroad</u> | | | |
| 6.11 | <u>Authority for a portion of the costs of</u> | | | |
| 6.12 | <u>insurance coverage related to rail-related</u> | | | |
| 6.13 | <u>incidents occurring at Union Depot in the city</u> | | | |
| 6.14 | <u>of St. Paul. This is a onetime appropriation.</u> | | | |
| 6.15 | <u>Sec. 4. DEPARTMENT OF PUBLIC SAFETY</u> | | | |
| 6.16 | <u>Subdivision 1. Total Appropriation</u> | <u>\$</u> | <u>-0-</u> | <u>\$ 5,380,000</u> |
| 6.17 | <u>The appropriations in this section are from the</u> | | | |
| 6.18 | <u>driver and vehicle services operating account</u> | | | |
| 6.19 | <u>in the special revenue fund to the</u> | | | |
| 6.20 | <u>commissioner of public safety.</u> | | | |
| 6.21 | <u>The amounts that may be spent for each</u> | | | |
| 6.22 | <u>purpose are specified in the following</u> | | | |
| 6.23 | <u>subdivisions.</u> | | | |
| 6.24 | <u>Subd. 2. Driver Services</u> | | <u>-0-</u> | <u>4,180,000</u> |
| 6.25 | <u>\$1,211,000 in fiscal year 2025 is for staff and</u> | | | |
| 6.26 | <u>related operating costs for the intensive testing</u> | | | |
| 6.27 | <u>program under Minnesota Statutes, section</u> | | | |
| 6.28 | <u>171.307.</u> | | | |
| 6.29 | <u>\$2,969,000 in fiscal year 2025 is for staff and</u> | | | |
| 6.30 | <u>related operating costs to support testing at</u> | | | |
| 6.31 | <u>driver's license examination stations.</u> | | | |

7.1 The base from the driver and vehicle services
 7.2 operating account in the special revenue fund
 7.3 is increased by \$3,903,000 in fiscal year 2026
 7.4 and \$3,763,000 in fiscal year 2027.

7.5 **Subd. 3. Traffic Safety** -0- 1,200,000

7.6 \$1,200,000 in fiscal year 2025 is for the Lights
 7.7 On grant program under Minnesota Statutes,
 7.8 section 169.515. The commissioner, through
 7.9 the Office of Traffic Safety, must contract with
 7.10 the Lights On! microgrant program to
 7.11 administer and operate the grant program. This
 7.12 is a onetime appropriation and is available
 7.13 until June 30, 2026.

7.14 Sec. 5. Laws 2021, First Special Session chapter 5, article 1, section 2, subdivision 2, is
 7.15 amended to read:

7.16 **Subd. 2. Multimodal Systems**

7.17 **(a) Aeronautics**

7.18 **(1) Airport Development and Assistance** 24,198,000 18,598,000

| | | | |
|------|------------------------|------------|------------|
| 7.19 | Appropriations by Fund | | |
| 7.20 | | 2022 | 2023 |
| 7.21 | General | 5,600,000 | -0- |
| 7.22 | Airports | 18,598,000 | 18,598,000 |

7.23 This appropriation is from the state airports
 7.24 fund and must be spent according to
 7.25 Minnesota Statutes, section 360.305,
 7.26 subdivision 4.

7.27 \$5,600,000 in fiscal year 2022 is from the
 7.28 general fund for a grant to the city of Karlstad
 7.29 for the acquisition of land, predesign, design,
 7.30 engineering, and construction of a primary
 7.31 airport runway. This appropriation is for Phase
 7.32 1 of the project.

8.1 Notwithstanding Minnesota Statutes, section
 8.2 16A.28, subdivision 6, this appropriation is
 8.3 available for five years after the year of the
 8.4 appropriation. If the appropriation for either
 8.5 year is insufficient, the appropriation for the
 8.6 other year is available for it.

8.7 If the commissioner of transportation
 8.8 determines that a balance remains in the state
 8.9 airports fund following the appropriations
 8.10 made in this article and that the appropriations
 8.11 made are insufficient for advancing airport
 8.12 development and assistance projects, an
 8.13 amount necessary to advance the projects, not
 8.14 to exceed the balance in the state airports fund,
 8.15 is appropriated in each year to the
 8.16 commissioner and must be spent according to
 8.17 Minnesota Statutes, section 360.305,
 8.18 subdivision 4. Within two weeks of a
 8.19 determination under this contingent
 8.20 appropriation, the commissioner of
 8.21 transportation must notify the commissioner
 8.22 of management and budget and the chairs,
 8.23 ranking minority members, and staff of the
 8.24 legislative committees with jurisdiction over
 8.25 transportation finance concerning the funds
 8.26 appropriated. Funds appropriated under this
 8.27 contingent appropriation do not adjust the base
 8.28 for fiscal years 2024 and 2025.

8.29 **(2) Aviation Support Services** 8,332,000 8,340,000

| | | | |
|------|------------------------|-----------|-----------|
| 8.30 | Appropriations by Fund | | |
| 8.31 | | 2022 | 2023 |
| 8.32 | General | 1,650,000 | 1,650,000 |
| 8.33 | Airports | 6,682,000 | 6,690,000 |

8.34 \$28,000 in fiscal year 2022 and \$36,000 in
 8.35 fiscal year 2023 are from the state airports

9.1 fund for costs related to regulating unmanned
 9.2 aircraft systems.

9.3 **(3) Civil Air Patrol** 80,000 80,000

9.4 This appropriation is from the state airports
 9.5 fund for the Civil Air Patrol.

9.6 **(b) Transit and Active Transportation** 23,501,000 18,201,000

9.7 This appropriation is from the general fund.
 9.8 \$5,000,000 in fiscal year 2022 is for the active
 9.9 transportation program under Minnesota
 9.10 Statutes, section 174.38. This is a onetime
 9.11 appropriation and is available until June 30,
 9.12 2025.

9.13 \$300,000 in fiscal year 2022 is for a grant to
 9.14 the 494 Corridor Commission. The
 9.15 commissioner must not retain any portion of
 9.16 the funds appropriated under this section. The
 9.17 commissioner must make grant payments in
 9.18 full by December 31, 2021. Funds under this
 9.19 grant are for programming and service
 9.20 expansion to assist companies and commuters
 9.21 in telecommuting efforts and promotion of
 9.22 best practices. A grant recipient must provide
 9.23 telework resources, assistance, information,
 9.24 and related activities on a statewide basis. This
 9.25 is a onetime appropriation.

9.26 **(c) Safe Routes to School** 5,500,000 500,000

9.27 This appropriation is from the general fund
 9.28 for the safe routes to school program under
 9.29 Minnesota Statutes, section 174.40.

9.30 If the appropriation for either year is
 9.31 insufficient, the appropriation for the other
 9.32 year is available for it.

9.33 **(d) Passenger Rail** 10,500,000 500,000

10.1 This appropriation is from the general fund
 10.2 for passenger rail activities under Minnesota
 10.3 Statutes, sections 174.632 to 174.636.
 10.4 \$10,000,000 in fiscal year 2022 is for final
 10.5 design and construction to provide for a
 10.6 second daily Amtrak train service between
 10.7 Minneapolis and St. Paul and Chicago. The
 10.8 commissioner may expend funds for program
 10.9 delivery and administration from this amount.
 10.10 This is a onetime appropriation and is
 10.11 available until June 30, 2025.

10.12 **(e) Freight** 8,342,000 7,323,000

| | | | |
|-------|------------------------|-----------|-----------|
| 10.13 | Appropriations by Fund | | |
| 10.14 | | 2022 | 2023 |
| 10.15 | General | 2,464,000 | 1,445,000 |
| 10.16 | Trunk Highway | 5,878,000 | 5,878,000 |

10.17 \$1,000,000 in fiscal year 2022 is from the
 10.18 general fund for procurement costs of a
 10.19 statewide freight network optimization tool.
 10.20 This is a onetime appropriation and is
 10.21 available until June 30, 2023.
 10.22 \$350,000 in fiscal year 2022 and \$287,000 in
 10.23 fiscal year 2023 are from the general fund for
 10.24 two additional rail safety inspectors in the state
 10.25 rail safety inspection program under
 10.26 Minnesota Statutes, section 219.015. In each
 10.27 year, the commissioner must not increase the
 10.28 total assessment amount under Minnesota
 10.29 Statutes, section 219.015, subdivision 2, from
 10.30 the most recent assessment amount.

10.31 **Sec. 6. APPROPRIATION CANCELLATION.**

10.32 \$8,000,000 of the appropriation in fiscal year 2024 from the general fund for
 10.33 Infrastructure Investment and Jobs Act (IIJA) discretionary matches under Laws 2023,

11.1 chapter 68, article 1, section 2, subdivision 5, paragraph (a), is canceled to the general fund
11.2 on June 29, 2024.

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

11.4 **ARTICLE 2**

11.5 **TRANSPORTATION FINANCE**

11.6 Section 1. Minnesota Statutes 2022, section 13.6905, is amended by adding a subdivision
11.7 to read:

11.8 Subd. 38. **Intensive testing program data.** Data on participants in the intensive testing
11.9 program are governed by section 171.307, subdivision 7.

11.10 **EFFECTIVE DATE.** This section is effective August 1, 2024.

11.11 Sec. 2. **[161.1258] RUMBLE STRIPS.**

11.12 (a) The commissioner must maintain transverse rumble strips in association with each
11.13 stop sign that is located (1) on a trunk highway segment with a speed limit of at least 55
11.14 miles per hour, and (2) outside the limits of a statutory or home rule charter city.

11.15 (b) The commissioner must meet the requirements under paragraph (a) at each applicable
11.16 location by the earlier of August 1, 2034, or the date of substantial completion of any
11.17 construction, resurfacing, or reconditioning at the location.

11.18 Sec. 3. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to
11.19 read:

11.20 Subd. 105. **Mayor Dave Smiglewski Memorial Bridge.** The bridge on marked U.S.
11.21 Highway 212 over the Minnesota River in the city of Granite Falls is designated as "Mayor
11.22 Dave Smiglewski Memorial Bridge." Subject to section 161.139, the commissioner must
11.23 adopt a suitable design to mark the bridge and erect appropriate signs.

11.24 Sec. 4. Minnesota Statutes 2022, section 161.14, is amended by adding a subdivision to
11.25 read:

11.26 Subd. 106. **Gopher Gunners Memorial Bridge.** (a) The bridge on marked Trunk
11.27 Highway 55 and marked Trunk Highway 62 over the Minnesota River, commonly known
11.28 as the Mendota Bridge, is designated as "Gopher Gunners Memorial Bridge."
11.29 Notwithstanding section 161.139, the commissioner must adopt a suitable design to mark
11.30 this bridge and erect appropriate signs.

12.1 (b) The adjutant general of the Department of Military Affairs must reimburse the
12.2 commissioner of transportation for costs incurred under this subdivision.

12.3 Sec. 5. Minnesota Statutes 2023 Supplement, section 161.178, is amended to read:

12.4 **161.178 TRANSPORTATION GREENHOUSE GAS EMISSIONS IMPACT**
12.5 **ASSESSMENT.**

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

12.8 (b) "Applicable entity" means the commissioner with respect to a ~~capacity expansion~~
12.9 project or portfolio for inclusion in the state transportation improvement program or a
12.10 metropolitan planning organization with respect to a ~~capacity expansion~~ project or portfolio
12.11 for inclusion in the appropriate metropolitan transportation improvement program.

12.12 (c) "Assessment" means the ~~capacity expansion~~ impact assessment under this section.

12.13 (d) "Capacity expansion project" means a project for trunk highway construction or
12.14 reconstruction that:

12.15 (1) is a major highway project, as defined in section 174.56, subdivision 1, paragraph
12.16 (b); and

12.17 (2) adds highway traffic capacity or provides for grade separation of motor vehicle traffic
12.18 at an intersection, excluding auxiliary lanes with a length of less than 2,500 feet.

12.19 (e) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
12.20 subdivision 2.

12.21 Subd. 2. **Project or portfolio assessment.** (a) Prior to inclusion of a ~~capacity expansion~~
12.22 project or portfolio in the state transportation improvement program or in a metropolitan
12.23 transportation improvement program, the applicable entity must perform a ~~capacity expansion~~
12.24 an impact assessment of the project or portfolio. Following the assessment, the applicable
12.25 entity must determine if the project ~~conforms~~ or portfolio is proportionally in conformance
12.26 with:

12.27 (1) the greenhouse gas emissions reduction targets under section 174.01, subdivision 3;
12.28 and

12.29 (2) the vehicle miles traveled reduction targets established in the statewide multimodal
12.30 transportation plan under section 174.03, subdivision 1a.

13.1 (b) If the applicable entity determines that the ~~capacity expansion~~ project or portfolio is
 13.2 not in conformance with paragraph (a), the applicable entity must:

13.3 (1) alter the scope or design of the project or any number of projects, remove one or
 13.4 more projects from the portfolio, or undertake a combination, and subsequently perform a
 13.5 revised assessment that meets the requirements under this section;

13.6 (2) interlink sufficient impact mitigation as provided in subdivision 4; or

13.7 (3) halt project development and disallow inclusion of the project or portfolio in the
 13.8 appropriate transportation improvement program.

13.9 Subd. 2a. **Applicable projects.** (a) For purposes of this section:

13.10 (1) prior to the date established under paragraph (b), a project or portfolio is a capacity
 13.11 expansion project; and

13.12 (2) on and after the date established under paragraph (b), a project or portfolio is a
 13.13 capacity expansion project or a collection of trunk highway and multimodal projects for a
 13.14 fiscal year and specific region.

13.15 (b) The commissioner must establish a date to implement impact assessments on the
 13.16 basis of assessing a portfolio or program of projects instead of on a project-by-project basis.
 13.17 The date must be:

13.18 (1) August 1, 2027, which applies to projects that first enter the appropriate transportation
 13.19 improvement program for fiscal year 2031 or a subsequent year; or

13.20 (2) as established by the commissioner, if the commissioner:

13.21 (i) consults with metropolitan planning organizations;

13.22 (ii) prioritizes and makes reasonable efforts to meet the date under clause (1) or an earlier
 13.23 date;

13.24 (iii) determines that the date established under this clause is the earliest practicable in
 13.25 which the necessary models and tools are sufficient for analysis under this section; and

13.26 (iv) submits a notice to the chairs and ranking minority members of the legislative
 13.27 committees and divisions with jurisdiction over transportation finance and policy, which
 13.28 must identify the date established and summarize the efforts under item (ii) and the
 13.29 determination under item (iii).

13.30 Subd. 3. **Assessment requirements.** (a) The commissioner must establish a process to
 13.31 ~~perform capacity expansion impact assessments. An assessment must provide for the~~

- 14.1 ~~determination under subdivision 2.~~ implement the requirements under this section, which
 14.2 includes:
- 14.3 (1) any necessary policies, procedures, manuals, and technical specifications;
 14.4 (2) procedures to perform an impact assessment that provide for the determination under
 14.5 subdivision 2;
 14.6 (3) in consultation with the technical advisory committee under section 161.1782, criteria
 14.7 for identification of a capacity expansion project; and
 14.8 (4) related data reporting from local units of government on local multimodal
 14.9 transportation systems and local project impacts on greenhouse gas emissions and vehicle
 14.10 miles traveled.
- 14.11 (b) Analysis under an assessment must include but is not limited to estimates resulting
 14.12 from ~~the~~ a project or portfolio for the following:
- 14.13 (1) greenhouse gas emissions over a period of 20 years; ~~and~~
 14.14 (2) a net change in vehicle miles traveled for the affected network; and
 14.15 (3) impacts to trunk highways and related impacts to local road systems, on a local,
 14.16 regional, or statewide basis, as appropriate.
- 14.17 Subd. 4. **Impact mitigation; interlinking.** (a) To provide for impact mitigation, the
 14.18 applicable entity must interlink the ~~capacity expansion project or portfolio~~ as provided in
 14.19 this subdivision.
- 14.20 (b) Impact mitigation is sufficient under subdivision 2, paragraph (b), if the ~~capacity~~
 14.21 ~~expansion project or portfolio~~ is interlinked to mitigation offset actions such that the total
 14.22 greenhouse gas emissions reduction from the mitigation offset actions, after accounting for
 14.23 the greenhouse gas emissions otherwise resulting from the capacity expansion project or
 14.24 portfolio, is consistent with meeting the targets specified under subdivision 2, paragraph
 14.25 (a). Each comparison under this paragraph must be performed over equal comparison periods.
- 14.26 (c) ~~A mitigation~~ An offset action consists of a project, program, ~~or~~ operations
 14.27 modification, or mitigation plan in one or more of the following areas:
- 14.28 (1) transit expansion, including but not limited to regular route bus, arterial bus rapid
 14.29 transit, highway bus rapid transit, rail transit, and intercity passenger rail;
- 14.30 (2) transit service improvements, including but not limited to increased service level,
 14.31 transit fare reduction, and transit priority treatments;

- 15.1 (3) active transportation infrastructure;
- 15.2 (4) micromobility infrastructure and service, including but not limited to shared vehicle
- 15.3 services;
- 15.4 (5) transportation demand management, including but not limited to vanpool and shared
- 15.5 vehicle programs, remote work, and broadband access expansion;
- 15.6 (6) parking management, including but not limited to parking requirements reduction
- 15.7 or elimination and parking cost adjustments;
- 15.8 (7) land use, including but not limited to residential and other density increases, mixed-use
- 15.9 development, and transit-oriented development;
- 15.10 (8) infrastructure improvements related to traffic operations, including but not limited
- 15.11 to roundabouts and reduced conflict intersections; ~~and~~
- 15.12 (9) natural systems, including but not limited to prairie restoration, reforestation, and
- 15.13 urban green space; and
- 15.14 (10) as specified by the commissioner in the manner provided under paragraph (e).

15.15 (d) ~~A mitigation~~ An offset action may be identified as interlinked to the ~~capacity~~
 15.16 ~~expansion~~ project or portfolio if:

- 15.17 (1) there is a specified project, program, ~~or modification,~~ or mitigation plan;
- 15.18 (2) the necessary funding sources are identified and sufficient amounts are committed;
- 15.19 (3) the mitigation is localized as provided in subdivision 5; and
- 15.20 (4) procedures are established to ensure that the mitigation action remains in substantially
- 15.21 the same form or a revised form that continues to meet the calculation under paragraph (b).

15.22 (e) The commissioner may authorize additional offset actions under paragraph (c) if:

- 15.23 (1) the offset action is reviewed and recommended by the technical advisory committee
 15.24 under section 161.1782; and
- 15.25 (2) the commissioner determines that the offset action is directly related to reduction in
 15.26 the transportation sector of greenhouse gas emissions or vehicle miles traveled.

15.27 **Subd. 5. Impact mitigation; localization.** (a) ~~A mitigation~~ An offset action under
 15.28 subdivision 4 must be localized in the following priority order:

- 15.29 (1) if the offset action is for one project, within or associated with at least one of the
 15.30 communities impacted by the ~~capacity expansion~~ project;

16.1 (2) if clause (1) does not apply or there is not a reasonably feasible location under clause
16.2 (1), in areas of persistent poverty or historically disadvantaged communities, as measured
16.3 and defined in federal law, guidance, and notices of funding opportunity;

16.4 (3) if there is not a reasonably feasible location under clauses (1) and (2), in the region
16.5 of the ~~capacity expansion~~ project or portfolio; or

16.6 (4) if there is not a reasonably feasible location under clauses (1) to (3), on a statewide
16.7 basis.

16.8 (b) The applicable entity must include an explanation regarding the feasibility and
16.9 rationale for each mitigation action located under paragraph (a), clauses (2) to (4).

16.10 Subd. 6. **Public information.** The commissioner must publish information regarding
16.11 ~~capacity expansion~~ impact assessments on the department's website. The information must
16.12 include:

16.13 (1) for each project evaluated separately under this section, identification of ~~capacity~~
16.14 ~~expansion projects~~ the project; and

16.15 (2) for each project evaluated separately, a summary that includes an overview of the
16.16 ~~expansion impact~~ assessment, the impact determination by the commissioner, and project
16.17 disposition, including a review of any ~~mitigation~~ offset actions;

16.18 (3) for each portfolio of projects, an overview of the projects, the impact determination
16.19 by the commissioner, and a summary of any offset actions;

16.20 (4) a review of any interpretation of or additions to offset actions under subdivision 4;

16.21 (5) identification of the date established by the commissioner under subdivision 2a,
16.22 paragraph (b); and

16.23 (6) a summary of the activities of the technical advisory committee under section
16.24 161.1782, including but not limited to any findings or recommendations made by the advisory
16.25 committee.

16.26 Subd. 7. **Safety and well-being.** The requirements of this section are in addition to and
16.27 must not supplant the safety and well-being goals established under section 174.01,
16.28 subdivision 2, clauses (1) and (2).

16.29 **EFFECTIVE DATE.** This section is effective February 1, 2025. This section does not
16.30 apply to a capacity expansion project that was either included in the state transportation
16.31 improvement program or has been submitted for approval of the geometric layout before
16.32 February 1, 2025.

17.1 Sec. 6. [161.1782] TRANSPORTATION IMPACT ASSESSMENT; TECHNICAL
17.2 ADVISORY COMMITTEE.

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

17.5 (b) "Advisory committee" means the technical advisory committee established in this
17.6 section.

17.7 (c) "Project or portfolio" is as provided in section 161.178.

17.8 Subd. 2. Establishment. The commissioner must establish a technical advisory committee
17.9 to assist in implementation review related to the requirements under section 161.178.

17.10 Subd. 3. Membership; appointments. The advisory committee is composed of the
17.11 following members:

17.12 (1) one member from the Department of Transportation, appointed by the commissioner
17.13 of transportation;

17.14 (2) one member from the Pollution Control Agency, appointed by the commissioner of
17.15 the Pollution Control Agency;

17.16 (3) one member from the Metropolitan Council, appointed by the chair of the
17.17 Metropolitan Council;

17.18 (4) one member from the Center for Transportation Studies, appointed by the president
17.19 of the University of Minnesota;

17.20 (5) one member representing metropolitan planning organizations outside the metropolitan
17.21 area, as defined in section 473.121, subdivision 2, appointed by the Association of
17.22 Metropolitan Planning Organizations; and

17.23 (6) up to four members who are not employees of the state, with no more than two who
17.24 are employees of a political subdivision, appointed by the commissioner of transportation.

17.25 Subd. 4. Membership; requirements. (a) To be eligible for appointment to the advisory
17.26 committee, an individual must have experience or expertise sufficient to provide assistance
17.27 in implementation or technical review related to the requirements under section 161.178.
17.28 Each appointing authority must consider appointment of individuals with expertise in travel
17.29 demand modeling, emissions modeling, traffic forecasting, land use planning, or
17.30 transportation-related greenhouse gas emissions assessment and analysis. In appointing the
17.31 members under subdivision 3, clause (6), the commissioner must also consider technical

18.1 expertise in other relevant areas, which may include but is not limited to public health or
18.2 natural systems management.

18.3 (b) Members of the advisory committee serve at the pleasure of the appointing authority.
18.4 Vacancies must be filled by the appointing authority.

18.5 Subd. 5. **Duties.** The advisory committee must assist the commissioner in implementation
18.6 of the requirements under section 161.178 by:

18.7 (1) performing technical review and validation of processes and methodologies used for
18.8 impact assessment and impact mitigation;

18.9 (2) reviewing and making recommendations on:

18.10 (i) impact assessment requirements;

18.11 (ii) models and tools for impact assessment;

18.12 (iii) methods to determine sufficiency of impact mitigation;

18.13 (iv) procedures for interlinking a project or portfolio to impact mitigation; and

18.14 (v) reporting and data collection;

18.15 (3) advising on the approach used to determine the area of influence for a project or
18.16 portfolio for a geographic or transportation network area;

18.17 (4) developing recommendations on any clarifications, modifications, or additions to
18.18 the offset actions authorized under section 161.178, subdivision 4; and

18.19 (5) performing other analyses or activities as requested by the commissioner.

18.20 Subd. 6. **Administration.** (a) The commissioner must provide administrative support
18.21 to the advisory committee. Upon request, the commissioner must provide information and
18.22 technical support to the advisory committee.

18.23 (b) Members of the advisory committee are not eligible for compensation under this
18.24 section.

18.25 (c) The advisory committee is subject to the Minnesota Data Practices Act under chapter
18.26 13 and to the Minnesota Open Meeting Law under chapter 13D.

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

19.1 Sec. 7. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
19.2 read:

19.3 Subd. 4. **High voltage transmission; placement in right-of-way.** (a) For purposes of
19.4 this subdivision and subdivisions 5 to 7, "high voltage transmission line" has the meaning
19.5 given in section 216E.01, subdivision 4.

19.6 (b) Notwithstanding subdivision 1, paragraph (a), high voltage transmission lines under
19.7 the laws of this state or the ordinance of any city or county may be constructed, placed, or
19.8 maintained across or along any trunk highway, including an interstate highway and a trunk
19.9 highway that is an expressway or a freeway, except as deemed necessary by the commissioner
19.10 of transportation to protect public safety or ensure the proper function of the trunk highway
19.11 system.

19.12 (c) If the commissioner denies a high voltage electric line colocation request, the reasons
19.13 for the denial must be submitted for review within 90 days of the commissioner's denial to
19.14 the chairs and ranking minority members of the legislative committees with jurisdiction
19.15 over energy and transportation, the Public Utilities Commission executive secretary, and
19.16 the commissioner of commerce.

19.17 **EFFECTIVE DATE.** This section is effective the day following final enactment and
19.18 applies to colocation requests for a high voltage transmission line on or after that date.

19.19 Sec. 8. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
19.20 read:

19.21 Subd. 5. **High voltage transmission; coordination required.** Upon written request,
19.22 the commissioner must engage in coordination activities with a utility or transmission line
19.23 developer to review requested highway corridors for potential permitted locations for
19.24 transmission lines. The commissioner must assign a project coordinator within 30 days of
19.25 receiving the written request. The commissioner must share all known plans with affected
19.26 utilities or transmission line developers on potential future projects in the highway corridor
19.27 if the potential highway project impacts the placement or siting of high voltage transmission
19.28 lines.

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

20.1 Sec. 9. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
20.2 read:

20.3 Subd. 6. **High voltage transmission; constructability report; advance notice.** (a) If
20.4 the commissioner and a utility or transmission line developer identify a permissible route
20.5 along a trunk highway corridor for possible colocation of transmission lines, a constructability
20.6 report must be prepared by the utility or transmission line developer in consultation with
20.7 the commissioner. A constructability report developed under this subdivision must be utilized
20.8 by both parties to plan and approve colocation projects.

20.9 (b) A constructability report developed under this section between the commissioner
20.10 and the parties seeking colocation must include terms and conditions for building the
20.11 colocation project. Notwithstanding the requirements in subdivision 1, the report must be
20.12 approved by the commissioner and the party or parties seeking colocation prior to the
20.13 commissioner approving and issuing a permit for use of the trunk highway right-of-way.

20.14 (c) A constructability report must include an agreed upon time frame for which there
20.15 will not be a request from the commissioner for relocation of the transmission line. If the
20.16 commissioner determines that relocation of a transmission line in the trunk highway
20.17 right-of-way is necessary, the commissioner, as much as practicable, must give a seven-year
20.18 advance notice.

20.19 (d) Notwithstanding the requirements of subdivision 7 and section 161.46, subdivision
20.20 2, if the commissioner requires the relocation of a transmission line in the interstate highway
20.21 right-of-way earlier than what was agreed upon in paragraph (c) in the constructability
20.22 report or provides less than a seven-year notice of relocation in the agreed upon
20.23 constructability report, the commissioner is responsible for 75 percent of the relocation
20.24 costs.

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

20.26 Sec. 10. Minnesota Statutes 2022, section 161.45, is amended by adding a subdivision to
20.27 read:

20.28 Subd. 7. **High voltage transmission; relocation reimbursement prohibited.** (a) A
20.29 high voltage transmission line that receives a route permit under chapter 216E on or after
20.30 July 1, 2024, is not eligible for relocation reimbursement under section 161.46, subdivision
20.31 2.

20.32 (b) If the commissioner orders relocation of a high voltage transmission line that is
20.33 subject to paragraph (a):

21.1 (1) a public utility, as defined in section 216B.02, subdivision 4, may recover its portion
 21.2 of costs of relocating the line that the Public Utilities Commission deems prudently incurred
 21.3 as a transmission cost adjustment pursuant to section 216B.16, subdivision 7b; and

21.4 (2) a consumer-owned utility, as defined in section 216B.2402, subdivision 2, may
 21.5 recover its portion of costs of relocating the line in any manner approved by its governing
 21.6 board.

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

21.8 Sec. 11. Minnesota Statutes 2022, section 161.46, subdivision 1, is amended to read:

21.9 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms shall
 21.10 have the meanings ascribed to them: given.

21.11 ~~(b)~~ (b) "Utility" means all publicly, privately, and cooperatively owned systems for
 21.12 supplying power, light, gas, telegraph, telephone, water, pipeline, or sewer service if such
 21.13 systems be authorized by law to use public highways for the location of its facilities.

21.14 ~~(c)~~ (c) "Cost of relocation" means the entire amount paid by such utility properly
 21.15 attributable to such relocation after deducting therefrom any increase in the value of the
 21.16 new facility and any salvage value derived from the old facility.

21.17 (d) "High voltage transmission line" has the meaning given in section 216E.01,
 21.18 subdivision 4.

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

21.20 Sec. 12. Minnesota Statutes 2023 Supplement, section 161.46, subdivision 2, is amended
 21.21 to read:

21.22 Subd. 2. **Relocation of facilities; reimbursement.** ~~(a) Whenever the commissioner shall~~
 21.23 ~~determine~~ determines that the relocation of any utility facility is necessitated by the
 21.24 construction of a project on the routes of federally aided state trunk highways, including
 21.25 urban extensions thereof, which routes that are included within the National System of
 21.26 Interstate Highways, the owner or operator of such the utility facility shall must relocate
 21.27 the same utility facility in accordance with the order of the commissioner. After the
 21.28 completion of such relocation the cost thereof shall be ascertained and paid by the state out
 21.29 of trunk highway funds; provided, however, the amount to be paid by the state for such
 21.30 reimbursement shall not exceed the amount on which the federal government bases its
 21.31 reimbursement for said interstate system. Except as provided in section 161.45, subdivision
 21.32 6, paragraph (d), or 7, upon the completion of relocation of a utility facility, the cost of

22.1 relocation must be ascertained and paid out of the trunk highway fund by the commissioner,
 22.2 provided the amount paid by the commissioner for reimbursement to a utility does not
 22.3 exceed the amount on which the federal government bases its reimbursement for the interstate
 22.4 highway system.

22.5 ~~(b) Notwithstanding paragraph (a), on or after January 1, 2024, any entity that receives~~
 22.6 ~~a route permit under chapter 216E for a high-voltage transmission line necessary to~~
 22.7 ~~interconnect an electric power generating facility is not eligible for relocation reimbursement~~
 22.8 ~~unless the entity directly, or through its members or agents, provides retail electric service~~
 22.9 ~~in this state.~~

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

22.11 Sec. 13. Minnesota Statutes 2022, section 168.09, subdivision 7, is amended to read:

22.12 **Subd. 7. Display of temporary permit.** ~~(a) A vehicle that displays a Minnesota plate~~
 22.13 ~~issued under this chapter may display a temporary permit~~ The commissioner may issue a
 22.14 temporary permit under this subdivision in conjunction with the conclusion of a registration
 22.15 period or a recently expired registration, if:

22.16 (1) the current registration tax and all other fees and taxes have been paid in full; and

22.17 (2) ~~the plate has~~ special plates have been applied for.

22.18 ~~(b) A vehicle may display a temporary permit in conjunction with expired registration,~~
 22.19 ~~with or without a registration plate, if:~~

22.20 ~~(1) the plates have been applied for;~~

22.21 ~~(2) the registration tax and other fees and taxes have been paid in full; and~~

22.22 ~~(3) either the vehicle is used solely as a collector vehicle while displaying the temporary~~
 22.23 ~~permit and not used for general transportation purposes or the vehicle was issued a 21-day~~
 22.24 ~~permit under section 168.092, subdivision 1.~~

22.25 ~~(e)~~ (b) The permit is valid for a period of 60 days. The permit must be in a format
 22.26 prescribed by the commissioner, affixed to the rear of the vehicle where a license plate
 22.27 would normally be affixed, and plainly visible. The permit is valid only for the vehicle for
 22.28 which it was issued to allow a reasonable time for the new plates to be manufactured and
 22.29 delivered to the applicant. The permit may be issued only by the commissioner or by a
 22.30 deputy registrar under section 168.33.

22.31 **EFFECTIVE DATE.** This section is effective October 1, 2024.

23.1 Sec. 14. Minnesota Statutes 2022, section 168.092, is amended to read:

23.2 **168.092 ~~21-DAY~~ 60-DAY TEMPORARY VEHICLE PERMIT.**

23.3 Subdivision 1. **Resident buyer.** The ~~motor vehicle registrar~~ commissioner may issue a
 23.4 permit to a person purchasing a new or used motor vehicle in this state for the purpose of
 23.5 allowing the purchaser a reasonable time to register the vehicle and pay fees and taxes due
 23.6 on the transfer. The permit is valid for a period of ~~21~~ 60 days. The permit must be in a ~~form~~
 23.7 ~~as the registrar may determine~~ format prescribed by the commissioner, affixed to the rear
 23.8 of the vehicle where a license plate would normally be affixed, and plainly visible. Each
 23.9 permit is valid only for the vehicle for which issued.

23.10 Subd. 2. **Dealer.** The ~~registrar~~ commissioner may issue permits to licensed dealers.
 23.11 When issuing a permit, the dealer ~~shall~~ must complete the permit in the manner prescribed
 23.12 by the department.

23.13 **EFFECTIVE DATE.** This section is effective October 1, 2024.

23.14 Sec. 15. Minnesota Statutes 2023 Supplement, section 168.1259, is amended to read:

23.15 **168.1259 MINNESOTA PROFESSIONAL SPORTS TEAM ~~FOUNDATION~~**
 23.16 **PHILANTHROPY PLATES.**

23.17 Subdivision 1. **Definition.** For purposes of this section, "Minnesota professional sports
 23.18 team" means one of the following teams while its home stadium is located in Minnesota:
 23.19 Minnesota Vikings, Minnesota Timberwolves, Minnesota Lynx, Minnesota Wild, Minnesota
 23.20 Twins, or Minnesota United.

23.21 Subd. 2. **General requirements and procedures.** (a) The commissioner must issue
 23.22 Minnesota professional sports team ~~foundation~~ philanthropy plates to an applicant who:

23.23 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
 23.24 truck, motorcycle, or recreational vehicle;

23.25 (2) pays an additional fee in the amount specified for special plates under section 168.12,
 23.26 subdivision 5;

23.27 (3) pays the registration tax required under section 168.013;

23.28 (4) pays the fees required under this chapter;

23.29 (5) contributes a minimum of \$30 annually to the professional sports team ~~foundations~~
 23.30 philanthropy account; and

24.1 (6) complies with this chapter and rules governing registration of motor vehicles and
24.2 licensing of drivers.

24.3 (b) Minnesota professional sports team ~~foundation~~ philanthropy plates may be
24.4 personalized according to section 168.12, subdivision 2a.

24.5 Subd. 3. **Design.** At the request of a Minnesota professional sports team or the team's
24.6 foundation, the commissioner must, in consultation with the team or foundation, adopt a
24.7 suitable plate design ~~incorporating~~. Each design must incorporate the requesting foundation's
24.8 marks and colors or directly relate to a charitable purpose as provided in subdivision 5. The
24.9 commissioner may design a single plate that incorporates the marks and colors of all
24.10 ~~foundations~~ organizations that have requested a plate.

24.11 Subd. 4. **Plate transfers.** On application to the commissioner and payment of a transfer
24.12 fee of \$5, special plates issued under this section may be transferred to another motor vehicle
24.13 if the subsequent vehicle is:

24.14 (1) qualified under subdivision 2, paragraph (a), clause (1), to bear the special plates;
24.15 and

24.16 (2) registered to the same individual to whom the special plates were originally issued.

24.17 Subd. 5. **Contributions; account; appropriation.** (a) Contributions collected under
24.18 subdivision 2, paragraph (a), clause (5), must be deposited in the Minnesota professional
24.19 sports team ~~foundations~~ philanthropy account, which is established in the special revenue
24.20 fund. Money in the account is annually appropriated to the commissioner of public safety.
24.21 This appropriation is first for the annual cost of administering the account funds, and the
24.22 remaining funds are for distribution to the foundations or as provided in this subdivision in
24.23 the proportion that each plate design bears to the total number of Minnesota professional
24.24 sports team ~~foundation~~ philanthropy plates issued for that year. Proceeds from a plate that
24.25 includes the marks and colors of all ~~foundations~~ participating organizations must be divided
24.26 evenly between all foundations and charitable purposes.

24.27 (b) ~~The foundations must only use the proceeds~~ must only be used by:

24.28 (1) a Minnesota professional sports team foundation for philanthropic or charitable
24.29 purposes; or

24.30 (2) the Minnesota United professional sports team through a designation that the funds
24.31 are for the Minnesota Loon Restoration Project.

24.32 (c) The commissioner must annually transfer funds designated under paragraph (b),
24.33 clause (2), from the Minnesota professional sports team philanthropy account to the

25.1 Minnesota critical habitat private sector matching account under section 84.943 for purposes
25.2 of the Minnesota Loon Restoration Project.

25.3 **EFFECTIVE DATE.** This section is effective October 1, 2024, for Minnesota
25.4 professional sports team philanthropy plates issued on or after that date.

25.5 **Sec. 16. [168.1283] ROTARY INTERNATIONAL PLATES.**

25.6 Subdivision 1. **Issuance of plates.** The commissioner must issue Rotary International
25.7 special license plates or a single motorcycle plate to an applicant who:

25.8 (1) is a registered owner of a passenger automobile, noncommercial one-ton pickup
25.9 truck, motorcycle, or self-propelled recreational motor vehicle;

25.10 (2) pays the registration tax as required under section 168.013;

25.11 (3) pays a fee in the amount specified under section 168.12, subdivision 5, for each set
25.12 of plates, along with any other fees required by this chapter;

25.13 (4) contributes \$25 upon initial application and a minimum of \$5 annually to the Rotary
25.14 District 5950 Foundation account; and

25.15 (5) complies with this chapter and rules governing registration of motor vehicles and
25.16 licensing of drivers.

25.17 Subd. 2. **Design.** The commissioner must adopt a suitable design for the plate that must
25.18 include the Rotary International symbol and the phrase "Service Above Self."

25.19 Subd. 3. **Plates transfer.** On application to the commissioner and payment of a transfer
25.20 fee of \$5, special plates may be transferred to another qualified motor vehicle that is
25.21 registered to the same individual to whom the special plates were originally issued.

25.22 Subd. 4. **Exemption.** Special plates issued under this section are not subject to section
25.23 168.1293, subdivision 2.

25.24 Subd. 5. **Contributions; account; appropriation.** Contributions collected under
25.25 subdivision 1, clause (4), must be deposited in the Rotary District 5950 Foundation account,
25.26 which is established in the special revenue fund. Money in the account is annually
25.27 appropriated to the commissioner of public safety. This appropriation is first for the annual
25.28 cost of administering the account funds, and the remaining funds must be distributed to
25.29 Rotary District 5950 Foundation to further the rotary's mission of service, fellowship,
25.30 diversity, integrity, and leadership. Funds distributed under this subdivision must be used
25.31 on projects within this state.

26.1 **EFFECTIVE DATE.** This section is effective January 1, 2025, for Rotary International
26.2 special plates issued on or after that date.

26.3 Sec. 17. Minnesota Statutes 2022, section 168.301, subdivision 3, is amended to read:

26.4 Subd. 3. **Late fee.** In addition to any fee or tax otherwise authorized or imposed upon
26.5 the transfer of title for a motor vehicle, the commissioner of public safety ~~shall~~ must impose
26.6 a \$2 additional fee for failure to deliver a title transfer within ~~ten business days~~ the period
26.7 specified under section 168A.10, subdivision 2.

26.8 **EFFECTIVE DATE.** This section is effective October 1, 2024.

26.9 Sec. 18. Minnesota Statutes 2022, section 168A.10, subdivision 2, is amended to read:

26.10 Subd. 2. **Application for new certificate.** Except as provided in section 168A.11, the
26.11 transferee ~~shall~~ must, within ~~ten~~ 20 calendar days after assignment to the transferee of the
26.12 vehicle title certificate, execute the application for a new certificate of title in the space
26.13 provided on the certificate, and cause the certificate of title to be mailed or delivered to the
26.14 department. Failure of the transferee to comply with this subdivision ~~shall result~~ results in
26.15 the suspension of the vehicle's registration under section 168.17.

26.16 **EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title
26.17 transfers on or after that date.

26.18 Sec. 19. Minnesota Statutes 2022, section 168A.11, subdivision 1, is amended to read:

26.19 Subdivision 1. **Requirements upon subsequent transfer; service fee.** (a) A dealer who
26.20 buys a vehicle and holds it for resale need not apply for a certificate of title. Upon transferring
26.21 the vehicle to another person, other than by the creation of a security interest, the dealer
26.22 ~~shall~~ must promptly execute the assignment and warranty of title by a dealer, showing the
26.23 names and addresses of the transferee and of any secured party holding a security interest
26.24 created or reserved at the time of the resale, and the date of the security agreement in the
26.25 spaces provided ~~therefor~~ on the certificate of title or secure reassignment.

26.26 (b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the
26.27 dealer need not register the vehicle but ~~shall~~ must pay one month's registration tax. If a
26.28 dealer elects to apply for a certificate of title on a vehicle held for resale, the ~~department~~
26.29 ~~shall~~ commissioner must not place any legend on the title that no motor vehicle sales tax
26.30 was paid by the dealer, but may indicate on the title whether the vehicle is a new or used
26.31 vehicle.

27.1 (c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer
27.2 ~~shall~~ must also, in the space provided ~~therefor~~ on the certificate of title or secure
27.3 reassignment, state the true cumulative mileage registered on the odometer or that the exact
27.4 mileage is unknown if the odometer reading is known by the transferor to be different from
27.5 the true mileage.

27.6 (d) The transferee ~~shall~~ must complete the application for title section on the certificate
27.7 of title or separate title application form prescribed by the ~~department~~ commissioner. The
27.8 dealer ~~shall~~ must mail or deliver the certificate to the ~~registrar~~ commissioner or deputy
27.9 registrar with the transferee's application for a new certificate and appropriate taxes and
27.10 fees, within ~~ten business days~~ the period specified under section 168A.10, subdivision 2.

27.11 (e) With respect to vehicles sold to buyers who will remove the vehicle from this state,
27.12 the dealer ~~shall~~ must remove any license plates from the vehicle, issue a 31-day temporary
27.13 permit pursuant to section 168.091, and notify the ~~registrar~~ commissioner within 48 hours
27.14 of the sale that the vehicle has been removed from this state. The notification must be made
27.15 in an electronic format prescribed by the ~~registrar~~ commissioner. The dealer may contract
27.16 with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy
27.17 registrar may charge a fee of \$7 per transaction to provide this service.

27.18 **EFFECTIVE DATE.** This section is effective October 1, 2024, and applies to title
27.19 transfers on or after that date.

27.20 Sec. 20. Minnesota Statutes 2023 Supplement, section 169.011, subdivision 27, is amended
27.21 to read:

27.22 Subd. 27. **Electric-assisted bicycle.** (a) "Electric-assisted bicycle" means a bicycle with
27.23 two or three wheels that:

27.24 (1) has a saddle and fully operable pedals for human propulsion;

27.25 (2) meets the requirements for bicycles under Code of Federal Regulations, title 16, part
27.26 1512, or successor requirements;

27.27 (3) is equipped with an electric motor that has a power output of not more than 750
27.28 watts;

27.29 (4) meets the requirements of a class 1, class 2, ~~or~~ class 3, or multiple mode
27.30 electric-assisted bicycle; and

27.31 (5) has a battery or electric drive system that has been tested to an applicable safety
27.32 standard by a third-party testing laboratory.

28.1 (b) A vehicle that is modified so that it no longer meets the requirements for any
28.2 electric-assisted bicycle class is not an electric-assisted bicycle.

28.3 Sec. 21. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
28.4 to read:

28.5 Subd. 45a. **Multiple mode electric-assisted bicycle.** "Multiple mode electric-assisted
28.6 bicycle" means an electric-assisted bicycle equipped with switchable or programmable
28.7 modes that provide for operation as two or more of a class 1, class 2, or class 3
28.8 electric-assisted bicycle in conformance with the definition and requirements under this
28.9 chapter for each respective class.

28.10 Sec. 22. Minnesota Statutes 2022, section 169.011, is amended by adding a subdivision
28.11 to read:

28.12 Subd. 92b. **Vulnerable road user.** "Vulnerable road user" means a person in the
28.13 right-of-way of a highway, including but not limited to a bikeway and an adjacent sidewalk
28.14 or trail, who is:

28.15 (1) a pedestrian;

28.16 (2) on a bicycle or other nonmotorized vehicle or device;

28.17 (3) on an electric personal assistive mobility device;

28.18 (4) on an implement of husbandry; or

28.19 (5) riding an animal.

28.20 Vulnerable road user includes the operator and any passengers for a vehicle, device, or
28.21 personal conveyance identified in this subdivision.

28.22 Sec. 23. Minnesota Statutes 2022, section 169.21, subdivision 6, is amended to read:

28.23 Subd. 6. **Driver education curriculum; vulnerable road users.** The ~~class D curriculum,~~
28.24 ~~in addition to driver education classroom curriculum prescribed in rules of statutes for class~~
28.25 ~~D motor vehicles, must include instruction on~~ commissioner must adopt rules for persons
28.26 enrolled in driver education programs offered at public schools, private schools, and
28.27 commercial driver training schools, requiring inclusion in the course of instruction a section
28.28 on vulnerable road users. The instruction must include information on:

28.29 (1) the rights and responsibilities of vulnerable road users, as defined in section 169.011,
28.30 subdivision 92b;

29.1 (2) the specific duties of a driver when encountering a bicycle, other nonmotorized
 29.2 vehicles, or a pedestrian;

29.3 (3) safety risks for vulnerable road users and motorcyclists or other operators of two-
 29.4 or three-wheeled vehicles; and

29.5 (4) best practices to minimize dangers and avoid collisions with vulnerable road users
 29.6 and motorcyclists or other operators of two- or three-wheeled vehicles.

29.7 Sec. 24. Minnesota Statutes 2022, section 169.222, subdivision 6a, is amended to read:

29.8 Subd. 6a. **Electric-assisted bicycle; riding rules.** (a) A person may operate an
 29.9 electric-assisted bicycle in the same manner as provided for operation of other bicycles,
 29.10 including but not limited to operation on the shoulder of a roadway, a bicycle lane, and a
 29.11 bicycle route, and operation without the motor engaged on a bikeway or bicycle trail.

29.12 (b) A person may operate a class 1 or class 2 electric-assisted bicycle with the motor
 29.13 engaged on a bicycle path, bicycle trail, or shared use path unless prohibited under section
 29.14 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2,
 29.15 paragraph (b), as applicable.

29.16 (c) A person may operate a class 3 electric-assisted bicycle or multiple mode
 29.17 electric-assisted bicycle with the motor engaged on a bicycle path, bicycle trail, or shared
 29.18 use path unless the local authority or state agency having jurisdiction over the bicycle path
 29.19 or trail prohibits the operation.

29.20 (d) The local authority or state agency having jurisdiction over a trail or over a bike park
 29.21 that is designated as nonmotorized and that has a natural surface tread made by clearing
 29.22 and grading the native soil with no added surfacing materials may regulate the operation of
 29.23 an electric-assisted bicycle.

29.24 (e) ~~No~~ A person under the age of 15 ~~shall~~ must not operate an electric-assisted bicycle.

29.25 Sec. 25. Minnesota Statutes 2022, section 169.222, subdivision 6b, is amended to read:

29.26 Subd. 6b. **Electric-assisted bicycle; equipment.** (a) The manufacturer or distributor of
 29.27 an electric-assisted bicycle must apply a label to the bicycle that is permanently affixed in
 29.28 a prominent location. The label must contain the ~~classification~~ class number, top assisted
 29.29 speed, and motor wattage of the electric-assisted bicycle, and must be printed in a legible
 29.30 font with at least 9-point type. A multiple mode electric-assisted bicycle must have labeling
 29.31 that identifies the highest electric-assisted bicycle class in which it is capable of operation.

30.1 (b) A person must not modify an electric-assisted bicycle to change the motor-powered
30.2 speed capability or motor engagement so that the bicycle no longer meets the requirements
30.3 for the applicable class, unless:

30.4 (1) the person replaces the label required in paragraph (a) with revised information; or

30.5 (2) for a vehicle that no longer meets the requirements for any electric-assisted bicycle
30.6 class, the person removes the labeling as an electric-assisted bicycle.

30.7 (c) An electric-assisted bicycle must operate in a manner so that the electric motor is
30.8 disengaged or ceases to function ~~when the rider stops pedaling or:~~ (1) when the brakes are
30.9 applied; or (2) except for a class 2 electric-assisted bicycle or a multiple mode
30.10 electric-assisted bicycle operating in class 2 mode, when the rider stops pedaling.

30.11 (d) A class 3 electric-assisted bicycle or multiple mode electric-assisted bicycle must
30.12 be equipped with a speedometer that displays the speed at which the bicycle is traveling in
30.13 miles per hour.

30.14 (e) A multiple mode electric-assisted bicycle equipped with a throttle must not be capable
30.15 of exceeding 20 miles per hour on motorized propulsion alone in any mode when the throttle
30.16 is engaged.

30.17 Sec. 26. **[169.515] LIGHTS ON GRANT PROGRAM.**

30.18 Subdivision 1. **Grant program established; purpose.** The Lights On grant program is
30.19 established under this section to provide drivers on Minnesota roads with vouchers of up
30.20 to \$250 to use at participating auto repair shops to repair or replace broken or malfunctioning
30.21 lighting equipment required under sections 169.49 to 169.51. Grant funds awarded under
30.22 this program are intended to increase safety on Minnesota roads by ensuring vehicle lights
30.23 are properly illuminated, offering drivers restorative solutions rather than punishment for
30.24 malfunctioning equipment, lessening the financial burden of traffic tickets on low-income
30.25 drivers, and improving police-community relations.

30.26 Subd. 2. **Eligibility.** Counties, cities, towns, the State Patrol, and local law enforcement
30.27 agencies, including law enforcement agencies of a federally recognized Tribe, as defined
30.28 in United States Code, title 25, section 5304(e), are eligible to apply for grants under this
30.29 section.

30.30 Subd. 3. **Application.** (a) The commissioner of public safety must develop application
30.31 materials and procedures for the Lights On grant program.

31.1 (b) The application must describe the type or types of intended vouchers, the amount of
31.2 money requested, and any other information deemed necessary by the commissioner.

31.3 (c) Applicants must submit an application under this section in the form and manner
31.4 prescribed by the commissioner.

31.5 (d) Applicants must describe how grant money will be used to provide and distribute
31.6 vouchers to drivers.

31.7 (e) Applicants must keep records of vouchers distributed and records of all expenses
31.8 associated with awarded grant money.

31.9 Subd. 4. **Grant criteria.** Preference for grant awards must be given to applicants whose
31.10 proposals provide resources and vouchers to individuals residing in geographic areas that
31.11 have historically received underinvestment and have high poverty rates.

31.12 Subd. 5. **Reporting.** By February 1 each year, grant recipients must submit a report to
31.13 the commissioner itemizing all expenditures made using grant money, the purpose of each
31.14 expenditure, and the disposition of each contact made with drivers with malfunctioning or
31.15 broken lighting equipment. The report must be in the form and manner prescribed by the
31.16 commissioner.

31.17 Sec. 27. Minnesota Statutes 2023 Supplement, section 169A.44, subdivision 1, is amended
31.18 to read:

31.19 Subdivision 1. **Nonfelony violations.** (a) This subdivision applies to a person charged
31.20 with a nonfelony violation of section 169A.20 (driving while impaired) under circumstances
31.21 described in section 169A.40, subdivision 3 (certain DWI offenders; custodial arrest).

31.22 (b) Except as provided in subdivision 3, unless maximum bail is imposed under section
31.23 629.471, a person described in paragraph (a) may be released from detention only if the
31.24 person agrees to the following conditions pending resolution of the charge:

31.25 (1) abstain from alcohol and nonprescribed controlled or intoxicating substances; and

31.26 (2) submit to a program of electronic alcohol monitoring, involving at least daily
31.27 measurements of the person's alcohol concentration, pending resolution of the charge to
31.28 monitor that abstinence.

31.29 (c) A defendant charged with a violation of section 169A.20, subdivision 1, clause (1),
31.30 (5), or (6); subdivision 1, clause (4), where one of the elements involves a violation of clause
31.31 (1); subdivision 2, clause (1); or subdivision 2, clause (2), if the court issued the warrant

32.1 based on probable cause to believe that the person was under the influence of alcohol, must
32.2 be monitored through the use of:

32.3 (1) electronic alcohol monitoring, involving at least daily measurements of the person's
32.4 alcohol concentration if electronic alcohol-monitoring equipment is available to the court;
32.5 or

32.6 (2) random alcohol tests conducted at least weekly if electronic alcohol-monitoring
32.7 equipment is not available to the court.

32.8 (d) A defendant charged with a violation of section 169A.20, subdivision 1, clause (2),
32.9 (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued the warrant based on
32.10 probable cause to believe that the person was under the influence of a controlled substance
32.11 or an intoxicating substance, must be monitored through the use of random urine analyses
32.12 conducted at least weekly.

32.13 ~~Clause (2) applies only when electronic alcohol-monitoring equipment is available to~~
32.14 ~~the court.~~ (e) The court shall require partial or total reimbursement from the person for the
32.15 cost of the electronic alcohol monitoring, random alcohol tests, and random urine analyses,
32.16 to the extent the person is able to pay.

32.17 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to defendants
32.18 charged on or after that date.

32.19 Sec. 28. Minnesota Statutes 2022, section 169A.55, subdivision 4, is amended to read:

32.20 Subd. 4. **Reinstatement of driving privileges; multiple incidents.** (a) A person whose
32.21 driver's license has been revoked as a result of an alcohol-related offense listed under clause
32.22 (2) shall not be eligible for reinstatement of driving privileges without an ignition interlock
32.23 restriction until the commissioner certifies that either:

32.24 (1) the person did not own or lease a vehicle at the time of the offense or at any time
32.25 between the time of the offense and the driver's request for reinstatement, or commit a
32.26 violation of chapter 169, 169A, or 171 between the time of the offense and the driver's
32.27 request for reinstatement or at the time of the arrest for the offense listed under clause (2),
32.28 item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

32.29 (i) a request by the person for reinstatement, on a form to be provided by the Department
32.30 of Public Safety;

32.31 (ii) the person's attestation under penalty of perjury; and

33.1 (iii) the submission by the driver of certified copies of vehicle registration records and
33.2 driving records for the period from the arrest until the driver seeks reinstatement of driving
33.3 privileges; or

33.4 (2) the person used the ignition interlock device and complied with section 171.306 for
33.5 a period of not less than:

33.6 (i) one year, for a person whose driver's license was revoked for:

33.7 (A) an offense occurring within ten years of a qualified prior impaired driving incident;
33.8 or

33.9 (B) an offense occurring after two qualified prior impaired driving incidents; or

33.10 (ii) two years, for a person whose driver's license was revoked for:

33.11 (A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated
33.12 an alcohol concentration of twice the legal limit or more; or

33.13 (B) an offense occurring under item (i), subitem (A) or (B), and the current offense is
33.14 for a violation of section 169A.20, subdivision 2.

33.15 (b) A person whose driver's license has been canceled or denied as a result of three or
33.16 more qualified impaired driving incidents involving at least one alcohol-related offense
33.17 shall not be eligible for reinstatement of driving privileges without an ignition interlock
33.18 restriction until the person:

33.19 (1) has completed rehabilitation according to rules adopted by the commissioner or been
33.20 granted a variance from the rules by the commissioner; and

33.21 (2) has submitted verification of abstinence from alcohol and controlled substances
33.22 under paragraph (c), as evidenced by the person's use of an ignition interlock device or other
33.23 chemical monitoring device approved by the commissioner.

33.24 (c) The verification of abstinence must show that the person has abstained from the use
33.25 of alcohol and controlled substances for a period of not less than:

33.26 (1) three years, for a person whose driver's license was canceled or denied for an offense
33.27 occurring within ten years of the first of two qualified prior impaired driving incidents, or
33.28 occurring after three qualified prior impaired driving incidents;

33.29 (2) four years, for a person whose driver's license was canceled or denied for an offense
33.30 occurring within ten years of the first of three qualified prior impaired driving incidents; or

34.1 (3) six years, for a person whose driver's license was canceled or denied for an offense
34.2 occurring after four or more qualified prior impaired driving incidents.

34.3 (d) A person whose driver's license has been revoked as a result of a controlled or
34.4 intoxicating substance offense listed under clause (2) shall not be eligible for reinstatement
34.5 of driving privileges without participating in the intensive testing program established under
34.6 section 171.307 until the commissioner certifies that either:

34.7 (1) the person did not own or lease a vehicle at the time of the offense or at any time
34.8 between the time of the offense and the driver's request for reinstatement, or commit a
34.9 violation of chapter 169, 169A, or 171 between the time of the offense and the driver's
34.10 request for reinstatement or at the time of the arrest for the offense listed under clause (2),
34.11 item (i), subitem (A) or (B), or (ii), subitem (A) or (B), as based on:

34.12 (i) a request by the person for reinstatement, on a form to be provided by the Department
34.13 of Public Safety;

34.14 (ii) the person's attestation under penalty of perjury; and

34.15 (iii) the submission by the driver of certified copies of vehicle registration records and
34.16 driving records for the period from the arrest until the driver seeks reinstatement of driving
34.17 privileges; or

34.18 (2) the person participated in the intensive testing program and complied with section
34.19 171.307 for a period of not less than:

34.20 (i) one year, for a person whose driver's license was revoked for:

34.21 (A) an offense occurring within ten years of a qualified prior impaired driving incident;

34.22 or

34.23 (B) an offense occurring after two qualified prior impaired driving incidents; or

34.24 (ii) two years, for a person whose driver's license was revoked for:

34.25 (A) an offense occurring under item (i), subitem (A) or (B), and the test results indicated
34.26 an alcohol concentration of twice the legal limit or more; or

34.27 (B) an offense occurring under item (i), subitem (A) or (B), and the current offense is
34.28 for a violation of section 169A.20, subdivision 2.

34.29 (e) A person whose driver's license has been canceled or denied as a result of three or
34.30 more qualified impaired driving incidents involving at least one controlled or intoxicating
34.31 substance offense shall not be eligible for reinstatement of driving privileges without
34.32 participating in the intensive testing program until the person:

35.1 (1) has completed rehabilitation according to rules adopted by the commissioner or been
35.2 granted a variance from the rules by the commissioner; and

35.3 (2) has submitted verification of abstinence from alcohol and controlled substances
35.4 under paragraph (f), as evidenced by the person's participation in the intensive testing
35.5 program or other monitoring approved by the commissioner.

35.6 (f) The verification of abstinence must show that the person has abstained from the use
35.7 of alcohol and controlled substances for a period of not less than:

35.8 (1) three years, for a person whose driver's license was canceled or denied for an offense
35.9 occurring within ten years of the first of two qualified prior impaired driving incidents, or
35.10 occurring after three qualified prior impaired driving incidents;

35.11 (2) four years, for a person whose driver's license was canceled or denied for an offense
35.12 occurring within ten years of the first of three qualified prior impaired driving incidents; or

35.13 (3) six years, for a person whose driver's license was canceled or denied for an offense
35.14 occurring after four or more qualified prior impaired driving incidents.

35.15 (g) As used in this subdivision:

35.16 (1) "alcohol-related offense" means a violation of section 169A.20, subdivision 1, clause
35.17 (1), (5), or (6); subdivision 1, clause (4), where one of the elements involves a violation of
35.18 clause (1); subdivision 2, clause (1); or subdivision 2, clause (2), if the court issued the
35.19 warrant based on probable cause to believe that the person was under the influence of
35.20 alcohol; and

35.21 (2) "controlled or intoxicating substance offense" means a violation of section 169A.20,
35.22 subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued
35.23 the warrant based on probable cause to believe that the person was under the influence of
35.24 a controlled substance or an intoxicating substance.

35.25 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to revocations
35.26 and cancellations or denials that occur on or after that date.

35.27 Sec. 29. Minnesota Statutes 2023 Supplement, section 171.0705, subdivision 2, is amended
35.28 to read:

35.29 Subd. 2. **Driver's manual; ~~bicycle traffic~~ vulnerable road users.** The commissioner
35.30 ~~shall~~ must include in ~~each edition~~ of the driver's manual published by the department a
35.31 section relating to vulnerable road users and motorcyclists or operators of two- or
35.32 three-wheeled vehicles that, at a minimum, includes:

- 36.1 (1) bicycle traffic laws, including any changes in the law which affect bicycle traffic;
36.2 (2) traffic laws related to pedestrians and pedestrian safety; and
36.3 (3) traffic laws related to motorcycles, autocycles, motorized bicycles, motorized foot
36.4 scooters, and electric personal assistive mobility devices.

36.5 **EFFECTIVE DATE.** This section is effective the day following final enactment and
36.6 applies to each edition of the manual published on or after that date.

36.7 Sec. 30. Minnesota Statutes 2023 Supplement, section 171.13, subdivision 1, is amended
36.8 to read:

36.9 Subdivision 1. **Examination subjects and locations; provisions for color blindness,**
36.10 **disabled veterans.** (a) Except as otherwise provided in this section, the commissioner must
36.11 examine each applicant for a driver's license by such agency as the commissioner directs.
36.12 This examination must include:

36.13 (1) a test of the applicant's eyesight, provided that this requirement is met by submission
36.14 of a vision examination certificate under section 171.06, subdivision 7;

36.15 (2) a test of the applicant's ability to read and understand highway signs regulating,
36.16 warning, and directing traffic;

36.17 (3) a test of the applicant's knowledge of (i) traffic laws; (ii) the effects of alcohol and
36.18 drugs on a driver's ability to operate a motor vehicle safely and legally, and of the legal
36.19 penalties and financial consequences resulting from violations of laws prohibiting the
36.20 operation of a motor vehicle while under the influence of alcohol or drugs; (iii) railroad
36.21 grade crossing safety; (iv) slow-moving vehicle safety; (v) laws relating to pupil
36.22 transportation safety, including the significance of school bus lights, signals, stop arm, and
36.23 passing a school bus; (vi) traffic laws related to vulnerable road users and motorcyclists,
36.24 including but not limited to operators of bicycles and pedestrians; and (vii) the circumstances
36.25 and dangers of carbon monoxide poisoning;

36.26 (4) an actual demonstration of ability to exercise ordinary and reasonable control in the
36.27 operation of a motor vehicle; and

36.28 (5) other physical and mental examinations as the commissioner finds necessary to
36.29 determine the applicant's fitness to operate a motor vehicle safely upon the highways.

36.30 (b) Notwithstanding paragraph (a), the commissioner must not deny an application for
36.31 a driver's license based on the exclusive grounds that the applicant's eyesight is deficient in
36.32 color perception or that the applicant has been diagnosed with diabetes mellitus. War veterans

37.1 operating motor vehicles especially equipped for disabled persons, if otherwise entitled to
37.2 a license, must be granted such license.

37.3 (c) The commissioner must ensure that an applicant may take an exam either in the
37.4 county where the applicant resides or in an adjacent county at a reasonably convenient
37.5 location. The schedule for each exam station must be posted on the department's website.

37.6 (d) The commissioner shall ensure that an applicant is able to obtain an appointment for
37.7 an examination to demonstrate ability under paragraph (a), clause (4), within 14 days of the
37.8 applicant's request if, under the applicable statutes and rules of the commissioner, the
37.9 applicant is eligible to take the examination.

37.10 (e) The commissioner must provide real-time information on the department's website
37.11 about the availability and location of exam appointments. The website must show the next
37.12 available exam dates and times for each exam station. The website must also provide an
37.13 option for a person to enter an address to see the date and time of the next available exam
37.14 at each exam station sorted by distance from the address provided.

37.15 Sec. 31. Minnesota Statutes 2022, section 171.306, subdivision 1, is amended to read:

37.16 Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have
37.17 the meanings given them.

37.18 (b) "Ignition interlock device" or "device" means equipment that is designed to measure
37.19 breath alcohol concentration and to prevent a motor vehicle's ignition from being started
37.20 by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

37.21 (c) "Incident involving alcohol" means:

37.22 (1) a test failure as described in section 169A.52, subdivision 2, paragraph (a), clause
37.23 (1) or (2); or section 171.177, subdivision 3, clause (2), item (i) or (ii);

37.24 (2) a test refusal as described in section 169A.52, subdivision 3, or section 171.177,
37.25 subdivision 3, clause (1), when there was probable cause to believe the person had been
37.26 driving, operating, or in physical control of a motor vehicle in violation of section 169A.20,
37.27 subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where one of the elements
37.28 involves a violation of clause (1);

37.29 (3) a conviction for a violation of section 169A.20, subdivision 1, clause (1), (5), or (6);
37.30 or subdivision 1, clause (4), where one of the elements involves a violation of clause (1);
37.31 or

38.1 (4) a determination by the commissioner pursuant to section 171.04, subdivision 1,
 38.2 clause (10), that the person is inimical to public safety based on one or more violations of
 38.3 section 169A.20, subdivision 1, clause (1), (5), or (6); or subdivision 1, clause (4), where
 38.4 one of the elements involves a violation of clause (1).

38.5 ~~(e)~~ (d) "Location tracking capabilities" means the ability of an electronic or wireless
 38.6 device to identify and transmit its geographic location through the operation of the device.

38.7 ~~(d)~~ (e) "Program participant" means a person who has qualified to take part in the ignition
 38.8 interlock program under this section, and whose driver's license, as a result of an incident
 38.9 involving alcohol, has been:

38.10 (1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision
 38.11 1, clause (10); or 171.177; or

38.12 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended
 38.13 under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item
 38.14 (i) or (iii), (3), or (4); subdivision 2, clause (2), item (i) or (iii), (3), or (4); or subdivision
 38.15 3, clause (2), item (i) or (iii), (3), or (4); or 609.2114, subdivision 2, clause (2), item (i) or
 38.16 (iii), (3), or (4), resulting in bodily harm, substantial bodily harm, or great bodily harm.

38.17 ~~(e)~~ (f) "Qualified prior impaired driving incident" has the meaning given in section
 38.18 169A.03, subdivision 22.

38.19 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to revocations
 38.20 and cancellations or denials that occur on or after that date.

38.21 Sec. 32. Minnesota Statutes 2022, section 171.306, subdivision 8, is amended to read:

38.22 Subd. 8. **Rulemaking.** ~~In establishing~~ The commissioner may adopt rules to implement
 38.23 this section, including but not limited to rules regarding the performance standards and
 38.24 certification process of subdivision 2; and the program guidelines of subdivision 3, ~~and any~~
 38.25 other rules necessary to implement this section, the commissioner is subject to chapter 14.

38.26 **EFFECTIVE DATE.** This section is effective August 1, 2024.

38.27 Sec. 33. **[171.307] INTENSIVE TESTING PROGRAM.**

38.28 Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the
 38.29 meanings given.

38.30 (b) "Incident involving a controlled substance or intoxicating substance" means:

39.1 (1) a test failure as described in section 169A.52, subdivision 2, paragraph (a), clause
39.2 (3); or 171.177, subdivision 3, clause (2), item (iii);

39.3 (2) a test refusal as described in section 169A.52, subdivision 3, or 171.177, subdivision
39.4 3, clause (1), when there was probable cause to believe the person had been driving,
39.5 operating, or in physical control of a motor vehicle in violation of section 169A.20,
39.6 subdivision 1, clause (2), (3), (4), (7), or (8); or subdivision 2, clause (2), if the court issued
39.7 the warrant based on probable cause to believe that the person was under the influence of
39.8 a controlled substance or an intoxicating substance;

39.9 (3) a conviction for a violation of section 169A.20, subdivision 1, clause (2), (3), (4),
39.10 (7), or (8); or

39.11 (4) a determination by the commissioner pursuant to section 171.04, subdivision 1,
39.12 clause (10), that the person is inimical to public safety based on one or more violations of
39.13 section 169A.20, subdivision 1, clause (2), (3), (4), (7), or (8).

39.14 (c) "Program participant" means a person who has qualified to take part in the intensive
39.15 testing program under this section, and whose driver's license, as the result of an incident
39.16 involving a controlled substance or intoxicating substance, has been:

39.17 (1) revoked, canceled, or denied under section 169A.52; 169A.54; 171.04, subdivision
39.18 1, clause (10); or 171.177; or

39.19 (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended
39.20 under section 171.187, for a violation of section 609.2113, subdivision 1, clause (2), item
39.21 (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6); or
39.22 subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114, subdivision 2, clause
39.23 (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm, substantial bodily harm, or
39.24 great bodily harm.

39.25 (d) "Qualified prior impaired driving incident" has the meaning given in section 169A.03,
39.26 subdivision 22.

39.27 Subd. 2. **Program requirements.** (a) The commissioner must establish guidelines for
39.28 participation in the intensive testing program. A person who seeks to participate in the
39.29 program must sign a written acknowledgment that the person has received, reviewed, and
39.30 agreed to abide by the program guidelines.

39.31 (b) The program guidelines must include provisions clearly identifying and prohibiting
39.32 the use of masking agents.

40.1 (c) The program guidelines must include provisions requiring disclosure of any
40.2 prescription medications and protocols to assure that testing accounts for prescribed
40.3 medications that are taken within the therapeutic range.

40.4 (d) The commissioner must enter a notation on a person's driving record to indicate that
40.5 the person is a program participant.

40.6 (e) A person under the age of 18 years is not eligible to be a program participant.

40.7 (f) A program participant must pay costs associated with any required urine analyses.

40.8 (g) A program participant must participate in any treatment recommended in a chemical
40.9 use assessment report.

40.10 (h) A program participant must submit to regular and random urine analyses and other
40.11 testing that take place at least weekly. The results of a random urine analysis or other test
40.12 that is ordered by a court or required by probation satisfy the requirement in this paragraph
40.13 for the week in which the urine analysis or other test was administered if the results clearly
40.14 indicate that the program participant submitted to the urine analysis or test, identify the date
40.15 of the test, and are submitted to the commissioner in a form and manner approved by the
40.16 commissioner. If a program participant chooses to submit the results of urine analyses or
40.17 other tests ordered by a court or required by probation, the commissioner may require that
40.18 the program participant sign a written authorization for the release of the results and any
40.19 related information including but not limited to information that is a health record as defined
40.20 in section 144.291, subdivision 2, paragraph (c).

40.21 Subd. 3. **Issuance of restricted license.** (a) Beginning January 1, 2026, the commissioner
40.22 must issue a class D driver's license, subject to the applicable limitations and restrictions
40.23 of this section, to a program participant who meets the requirements of this section and the
40.24 program guidelines. The commissioner must not issue a license unless the program participant
40.25 has provided satisfactory proof that:

40.26 (1) the participant has submitted to a minimum number of preliminary urine analyses
40.27 as required by the commissioner that tested negative for the presence of a controlled substance
40.28 or its metabolite and for the presence of specified intoxicating substances; and

40.29 (2) the participant has insurance coverage on any vehicle the participant owns or operates
40.30 regularly. If the participant has previously been convicted of violating section 169.791,
40.31 169.793, or 169.797 or the participant's license has previously been suspended or canceled
40.32 under section 169.792 or 169.797, the commissioner must require the participant to present

41.1 an insurance identification card that is certified by the insurance company to be noncancelable
41.2 for a period not to exceed 12 months.

41.3 (b) A program participant whose driver's license has been: (1) revoked under section
41.4 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph
41.5 (a), clause (1), (2), or (3); 169A.54, subdivision 1, clause (1), (2), (3), or (4); or 171.177,
41.6 subdivision 4, paragraph (a), clause (1), (2), or (3), or subdivision 5, paragraph (a), clause
41.7 (1), (2), or (3); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause
41.8 (1), or suspended under section 171.187, for a violation of section 609.2113, subdivision
41.9 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause (2), item (ii), (iii), or
41.10 (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5), or (6); or 609.2114,
41.11 subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in bodily harm,
41.12 substantial bodily harm, or great bodily harm, where the participant has fewer than two
41.13 qualified prior impaired driving incidents within the past ten years or fewer than three
41.14 qualified prior impaired driving incidents ever; may apply for conditional reinstatement of
41.15 the driver's license, subject to the intensive testing program.

41.16 (c) A program participant whose driver's license has been: (1) revoked, canceled, or
41.17 denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or
41.18 subdivision 4, paragraph (a), clause (4), (5), or (6); 169A.54, subdivision 1, clause (5), (6),
41.19 or (7); or 171.177, subdivision 4, paragraph (a), clause (4), (5), or (6), or subdivision 5,
41.20 paragraph (a), clause (4), (5), or (6); or (2) revoked under section 171.17, subdivision 1,
41.21 paragraph (a), clause (1), or suspended under section 171.187, for a violation of section
41.22 609.2113, subdivision 1, clause (2), item (ii), (iii), or (iv), (5), or (6); subdivision 2, clause
41.23 (2), item (ii), (iii), or (iv), (5), or (6); or subdivision 3, clause (2), item (ii), (iii), or (iv), (5),
41.24 or (6); or 609.2114, subdivision 2, clause (2), item (ii), (iii), or (iv), (5), or (6), resulting in
41.25 bodily harm, substantial bodily harm, or great bodily harm, where the participant has two
41.26 or more qualified prior impaired driving incidents within the past ten years or three or more
41.27 qualified prior impaired driving incidents ever; may apply for conditional reinstatement of
41.28 the driver's license, subject to the intensive testing program, if the program participant is
41.29 enrolled in a licensed substance use disorder treatment or rehabilitation program as
41.30 recommended in a chemical use assessment. As a prerequisite to eligibility for eventual
41.31 reinstatement of full driving privileges, a participant whose chemical use assessment
41.32 recommended treatment or rehabilitation must complete a licensed substance use disorder
41.33 treatment or rehabilitation program. If the program participant submits a urine analysis that
41.34 tests positive for the presence of a controlled substance or its metabolite or for the presence
41.35 of any specified intoxicating substances, the commissioner must extend the time period that

42.1 the participant must participate in the program until the participant has reached the required
42.2 abstinence period described in section 169A.55, subdivision 4.

42.3 (d) Notwithstanding any statute or rule to the contrary, the commissioner has authority
42.4 to determine when a program participant is eligible for restoration of full driving privileges,
42.5 except that the commissioner must not reinstate full driving privileges until the program
42.6 participant has met all applicable prerequisites for reinstatement under section 169A.55 and
42.7 until the program participant has not tested positive for the presence of a controlled substance
42.8 or its metabolite or for the presence of any specified intoxicating substances during the
42.9 preceding 90 days.

42.10 Subd. 4. **Penalties; program violations.** (a) If a program participant violates a condition
42.11 of a license conditionally reinstated under subdivision 3 and section 171.30, or violates the
42.12 program guidelines under subdivision 2, the commissioner must extend the person's
42.13 revocation period under section 169A.52, 169A.54, or 171.177 by:

42.14 (1) 180 days for a first violation;

42.15 (2) one year for a second violation; or

42.16 (3) 545 days for a third and each subsequent violation.

42.17 (b) Notwithstanding paragraph (a), the commissioner may terminate participation in the
42.18 program by any person when, in the commissioner's judgment, termination is necessary to
42.19 protect the interests of public safety and welfare. In the event of termination, the
42.20 commissioner must not reduce the applicable revocation period under section 169A.52,
42.21 169A.54, or 171.177 by the amount of time during which the person possessed a limited or
42.22 restricted driver's license issued under subdivision 3.

42.23 Subd. 5. **Tampering; penalties.** A program participant who tampers with a test required
42.24 under this section, including but not limited to submitting a false or adulterated sample, or
42.25 a person who advises or otherwise assists a program participant in tampering with a test
42.26 required under this section is guilty of a misdemeanor.

42.27 Subd. 6. **Venue.** In addition to the provisions of Rule 24 of the Rules of Criminal
42.28 Procedure and section 627.01, a violation of subdivision 5 may be prosecuted in:

42.29 (1) the county in which the tampering is alleged to have taken place;

42.30 (2) the county in which the accused resides; or

42.31 (3) the county in which the impaired driving incident occurred, which resulted in the
42.32 accused being issued a driver's license with an intensive testing program restriction.

43.1 Subd. 7. **Data.** Data on program participants collected under this section are private data
43.2 on individuals as defined in section 13.02, subdivision 12. Data must be maintained in the
43.3 same manner as all other driver's license records. Access to the data is subject to the
43.4 provisions of section 171.12, subdivision 1a.

43.5 Subd. 8. **Rulemaking.** The commissioner may adopt rules to implement this section,
43.6 including but not limited to rules establishing or amending the program guidelines under
43.7 subdivision 2.

43.8 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to revocations
43.9 and cancellations or denials that occur on or after that date.

43.10 Sec. 34. Minnesota Statutes 2022, section 174.02, is amended by adding a subdivision to
43.11 read:

43.12 Subd. 11. **Tribal worksite training program.** The commissioner must establish a Tribal
43.13 worksite training program for state-funded construction projects. The commissioner may
43.14 enter into an agreement with any private, public, or Tribal entity for the planning, designing,
43.15 developing, and hosting of the program.

43.16 Sec. 35. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 3, is amended
43.17 to read:

43.18 Subd. 3. **Active transportation accounts.** (a) An active transportation account is
43.19 established in the special revenue fund. The account consists of funds provided by law and
43.20 any other money donated, allotted, transferred, or otherwise provided to the account. Money
43.21 in the account is annually appropriated to the commissioner and must be expended only ~~on~~
43.22 ~~projects that receive financial assistance~~ as provided under this section.

43.23 (b) An active transportation account is established in the bond proceeds fund. The account
43.24 consists of state bond proceeds appropriated to the commissioner. Money in the account
43.25 may only be expended on bond-eligible costs of a project receiving financial assistance as
43.26 provided under this section. Money in the account may only be expended on a project that
43.27 is publicly owned.

43.28 ~~(c) An active transportation account is established in the general fund. The account~~
43.29 ~~consists of money as provided by law and any other money donated, allotted, transferred,~~
43.30 ~~or otherwise provided to the account. Money in the account may only be expended on a~~
43.31 ~~project receiving financial assistance as provided under this section.~~

44.1 Sec. 36. Minnesota Statutes 2023 Supplement, section 174.38, subdivision 6, is amended
44.2 to read:

44.3 Subd. 6. **Use of funds.** (a) The commissioner must determine permissible uses of ~~financial~~
44.4 ~~assistance~~ funds available under this section, which are limited to:

44.5 (1) construction and maintenance of bicycle, trail, and pedestrian infrastructure, including
44.6 but not limited to safe routes to school infrastructure and bicycle facilities and centers; ~~and~~

44.7 (2) noninfrastructure programming, including activities as specified in section 174.40,
44.8 subdivision 7a, paragraph (b); and

44.9 (3) as provided in this subdivision.

44.10 (b) Of the amount made available in each fiscal year, the first \$500,000 is for grants to
44.11 develop, maintain, and implement active transportation safety curriculum for youth ages
44.12 five to 14 years old, and if remaining funds are available, for (1) youth ages 15 to 17 years
44.13 old, (2) adult active transportation safety programs, and (3) adult learn-to-ride programs.
44.14 The curriculum must include resources for teachers and must meet the model training
44.15 materials requirements under section 123B.935, subdivision 4.

44.16 (c) Of the amount made available, \$245,000 in each of fiscal years 2025 to 2028 is for
44.17 costs related to complete streets implementation training under section 174.75, subdivision
44.18 2a.

44.19 Sec. 37. [174.595] TRANSPORTATION FACILITIES CAPITAL PROGRAM.

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

44.22 (b) "Capital building asset" includes but is not limited to district headquarters buildings,
44.23 truck stations, salt storage or other unheated storage buildings, deicing and anti-icing
44.24 facilities, fuel dispensing facilities, highway rest areas, and vehicle weigh and inspection
44.25 stations.

44.26 (c) "Commissioner" means the commissioner of transportation.

44.27 (d) "Department" means the Department of Transportation.

44.28 (e) "Program" means the transportation facilities capital program established in this
44.29 section.

45.1 Subd. 2. **Program established.** The commissioner must establish a transportation
45.2 facilities capital program in conformance with this section to provide for capital building
45.3 asset projects related to buildings and other capital facilities of the department.

45.4 Subd. 3. **Transportation facilities capital accounts.** (a) A transportation facilities
45.5 capital account is established in the trunk highway fund. The account consists of money
45.6 appropriated from the trunk highway fund for the purposes of the program and any other
45.7 money donated, allotted, transferred, or otherwise provided to the account by law.

45.8 (b) A transportation facilities capital subaccount is established in the bond proceeds
45.9 account in the trunk highway fund. The subaccount consists of trunk highway bond proceeds
45.10 appropriated to the commissioner for the purposes of the program. Money in the subaccount
45.11 may only be expended on trunk highway purposes, including the purposes specified in this
45.12 section.

45.13 Subd. 4. **Implementation standards.** The commissioner must establish a process to
45.14 implement the program that includes allocation of funding based on review of eligible
45.15 projects as provided under subdivision 5 and prioritization as provided under subdivision
45.16 6. The process must be in conformance with trunk highway fund uses for the purposes of
45.17 constructing, improving, and maintaining the trunk highway system in the state pursuant
45.18 to the Minnesota Constitution, article XIV.

45.19 Subd. 5. **Eligible expenditures.** A project is eligible under this section only if the project:

45.20 (1) involves the construction, improvement, or maintenance of a capital building asset
45.21 that is part of the trunk highway system; and

45.22 (2) accomplishes at least one of the following:

45.23 (i) supports the programmatic mission of the department;

45.24 (ii) extends the useful life of existing buildings; or

45.25 (iii) renovates or constructs facilities to meet the department's current and future
45.26 operational needs.

45.27 Subd. 6. **Prioritization.** In prioritizing funding allocation among projects under the
45.28 program, the commissioner must consider:

45.29 (1) whether a project ensures the effective and efficient condition and operation of the
45.30 facility;

45.31 (2) the urgency in ensuring the safe use of existing buildings;

45.32 (3) the project's total life-cycle cost;

46.1 (4) additional criteria for priorities otherwise specified in law that apply to a category
46.2 listed in the act making an appropriation for the program; and
46.3 (5) any other criteria the commissioner deems necessary.

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

46.5 Sec. 38. Minnesota Statutes 2023 Supplement, section 174.634, subdivision 2, is amended
46.6 to read:

46.7 **Subd. 2. Passenger rail account; transfers; appropriation.** (a) A passenger rail account
46.8 is established in the special revenue fund. The account consists of funds as provided in this
46.9 subdivision and any other money donated, allotted, transferred, collected, or otherwise
46.10 provided to the account.

46.11 (b) By July 15 annually beginning in calendar year 2027, the commissioner of revenue
46.12 must transfer an amount from the general fund to the passenger rail account that equals 50
46.13 percent of the portion of the state general tax under section 275.025 levied on railroad
46.14 operating property, as defined under section 273.13, subdivision 24, in the prior calendar
46.15 year.

46.16 (c) Money in the account is annually appropriated to the commissioner of transportation
46.17 for the ~~net~~ operating and capital maintenance costs of intercity passenger rail, which may
46.18 include but are not limited to planning, designing, developing, constructing, equipping,
46.19 administering, operating, promoting, maintaining, and improving passenger rail service
46.20 within the state, after accounting for operating revenue, federal funds, and other sources.

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

46.22 Sec. 39. Minnesota Statutes 2023 Supplement, section 174.634, is amended by adding a
46.23 subdivision to read:

46.24 **Subd. 3. Fee and revenue collection authorized.** In order to maintain a balanced
46.25 transportation system in the state required by the public convenience and necessity, the
46.26 commissioner may, directly or through a contractor, vendor, operator, or partnership with
46.27 a federal or state government entity, including Amtrak, collect a fee or other revenue related
46.28 to passenger rail services within the state. Fees and revenue to be collected include but are
46.29 not limited to fees and revenue generated through ticket sales and sales of on-board and
46.30 promotional goods. Revenue may be collected as determined by the commissioner. Fees
46.31 and revenue collected under this subdivision must be deposited in the passenger rail account

47.1 in the special revenue fund. Fees and revenue under this section are not subject to section
47.2 16A.1283.

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

47.4 Sec. 40. Minnesota Statutes 2022, section 174.75, subdivision 1, is amended to read:

47.5 Subdivision 1. ~~Definition~~ Definitions. (a) For purposes of this section, the following
47.6 terms have the meanings given.

47.7 (b) "Complete streets" is the planning, scoping, design, implementation, operation, and
47.8 maintenance of roads in order to reasonably address the safety and accessibility needs of
47.9 users of all ages and abilities. Complete streets considers the needs of motorists, pedestrians,
47.10 transit users and vehicles, bicyclists, and commercial and emergency vehicles moving along
47.11 and across roads, intersections, and crossings in a manner that is sensitive to the local context
47.12 and recognizes that the needs vary in urban, suburban, and rural settings.

47.13 (c) "Vulnerable road user" has the meaning given in section 169.011, subdivision 92b.

47.14 Sec. 41. Minnesota Statutes 2022, section 174.75, subdivision 2, is amended to read:

47.15 Subd. 2. **Implementation.** (a) The commissioner ~~shall~~ must implement a complete
47.16 streets policy after consultation with stakeholders, state and regional agencies, local
47.17 governments, and road authorities. The commissioner, after such consultation, ~~shall~~ must
47.18 address relevant protocols, guidance, standards, requirements, and training, ~~and shall~~
47.19 integrate.

47.20 (b) The complete streets policy must include but is not limited to:

47.21 (1) integration of related principles of context-sensitive solutions;

47.22 (2) integration throughout the project development process;

47.23 (3) methods to evaluate inclusion of active transportation facilities in a project, which
47.24 may include but are not limited to sidewalks, crosswalk markings, pedestrian accessibility,
47.25 and bikeways; and

47.26 (4) consideration of consultation with other road authorities regarding existing and
47.27 planned active transportation network connections.

48.1 Sec. 42. Minnesota Statutes 2022, section 174.75, is amended by adding a subdivision to
48.2 read:

48.3 Subd. 2a. **Implementation guidance.** The commissioner must maintain guidance that
48.4 accompanies the complete streets policy under this section. The guidance must include
48.5 sections on:

48.6 (1) an analysis framework that provides for:

48.7 (i) identification of characteristics of a project;

48.8 (ii) highway system categorization based on context, including population density, land
48.9 use, density and scale of surrounding development, volume of highway use, and the nature
48.10 and extent of active transportation; and

48.11 (iii) relative emphasis for different road system users in each of the categories under
48.12 item (ii) in a manner that supports safety and mobility of vulnerable road users, motorcyclists
48.13 or other operators of two- or three-wheeled vehicles, and public transit users; and

48.14 (2) an analysis of speed limit reductions and associated roadway design modifications
48.15 to support safety and mobility in active transportation.

48.16 Sec. 43. Minnesota Statutes 2022, section 216E.02, subdivision 1, is amended to read:

48.17 Subdivision 1. **Policy.** The legislature hereby declares it to be the policy of the state to
48.18 locate large electric power facilities and high voltage transmission lines in an orderly manner
48.19 compatible with environmental preservation and the efficient use of resources. In accordance
48.20 with this policy the commission shall choose locations that minimize adverse human and
48.21 environmental impact while insuring continuing electric power system reliability and integrity
48.22 and insuring that electric energy needs are met and fulfilled in an orderly and timely fashion.

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

48.24 Sec. 44. Minnesota Statutes 2023 Supplement, section 219.015, subdivision 2, is amended
48.25 to read:

48.26 Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in
48.27 this subdivision, the commissioner must annually assess railroad companies that are (1)
48.28 defined as common carriers under section 218.011; (2) classified by federal law or regulation
48.29 as Class I Railroads, Class I Rail Carriers, Class II Railroads, or Class II Rail Carriers; and
48.30 (3) operating in this state.

49.1 (b) The assessment must be calculated to allocate state rail safety inspection program
49.2 costs proportionally among carriers based on route miles operated in Minnesota at the time
49.3 of assessment. The commissioner must include in the assessment calculation all state rail
49.4 safety inspection program costs to support up to six rail safety inspector positions, including
49.5 but not limited to salary, administration, supervision, travel, equipment, training, and ongoing
49.6 state rail inspector duties.

49.7 (c) The assessments collected under this subdivision must be deposited in a state rail
49.8 safety inspection account, which is established in the special revenue fund. The account
49.9 consists of funds provided by this subdivision and section 221.0255 and any other money
49.10 donated, allotted, transferred, or otherwise provided to the account. Money in the account
49.11 is annually appropriated to the commissioner to administer the state rail safety inspection
49.12 program and for costs under section 221.0255.

49.13 **Sec. 45. [219.382] WAYSIDE DETECTOR SYSTEMS.**

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

49.16 (b) "Hazardous substance" has the meaning given in section 219.055, subdivision 1,
49.17 paragraph (e).

49.18 (c) "Wayside detector system" means one or more electronic devices that: (1) perform
49.19 automated scanning of passing trains, rolling stock, and on-track equipment to detect defects
49.20 or precursors to defects in equipment or component parts; and (2) provide notification to
49.21 individuals of a defect or precursor to a defect.

49.22 Subd. 2. Application. The requirements in this section apply to:

49.23 (1) a Class I railroad; and

49.24 (2) a Class II railroad or Class III railroad when transporting a hazardous substance at
49.25 a speed that exceeds ten miles per hour.

49.26 Subd. 3. Wayside detector system requirements. (a) A railroad must maintain
49.27 operational wayside detector systems located at intervals of:

49.28 (1) at least every ten miles of mainline track in the state; or

49.29 (2) at least every 15 miles of mainline track in the state if necessary due to the natural
49.30 terrain.

49.31 (b) A wayside detector system under this section must include a hot bearings detector
49.32 and a dragging equipment detector.

50.1 Subd. 4. **Defect notifications.** Promptly after a wayside detector system provides a
50.2 notification regarding a defect, the railroad must:

50.3 (1) stop the train in accordance with the railroad's applicable safety procedures;

50.4 (2) inspect the location of the defect from a position on the ground;

50.5 (3) if the inspection indicates that the train is not safe for movement, make necessary
50.6 repairs prior to movement;

50.7 (4) if the inspection indicates that the train is safe for movement or if repairs are
50.8 performed under clause (3):

50.9 (i) proceed at a speed that does not exceed (A) 30 miles per hour if the train is not
50.10 transporting a hazardous substance, or (B) ten miles per hour if the train is transporting a
50.11 hazardous substance; and

50.12 (ii) remove and set out any defective car at the earliest opportunity; and

50.13 (5) provide for the train crew to prepare a written inspection report and submit it to the
50.14 appropriate personnel within the railroad.

50.15 Subd. 5. **Report to commissioner.** By January 15 annually, a railroad that is subject to
50.16 this section must submit a report to the commissioner on wayside detector systems installed
50.17 in this state. At a minimum, the report must include:

50.18 (1) an overview of each wayside detector system, which must include:

50.19 (i) its type and primary characteristics;

50.20 (ii) the nearest milepost number, latitude and longitude coordinates, or other information
50.21 that specifically identifies its location; and

50.22 (iii) a review of the operational status of the hot bearings detector and the dragging
50.23 equipment detector throughout the prior 12 months; and

50.24 (2) other information on wayside detector systems as required by the commissioner.

50.25 Subd. 6. **Notification of validity.** Using existing resources, the commissioner must
50.26 perform a federal preemption analysis of the requirements under this section that includes
50.27 examination of federal law, case law, and federal guidance. The commissioner must make
50.28 a preemption determination based on the analysis. If the commissioner determines that the
50.29 requirements under this section are not reasonably expected to be preempted by federal law,
50.30 the commissioner must submit a notification of validity to the revisor of statutes and to the

51.1 chairs and ranking minority members of the legislative committees with jurisdiction over
51.2 transportation policy and finance.

51.3 Subd. 7. **Notification of impacts.** Using existing resources, the commissioner of
51.4 agriculture must perform an analysis of impacts on agricultural sector costs or other adverse
51.5 impacts on transportation of agricultural goods as a result of the requirements under this
51.6 section, and must make a determination based on the analysis. If the commissioner of
51.7 agriculture determines that the requirements under this section are anticipated to result in
51.8 minimal agricultural sector impacts, the commissioner must submit a notification of minimal
51.9 impacts to the revisor of statutes and to the chairs and ranking minority members of the
51.10 legislative committees with jurisdiction over transportation policy and finance.

51.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

51.12 Sec. 46. **[219.5505] TRAIN LENGTH.**

51.13 Subdivision 1. **Definition.** For purposes of this section, "railroad" means a common
51.14 carrier that is classified by federal law or regulation as a Class I railroad, Class II railroad,
51.15 or Class III railroad.

51.16 Subd. 2. **Application.** This section does not apply to a train transporting taconite that
51.17 originates within this state.

51.18 Subd. 3. **Maximum length.** A railroad must not operate a train in this state that has a
51.19 total length in excess of 8,500 feet.

51.20 Subd. 4. **Penalty.** (a) A railroad that violates this section is subject to a penalty of:

51.21 (1) not less than \$1,000 or more than \$5,000 for a first offense;

51.22 (2) not less than \$5,000 or more than \$10,000 for a second offense committed within
51.23 three years of the first offense; and

51.24 (3) not less than \$25,000 for a third or subsequent offense committed within three years
51.25 of the first offense.

51.26 (b) The commissioner of transportation may enforce this section in a civil action before
51.27 a judge of a county in which the violation occurs.

51.28 (c) Fines collected under this section must be deposited in the state rail safety inspection
51.29 account in the special revenue fund.

51.30 Subd. 5. **Notification of validity.** Using existing resources, the commissioner must
51.31 perform a federal preemption analysis of the requirements under this section that includes

52.1 examination of federal law, case law, and federal guidance. The commissioner must make
52.2 a preemption determination based on the analysis. If the commissioner determines that the
52.3 requirements under this section are not reasonably expected to be preempted by federal law,
52.4 the commissioner must submit a notification of validity to the revisor of statutes and to the
52.5 chairs and ranking minority members of the legislative committees with jurisdiction over
52.6 transportation policy and finance.

52.7 Subd. 6. **Notification of impacts.** Using existing resources, the commissioner of
52.8 agriculture must perform an analysis of impacts on agricultural sector costs or other adverse
52.9 impacts on transportation of agricultural goods as a result of the requirements under this
52.10 section, and must make a determination based on the analysis. If the commissioner of
52.11 agriculture determines that the requirements under this section are anticipated to result in
52.12 minimal agricultural sector impacts, the commissioner must submit a notification of minimal
52.13 impacts to the revisor of statutes and to the chairs and ranking minority members of the
52.14 legislative committees with jurisdiction over transportation policy and finance.

52.15 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations
52.16 committed on or after that date.

52.17 **Sec. 47. [219.756] YARDMASTER HOURS OF SERVICE.**

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

52.20 (b) "Railroad" means a common carrier that is classified by federal law or regulation as
52.21 Class I railroad, Class II railroad, or Class III railroad.

52.22 (c) "Yardmaster" means an employee of a common carrier who is responsible for
52.23 supervising and coordinating the control of trains and engines operating within a railyard,
52.24 not including a dispatching service employee, signal employee, or train employee as those
52.25 terms are defined in United States Code, title 49, section 21101.

52.26 Subd. 2. **Hours of service.** (a) A railroad operating in this state must not require or allow
52.27 a yardmaster to remain or go on duty:

52.28 (1) in any month when the employee has spent a total of 276 hours on duty or in any
52.29 other mandatory service for the carrier;

52.30 (2) for a period exceeding 12 consecutive hours; and

52.31 (3) unless the employee has had at least ten consecutive hours off duty during the prior
52.32 24 hours.

53.1 (b) A railroad operating in this state must not require or allow a yardmaster to remain
53.2 or go on duty after the employee has initiated an on-duty period each day for six consecutive
53.3 days unless the employee has had 48 consecutive hours off at the employee's home terminal,
53.4 during which time the employee is unavailable for any service.

53.5 Subd. 3. **Notification of validity.** Using existing resources, the commissioner must
53.6 perform a federal preemption analysis of the requirements under this section that includes
53.7 examination of federal law, case law, and federal guidance. The commissioner must make
53.8 a preemption determination based on the analysis. If the commissioner determines that the
53.9 requirements under this section are not reasonably expected to be preempted by federal law,
53.10 the commissioner must submit a notification of validity to the revisor of statutes and to the
53.11 chairs and ranking minority members of the legislative committees with jurisdiction over
53.12 transportation policy and finance.

53.13 Subd. 4. **Notification of impacts.** Using existing resources, the commissioner of
53.14 agriculture must perform an analysis of impacts on agricultural sector costs or other adverse
53.15 impacts on transportation of agricultural goods as a result of the requirements under this
53.16 section, and must make a determination based on the analysis. If the commissioner of
53.17 agriculture determines that the requirements under this section are anticipated to result in
53.18 minimal agricultural sector impacts, the commissioner must submit a notification of minimal
53.19 impacts to the revisor of statutes and to the chairs and ranking minority members of the
53.20 legislative committees with jurisdiction over transportation policy and finance.

53.21 **EFFECTIVE DATE.** This section is effective August 1, 2024.

53.22 Sec. 48. Minnesota Statutes 2022, section 221.0255, subdivision 4, is amended to read:

53.23 Subd. 4. **Motor carrier of railroad employees; requirements.** (a) The motor carrier
53.24 of railroad employees must implement a policy that provides for annual training and
53.25 certification of the operator in:

- 53.26 (1) safe operation of the vehicle transporting railroad employees;
- 53.27 (2) knowing and understanding relevant laws, rules of the road, and safety policies;
- 53.28 (3) handling emergency situations;
- 53.29 (4) proper use of seat belts;
- 53.30 (5) performance of pretrip and posttrip vehicle inspections, and inspection record keeping;
- 53.31 and
- 53.32 (6) proper maintenance of required records.

- 54.1 (b) The motor carrier of railroad employees must:
- 54.2 (1) confirm that the person is not disqualified under subdivision 6, by performing a
54.3 criminal background check of the operator, which must include:
- 54.4 (i) a criminal history check of the state criminal records repository; and
- 54.5 (ii) if the operator has resided in Minnesota less than five years, a criminal history check
54.6 from each state of residence for the previous five years;
- 54.7 (2) annually verify the operator's driver's license;
- 54.8 (3) document meeting the requirements in this subdivision, which must include
54.9 maintaining at the carrier's business location:
- 54.10 (i) a driver qualification file on each operator who transports passengers under this
54.11 section; and
- 54.12 (ii) records of pretrip and posttrip vehicle inspections as required under subdivision 3,
54.13 paragraph (a), clause (3);
- 54.14 (4) maintain liability insurance in a minimum amount of \$5,000,000 regardless of the
54.15 seating capacity of the vehicle;
- 54.16 (5) maintain uninsured and underinsured coverage in a minimum amount of ~~\$1,000,000~~
54.17 \$5,000,000; and
- 54.18 (6) ensure inspection of each vehicle operated under this section as provided under
54.19 section 169.781.
- 54.20 (c) A driver qualification file under paragraph (b), clause (3), must include:
- 54.21 (1) a copy of the operator's most recent medical examiner's certificate;
- 54.22 (2) a copy of the operator's current driver's license;
- 54.23 (3) documentation of annual license verification;
- 54.24 (4) documentation of annual training;
- 54.25 (5) documentation of any known violations of motor vehicle or traffic laws; and
- 54.26 (6) responses from previous employers, if required by the current employer.
- 54.27 (d) The driver qualification file must be retained for one year following the date of
54.28 separation of employment of the driver from the carrier. A record of inspection under
54.29 paragraph (b), clause (3), item (ii), must be retained for one year following the date of
54.30 inspection.

55.1 (e) If a party contracts with the motor carrier on behalf of the railroad to transport the
55.2 railroad employees, then the insurance requirements may be satisfied by either that party
55.3 or the motor carrier, so long as the motor carrier is a named insured or additional insured
55.4 under any policy.

55.5 **EFFECTIVE DATE.** This section is effective August 1, 2024.

55.6 Sec. 49. Minnesota Statutes 2022, section 221.0255, subdivision 9, is amended to read:

55.7 Subd. 9. **Inspection and investigation authority.** (a) Upon receipt of a complaint form
55.8 or other information alleging a violation of this section, the commissioner must investigate
55.9 the relevant matter. Representatives of the Department of Transportation and the State Patrol
55.10 have the authority to enter, at a reasonable time and place, any vehicle or facility of the
55.11 carrier for purposes of complaint investigations, random inspections, safety reviews, audits,
55.12 or accident investigations.

55.13 (b) Failure of a railroad or motor carrier of railroad employees to permit a complaint
55.14 investigation under this subdivision is grounds for issuance of a civil penalty under
55.15 subdivision 10.

55.16 **EFFECTIVE DATE.** This section is effective August 1, 2024.

55.17 Sec. 50. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision
55.18 to read:

55.19 Subd. 10. **Civil penalty.** (a) After completion of an investigation or as provided in
55.20 subdivision 9, paragraph (b), the commissioner may issue a civil penalty to a railroad or
55.21 motor carrier of railroad employees that violates this section. A civil penalty issued under
55.22 this paragraph is in the amount of:

55.23 (1) not less than \$200 but not more than \$500 for a first offense;

55.24 (2) not less than \$500 but not more than \$1,000 for a second offense; and

55.25 (3) not less than \$1,000 but not more than \$5,000 for a third or subsequent offense
55.26 committed within three years of the first offense.

55.27 (b) The civil penalty amounts identified under paragraph (a) are for all violations
55.28 identified in a single investigation and are not per violation.

55.29 (c) The recipient of a civil penalty under this subdivision has 30 days to notify the
55.30 commissioner in writing of intent to contest the civil penalty. If within 30 days after receiving

56.1 the civil penalty the recipient fails to notify the commissioner of intent to contest the penalty,
56.2 the civil penalty is not subject to further review.

56.3 (d) Civil penalties assessed under this subdivision are subject to chapter 14 and may be
56.4 recovered in a civil action.

56.5 (e) Civil penalties collected under this section must be deposited in the state rail safety
56.6 inspection account in the special revenue fund.

56.7 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to violations
56.8 committed on or after that date.

56.9 Sec. 51. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision
56.10 to read:

56.11 Subd. 11. **Notification of validity.** Using existing resources, the commissioner must
56.12 perform a federal preemption analysis of the requirements under subdivisions 9, paragraph
56.13 (b), and 10 that includes examination of federal law, case law, and federal guidance. The
56.14 commissioner must make a preemption determination based on the analysis. If the
56.15 commissioner determines that the requirements under this section are not reasonably expected
56.16 to be preempted by federal law, the commissioner must submit a notification of validity to
56.17 the revisor of statutes and to the chairs and ranking minority members of the legislative
56.18 committees with jurisdiction over transportation policy and finance.

56.19 **EFFECTIVE DATE.** This section is effective August 1, 2024.

56.20 Sec. 52. Minnesota Statutes 2022, section 221.0255, is amended by adding a subdivision
56.21 to read:

56.22 Subd. 12. **Notification of impacts.** Using existing resources, the commissioner of
56.23 agriculture must perform an analysis of impacts on agricultural sector costs or other adverse
56.24 impacts on transportation of agricultural goods as a result of the requirements under
56.25 subdivisions 9, paragraph (b), and 10, and must make a determination based on the analysis.
56.26 If the commissioner of agriculture determines that the requirements under this section are
56.27 anticipated to result in minimal agricultural sector impacts, the commissioner must submit
56.28 a notification of minimal impacts to the revisor of statutes and to the chairs and ranking
56.29 minority members of the legislative committees with jurisdiction over transportation policy
56.30 and finance.

56.31 **EFFECTIVE DATE.** This section is effective August 1, 2024.

57.1 Sec. 53. [325F.661] SALE OF ELECTRIC-ASSISTED BICYCLES AND POWERED
57.2 CYCLES.

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

57.5 (b) "Class 1 electric-assisted bicycle," "class 2 electric-assisted bicycle," and "class 3
57.6 electric-assisted bicycle" have the meanings given in section 169.011, subdivisions 15a,
57.7 15b, and 15c.

57.8 (c) "Electric-assisted bicycle" has the meaning given in section 169.011, subdivision
57.9 27.

57.10 (d) "Multiple mode electric-assisted bicycle" has the meaning given in section 169.011,
57.11 subdivision 45a.

57.12 (e) "Powered cycle" means a vehicle that has an electric motor, has fewer than four
57.13 wheels, and:

57.14 (1) does not meet all of the requirements of an electric-assisted bicycle as sold or due
57.15 to modification by any person; or

57.16 (2) is designed, manufactured, or intended by the manufacturer or seller to be easily
57.17 configured so as not to meet all of the requirements of an electric-assisted bicycle, whether
57.18 by a mechanical switch or button, by changing a setting in software controlling the drive
57.19 system, by use of an app, or through any other means intended by the manufacturer or seller.

57.20 A vehicle that meets the requirements of a powered cycle is not an electric-assisted bicycle.

57.21 Subd. 2. Electric-assisted bicycle. Before a purchase is completed, a seller of an
57.22 electric-assisted bicycle must disclose to a consumer in written form:

57.23 (1) the maximum motor power of the electric-assisted bicycle;

57.24 (2) the maximum speed of the electric-assisted bicycle, as evaluated using a test method
57.25 matching the criteria specified in Code of Federal Regulations, title 16, section 1512.2(a)(2),
57.26 or successor requirements; and

57.27 (3) whether the electric-assisted bicycle is a class 1, class 2, class 3, or multiple mode
57.28 electric-assisted bicycle.

57.29 Subd. 3. Powered cycle. (a) A seller of a new powered cycle may not sell the vehicle
57.30 or offer the vehicle for sale if it is labeled as a class 1, class 2, class 3, or multiple mode
57.31 electric-assisted bicycle.

58.1 (b) Before a purchase is completed and in any advertising materials, a seller of a new
58.2 powered cycle who describes the vehicle as an "electric bicycle," "electric bike," "e-bike,"
58.3 or other similar term must disclose to a consumer:

58.4 (1) the name or classification of the vehicle under state law or the most likely
58.5 classification following an intended or anticipated vehicle modification; and

58.6 (2) the following statement:

58.7 "This vehicle is not an "electric-assisted bicycle" as defined in Minnesota law. It is
58.8 instead a type of motor vehicle and subject to applicable motor vehicle laws if used on
58.9 public roads or public lands. Your insurance policies might not provide coverage for crashes
58.10 involving the use of this vehicle. To determine coverage, you should contact your insurance
58.11 company or agent."

58.12 (c) Advertising materials under paragraph (b) include but are not limited to a website
58.13 or social media post that identifies or promotes the vehicle.

58.14 (d) The disclosure under paragraph (b) must be (1) written, and (2) provided clearly and
58.15 conspicuously and in a manner designed to attract the attention of a consumer.

58.16 Subd. 4. **Unlawful practices.** It is an unlawful practice under section 325F.69 to advertise,
58.17 offer for sale, or sell a powered cycle:

58.18 (1) as an electric-assisted bicycle; or

58.19 (2) using the words "electric bicycle," "electric bike," "e-bike," or other similar term
58.20 without providing the disclosure required under subdivision 3.

58.21 Sec. 54. Minnesota Statutes 2022, section 473.13, is amended by adding a subdivision to
58.22 read:

58.23 Subd. 6. **Transportation financial review.** (a) By April 1 annually, the council must
58.24 prepare and submit a financial review in consultation with the commissioner of management
58.25 and budget that details revenue and expenditures for the transportation components under
58.26 the council's budget. The council must submit the financial review to the chairs and ranking
58.27 minority members of the legislative committees and divisions with jurisdiction over
58.28 transportation policy and finance.

58.29 (b) At a minimum, the financial review must identify:

58.30 (1) the actual revenues, expenditures, transfers, reserves, and balances in each of the
58.31 previous four budget years;

59.1 (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in
 59.2 the current year and each budget year within the state forecast period;

59.3 (3) for the most recent completed budget year, a comparison between the budgeted and
 59.4 actual amounts under clause (1); and

59.5 (4) for the most recent completed budget year, fund balances for each replacement service
 59.6 provider under section 473.388.

59.7 (c) The information under paragraph (b), clauses (1) to (3), must include:

59.8 (1) a breakout for each transportation funding source identified by the council;

59.9 (2) a breakout for each transportation operating budget category established by the
 59.10 council, including but not limited to bus, light rail transit, commuter rail, planning, special
 59.11 transportation service under section 473.386, and assistance to replacement service providers
 59.12 under section 473.388; and

59.13 (3) data for operations, capital maintenance, and transit capital.

59.14 (d) The financial review must summarize reserve policies, identify the methodology for
 59.15 cost allocation, and describe revenue assumptions and variables affecting the assumptions.

59.16 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 59.17 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 59.18 Scott, and Washington.

59.19 Sec. 55. Minnesota Statutes 2022, section 473.3927, is amended to read:

59.20 **473.3927 ZERO-EMISSION AND ELECTRIC TRANSIT VEHICLES.**

59.21 Subdivision 1. **Transition plan required.** (a) The council must develop and maintain
 59.22 a zero-emission and electric transit vehicle transition plan.

59.23 (b) The council must ~~complete the initial~~ revise the plan by February 15, ~~2022~~ 2025,
 59.24 and revise the plan at least once every ~~five~~ three years following each prior revision.

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

59.27 (b) "Greenhouse gas emissions" includes those emissions described in section 216H.01,
 59.28 subdivision 2.

59.29 (c) "Qualified transit bus" means a motor vehicle that meets the requirements under
 59.30 paragraph (d), clauses (1) and (2).

60.1 (d) "Zero-emission transit bus" means a motor vehicle that:

60.2 (1) is designed for public transit service;

60.3 (2) has a capacity of more than 15 passengers, including the driver; and

60.4 (3) produces no exhaust-based greenhouse gas emissions from the onboard source of
 60.5 motive power of the vehicle under all operating conditions.

60.6 Subd. 2. **Plan development.** At a minimum, the plan must:

60.7 (1) establish ~~implementation~~ policies and, guidance, and recommendations to implement
 60.8 the transition to a transit service fleet of exclusively zero-emission and electric transit
 60.9 vehicles, including for recipients of financial assistance under section 473.388;

60.10 (2) establish a bus procurement transition strategy so that beginning on January 1, 2035,
 60.11 any qualified transit bus purchased for regular route transit service or special transportation
 60.12 service under section 473.386 by the council is a zero-emission transit bus;

60.13 (3) consider methods for transit providers to maximize greenhouse gas reduction in
 60.14 addition to zero-emission transit bus procurement, including but not limited to service
 60.15 expansion, reliability improvements, and other transit service improvements;

60.16 (4) analyze greenhouse gas emission reduction from transit improvements identified
 60.17 under clause (3) in comparison to the zero-emission transit bus procurement strategy under
 60.18 clause (2);

60.19 (5) set transition milestones or performance measures, or both, which may include vehicle
 60.20 procurement goals over the transition period in conjunction with the strategy under clause
 60.21 (2);

60.22 ~~(3)~~ (6) identify barriers, constraints, and risks, and determine objectives and strategies
 60.23 to address the issues identified;

60.24 ~~(4)~~ (7) consider findings and best practices from other transit agencies;

60.25 ~~(5)~~ (8) analyze zero-emission and electric transit vehicle technology impacts, including
 60.26 cold weather operation and emerging technologies;

60.27 (9) prioritize deployment of zero-emission transit buses based on the extent to which
 60.28 service is provided to environmental justice areas, as defined in section 116.065, subdivision
 60.29 1;

60.30 ~~(6)~~ (10) consider opportunities to prioritize the deployment of zero-emissions vehicles
 60.31 in areas with poor air quality;

61.1 (11) consider opportunities to prioritize deployment of zero-emission transit buses along
 61.2 arterial and highway bus rapid transit routes, including methods to maximize cost
 61.3 effectiveness with bus rapid transit construction projects;

61.4 ~~(7)~~ (12) provide detailed estimates of implementation costs to implement the plan and
 61.5 achieve the transition under clause (2), which, to the extent feasible, must include a forecast
 61.6 of annual expenditures, identification of potential sources of funding, and a summary of
 61.7 any anticipated or planned activity to seek additional funds; and

61.8 ~~(8)~~ (13) examine capacity, constraints, and potential investments in the electric
 61.9 transmission and distribution grid, in consultation with appropriate public utilities;

61.10 (14) identify methods to coordinate necessary facility upgrades in a manner that
 61.11 maximizes cost effectiveness and overall system reliability;

61.12 (15) examine workforce impacts under the transition plan, including but not limited to
 61.13 changes in staffing complement; personnel skill gaps and needs; and employee training,
 61.14 retraining, or role transitions; and

61.15 (16) summarize updates to the plan from the most recent version.

61.16 Subd. 3. **Copy to legislature.** Upon completion or revision of the plan, the council must
 61.17 provide a copy to the chairs, ranking minority members, and staff of the legislative
 61.18 committees with jurisdiction over transportation policy and finance.

61.19 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 61.20 final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey,
 61.21 Scott, and Washington.

61.22 Sec. 56. Minnesota Statutes 2023 Supplement, section 473.4051, is amended by adding
 61.23 a subdivision to read:

61.24 **Subd. 4. Bus rapid transit project infrastructure.** (a) The council must design,
 61.25 construct, and fully fund the following elements of all bus rapid transit projects, regardless
 61.26 of the project's scope: (1) sidewalk curb ramps and signals meeting the most current
 61.27 Americans with Disabilities Act standards at all intersection quadrants in intersections
 61.28 affected by construction of a bus rapid transit station; and (2) transit priority infrastructure,
 61.29 including but not limited to red transit pavement marking and traffic signal modifications.

61.30 (b) Intersections impacted by the requirements under paragraph (a) must include
 61.31 infrastructure serving the bus rapid transit station from the opposite side of a street or from
 61.32 a nonadjacent mid-block location. This paragraph must be construed to require full and

62.1 complete intersection upgrades to the most current Americans with Disabilities Act design
 62.2 standards, notwithstanding any conflicting or lesser minimum requirements or suggestions
 62.3 set forth in separate laws, regulations, advisories, or other published Americans with
 62.4 Disabilities Act materials.

62.5 **EFFECTIVE DATE; APPLICATION.** This section is effective the day following
 62.6 final enactment for projects that first commence construction on or after that date. This
 62.7 section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
 62.8 Washington.

62.9 **Sec. 57. COMMUNITY ROADSIDE LANDSCAPE PARTNERSHIPS.**

62.10 Subject to available funds, the commissioner of transportation must assess and undertake
 62.11 methods to improve and expand the Department of Transportation's community roadside
 62.12 landscape partnership program, including:

62.13 (1) identifying and evaluating locations for partnership opportunities throughout the
 62.14 state where there is high traffic volume and minimal existing vegetation coverage in the
 62.15 form of trees or large shrubs;

62.16 (2) performing outreach and engagement about the program with eligible community
 62.17 partners;

62.18 (3) prioritizing roadsides where vegetation could reduce neighborhood noise impacts or
 62.19 improve aesthetics for neighborhoods that border interstate highways without regard to
 62.20 whether there are existing noise walls; and

62.21 (4) analyzing methods to include cost sharing between the department and participating
 62.22 community partners for ongoing landscape maintenance.

62.23 **Sec. 58. REVISOR INSTRUCTION.**

62.24 The revisor of statutes must recodify Minnesota Statutes, section 169.21, subdivision
 62.25 6, as Minnesota Statutes, section 171.0701, subdivision 1b. The revisor must correct any
 62.26 cross-references made necessary by this recodification.

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

62.28 **Sec. 59. REVISOR INSTRUCTION.**

62.29 The revisor of statutes must recodify Minnesota Statutes, section 473.3927, subdivision
 62.30 1, as Minnesota Statutes, section 473.3927, subdivision 1b. The revisor must correct any
 62.31 cross-references made necessary by this recodification.

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

63.2 Sec. 60. **REPEALER.**

63.3 (a) Minnesota Statutes 2022, section 168.1297, is repealed.

63.4 (b) Minnesota Rules, part 7410.6180, is repealed.

63.5 **EFFECTIVE DATE.** Paragraph (b) is effective the day following final enactment.

63.6 **ARTICLE 3**

63.7 **LABOR APPROPRIATIONS**

63.8 Section 1. **APPROPRIATIONS.**

63.9 (a) The sums shown in the columns under "Appropriations" are added to the
 63.10 appropriations in Laws 2023, chapter 53, or other law to the specified agency. The
 63.11 appropriations are from the general fund, or another named fund, and are available for the
 63.12 fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article
 63.13 mean that the appropriations listed under them are available for the fiscal year ending June
 63.14 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second
 63.15 year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

63.16 (b) If an appropriation in this article is enacted more than once in the 2024 regular or
 63.17 special legislative session, the appropriation must be given effect only once.

63.18 **APPROPRIATIONS**
 63.19 **Available for the Year**
 63.20 **Ending June 30**

| | | | | |
|-------|--------------------------------------------|--------------------|-------------------|--------------------------|
| 63.21 | | <u>2024</u> | | <u>2025</u> |
| 63.22 | Sec. 2. <u>DEPARTMENT OF HEALTH</u> | <u>\$</u> | <u>-0-</u> | <u>\$ 174,000</u> |

63.23 \$174,000 the second year is for technical
 63.24 assistance for rulemaking for acceptable blood
 63.25 lead levels for workers. This is a onetime
 63.26 appropriation and is available until June 30,
 63.27 2026.

| | | | | |
|-------|------------------------------------------------|------------------|-------------------|-----------------------------|
| 63.28 | Sec. 3. <u>DEPARTMENT OF EMPLOYMENT</u> | | | |
| 63.29 | <u>AND ECONOMIC DEVELOPMENT</u> | <u>\$</u> | <u>-0-</u> | <u>\$ 10,736,000</u> |

63.30 \$9,000,000 the second year is for a grant to
 63.31 Tending the Soil, to design, redesign, renovate,
 63.32 construct, furnish, and equip the Rise Up

64.1 Center, a building located in Minneapolis, that
 64.2 will house a workforce development and job
 64.3 training center, administrative offices, and a
 64.4 public gathering space.

64.5 \$1,736,000 the second year is for
 64.6 implementation of the broadband provisions
 64.7 in article 9.

64.8 Sec. 4. Laws 2023, chapter 53, article 19, section 2, subdivision 1, is amended to read:

| | | | | |
|-------|-------------------------------------------|-----------|-------------------|--------------------------|
| 64.9 | | | | 44,044,000 |
| 64.10 | Subdivision 1. Total Appropriation | \$ | 47,710,000 | \$ |
| | | | | <u>44,720,000</u> |

| | | | |
|-------|------------------------|------------|-------------------|
| 64.11 | Appropriations by Fund | | |
| 64.12 | | 2024 | 2025 |
| 64.13 | | | 4,889,000 |
| 64.14 | General | 7,200,000 | <u>5,286,000</u> |
| 64.15 | Workers' | | 32,390,000 |
| 64.16 | Compensation | 30,599,000 | <u>32,669,000</u> |
| 64.17 | Workforce | | |
| 64.18 | Development | 9,911,000 | 6,765,000 |

64.19 The amounts that may be spent for each
 64.20 purpose are specified in the following
 64.21 subdivisions. The general fund base for this
 64.22 appropriation is ~~\$4,936,000~~ \$5,006,000 in
 64.23 fiscal year 2026 and ~~\$4,958,000~~ \$5,028,000
 64.24 in fiscal year 2027 and each year thereafter.

64.25 The workers compensation fund base is
 64.26 ~~\$32,749,000~~ \$32,892,000 in fiscal year 2026
 64.27 and \$32,458,000 in fiscal year 2027 and each
 64.28 year thereafter. The workforce development
 64.29 fund base is \$6,765,000 in fiscal year 2026
 64.30 and each year thereafter.

64.31 Sec. 5. Laws 2023, chapter 53, article 19, section 2, subdivision 3, is amended to read:

| | | | |
|-------|---------------------------------|--|-------------------------|
| 64.32 | | | 6,270,000 |
| 64.33 | Subd. 3. Labor Standards | | 6,520,000 |
| | | | <u>6,667,000</u> |

| | | | |
|------|------------------------|-----------|----------------------|
| 65.1 | Appropriations by Fund | | |
| 65.2 | | | 4,635,000 |
| 65.3 | General | 4,957,000 | <u>5,032,000</u> |
| 65.4 | Workforce | | |
| 65.5 | Development | 1,563,000 | 1,635,000 |

65.6 The general fund base for this appropriation
 65.7 is ~~\$4,682,000~~ \$4,752,000 in fiscal year 2026
 65.8 and ~~\$4,704,000~~ \$4,774,000 in fiscal year 2027
 65.9 and each year thereafter.

65.10 (a) \$2,046,000 each year is for wage theft
 65.11 prevention.

65.12 (b) \$1,563,000 the first year and \$1,635,000
 65.13 the second year are from the workforce
 65.14 development fund for prevailing wage
 65.15 enforcement.

65.16 (c) \$134,000 the first year and \$134,000 the
 65.17 second year are for outreach and enforcement
 65.18 efforts related to changes to the nursing
 65.19 mothers, lactating employees, and pregnancy
 65.20 accommodations law.

65.21 (d) \$661,000 the first year and \$357,000 the
 65.22 second year are to perform work for the
 65.23 Nursing Home Workforce Standards Board.
 65.24 The base for this appropriation is \$404,000 in
 65.25 fiscal year 2026 and \$357,000 in fiscal year
 65.26 2027.

65.27 (e) \$225,000 the first year and \$169,000 the
 65.28 second year are for the purposes of the Safe
 65.29 Workplaces for Meat and Poultry Processing
 65.30 Workers Act.

65.31 (f) \$27,000 the first year is for the creation
 65.32 and distribution of a veterans' benefits and
 65.33 services poster under Minnesota Statutes,
 65.34 section 181.536.

66.1 (g) \$141,000 the second year is to inform and
 66.2 educate employers relating to Minnesota
 66.3 Statutes, section 181.960. This is a onetime
 66.4 appropriation.

66.5 (h) \$200,000 the second year is for education
 66.6 and training related to employee
 66.7 misclassification. This is a onetime
 66.8 appropriation and is available until June 30,
 66.9 2026.

66.10 Sec. 6. Laws 2023, chapter 53, article 19, section 2, subdivision 5, is amended to read:

| | | | |
|-------|----------------------------------|-----------|------------------|
| 66.11 | | | <u>7,559,000</u> |
| 66.12 | Subd. 5. Workplace Safety | 8,644,000 | <u>7,838,000</u> |
| 66.13 | Appropriations by Fund | | |
| 66.14 | General | 2,000,000 | -0- |
| 66.15 | Workers' | | <u>7,559,000</u> |
| 66.16 | Compensation | 6,644,000 | <u>7,838,000</u> |

66.17 The workers compensation fund base for this
 66.18 appropriation is ~~\$7,918,000~~ \$8,061,000 in
 66.19 fiscal year 2026 and \$7,627,000 in fiscal year
 66.20 2027 and each year thereafter.

66.21 \$2,000,000 the first year is for the ergonomics
 66.22 safety grant program. This appropriation is
 66.23 available until June 30, 2026. This is a onetime
 66.24 appropriation.

66.25 Sec. 7. Laws 2023, chapter 53, article 19, section 4, is amended to read:

66.26 Sec. 4. **BUREAU OF MEDIATION SERVICES** \$ 3,707,000 \$ 3,789,000

66.27 ~~(a) \$750,000 each year is for purposes of the~~
 66.28 ~~Public Employment Relations Board under~~
 66.29 ~~Minnesota Statutes, section 179A.041.~~

66.30 ~~(b) \$68,000 each year is for grants to area~~
 66.31 ~~labor management committees. Grants may~~
 66.32 ~~be awarded for a 12-month period beginning~~
 66.33 ~~July 1 each year. Any unencumbered balance~~

67.1 ~~remaining at the end of the first year does not~~
67.2 ~~cancel but is available for the second year.~~
67.3 ~~(c) \$47,000 each year is for rulemaking,~~
67.4 ~~staffing, and other costs associated with peace~~
67.5 ~~officer grievance procedures.~~

67.6 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2023.

67.7 **ARTICLE 4**
67.8 **COMBATIVE SPORTS**

67.9 Section 1. Minnesota Statutes 2022, section 326B.89, subdivision 5, is amended to read:

67.10 Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the
67.11 fund to an owner or a lessee in an amount greater than ~~\$75,000~~ \$100,000 per licensee. The
67.12 commissioner shall not pay compensation from the fund to owners and lessees in an amount
67.13 that totals more than \$550,000 per licensee. The commissioner shall only pay compensation
67.14 from the fund for a final judgment that is based on a contract directly between the licensee
67.15 and the homeowner or lessee that was entered into prior to the cause of action and that
67.16 requires licensure as a residential building contractor or residential remodeler.

67.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

67.18 Sec. 2. Minnesota Statutes 2023 Supplement, section 341.25, is amended to read:

67.19 **341.25 RULES.**

67.20 (a) The commissioner may adopt rules that include standards for the physical examination
67.21 and condition of combatants and referees.

67.22 (b) The commissioner may adopt other rules necessary to carry out the purposes of this
67.23 chapter, including, but not limited to, the conduct of all combative sport contests and their
67.24 manner, supervision, time, and place.

67.25 (c) The most recent version of the Unified Rules of Mixed Martial Arts, as promulgated
67.26 by the Association of Boxing Commissions, is incorporated by reference and made a part
67.27 of this chapter except as qualified by this chapter and Minnesota Rules, chapter 2202. In
67.28 the event of a conflict between this chapter and the Unified Rules, this chapter must govern.

67.29 (d) The most recent version of the Unified Rules of Boxing, as promulgated by the
67.30 Association of Boxing Commissions, is incorporated by reference and made a part of this

68.1 chapter except as qualified by this chapter and Minnesota Rules, chapter 2201. In the event
68.2 of a conflict between this chapter and the Unified Rules, this chapter must govern.

68.3 (e) The most recent version of the Unified Rules of Kickboxing and Unified Rules of
68.4 Muay Thai, as promulgated by the Association of Boxing Commissions, ~~is~~ are incorporated
68.5 by reference and made a part of this chapter except as qualified by this chapter and any
68.6 applicable Minnesota Rules. In the event of a conflict between this chapter and ~~the Unified~~
68.7 ~~Rules~~ those rules, this chapter must govern. If a promoter seeks to hold a kickboxing event
68.8 governed by a different set of kickboxing rules, the promoter must send the commissioner
68.9 a copy of the rules under which the proposed bouts will be conducted at least 45 days before
68.10 the event. The commissioner may approve or deny the use of the alternative rules at the
68.11 commissioner's discretion. If the alternative rules are approved for an event, this chapter
68.12 and any applicable Minnesota Rules, except of those incorporating the Unified Rules of
68.13 Kickboxing and Unified Rules of Muay Thai, must govern if there is a conflict between the
68.14 rules and Minnesota law.

68.15 Sec. 3. Minnesota Statutes 2023 Supplement, section 341.28, subdivision 5, is amended
68.16 to read:

68.17 Subd. 5. **Regulatory authority; martial arts and amateur boxing.** (a) Unless this
68.18 chapter specifically states otherwise, contests or exhibitions for martial arts and amateur
68.19 boxing are exempt from the requirements of this chapter and officials at these events are
68.20 not required to be licensed under this chapter.

68.21 (b) Martial arts and amateur boxing contests, unless subject to the exceptions set forth
68.22 in subdivision 6 or 7, must be regulated by a nationally recognized organization approved
68.23 by the commissioner. The organization must have a set of written standards, procedures, or
68.24 rules used to sanction the combative sports it oversees.

68.25 (c) Any regulatory body overseeing a martial arts or amateur boxing event must submit
68.26 bout results to the commissioner within 72 hours after the event. If the regulatory body
68.27 issues suspensions, the regulatory body must submit to the commissioner a list of any
68.28 suspensions resulting from the event within 72 hours after the event. Regulatory bodies that
68.29 oversee combative sports or martial arts contests under subdivision 6 or 7 are not subject
68.30 to this paragraph.

69.1 Sec. 4. Minnesota Statutes 2022, section 341.28, is amended by adding a subdivision to
69.2 read:

69.3 Subd. 7. **Regulatory authority; youth competition.** Combative sports or martial arts
69.4 contests between individuals under the age of 18 years are exempt from the requirements
69.5 of this chapter and officials at these events are not required to be licensed under this chapter.
69.6 A contest under this subdivision must be regulated by (1) a widely recognized organization
69.7 that regularly oversees youth competition, or (2) a local government.

69.8 Sec. 5. Minnesota Statutes 2022, section 341.29, is amended to read:

69.9 **341.29 JURISDICTION OF COMMISSIONER.**

69.10 The commissioner shall:

69.11 (1) have sole direction, supervision, regulation, control, and jurisdiction over all
69.12 combative sport contests that are held within this state unless a contest is exempt from the
69.13 application of this chapter under federal law;

69.14 (2) have sole control, authority, and jurisdiction over all licenses required by this chapter;

69.15 (3) grant a license to an applicant if, in the judgment of the commissioner, the financial
69.16 responsibility, experience, character, and general fitness of the applicant are consistent with
69.17 the public interest, ~~convenience, or necessity~~ and in the best interests of combative sports
69.18 and conforms with this chapter and the commissioner's rules;

69.19 (4) deny, suspend, or revoke a license using the enforcement provisions of section
69.20 326B.082, except that the licensing reapplication time frames remain within the sole
69.21 discretion of the commissioner; and

69.22 (5) serve final nonlicensing orders in performing the duties of this chapter which are
69.23 subject to the contested case procedures provided in sections 14.57 to 14.69.

69.24 Sec. 6. Minnesota Statutes 2023 Supplement, section 341.30, subdivision 4, is amended
69.25 to read:

69.26 Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a promoter's
69.27 license to an individual, corporation, or other business entity, the applicant shall complete
69.28 a licensing application on the Office of Combative Sports website or on forms prescribed
69.29 by the commissioner and shall:

70.1 (1) show on the licensing application the owner or owners of the applicant entity and
70.2 the percentage of interest held by each owner holding a 25 percent or more interest in the
70.3 applicant;

70.4 (2) provide the commissioner with a copy of the latest financial statement of the applicant;

70.5 (3) provide proof, where applicable, of authorization to do business in the state of
70.6 Minnesota; and

70.7 (4) deposit with the commissioner a surety bond in an amount set by the commissioner,
70.8 which must not be less than \$10,000. The bond shall be executed in favor of this state and
70.9 shall be conditioned on the faithful performance by the promoter of the promoter's obligations
70.10 under this chapter and the rules adopted under it.

70.11 (b) Before the commissioner issues a license to a combatant, the applicant shall:

70.12 (1) submit to the commissioner the results of current medical examinations on forms
70.13 prescribed by the commissioner that state that the combatant is cleared to participate in a
70.14 combative sport contest. The applicant must undergo and submit the results of the following
70.15 medical examinations, which do not exempt a combatant from the requirements in section
70.16 341.33:

70.17 (i) a physical examination performed by a licensed medical doctor, doctor of osteopathic
70.18 medicine, advance practice nurse practitioner, or a physician assistant. Physical examinations
70.19 are valid for one year from the date of the exam;

70.20 (ii) an ophthalmological examination performed by an ophthalmologist or optometrist
70.21 that includes dilation designed to detect any retinal defects or other damage or a condition
70.22 of the eye that could be aggravated by combative sports. Ophthalmological examinations
70.23 are valid for one year from the date of the exam;

70.24 (iii) blood work results for HBsAg (Hepatitis B surface antigen), HCV (Hepatitis C
70.25 antibody), and HIV. Blood work results are good for one year from the date blood was
70.26 drawn. The commissioner shall not issue a license to an applicant submitting positive test
70.27 results for HBsAg, HCV, or HIV; and

70.28 (iv) other appropriate neurological or physical examinations before any contest, if the
70.29 commissioner determines that the examination is desirable to protect the health of the
70.30 combatant;

70.31 (2) complete a licensing application on the Office of Combative Sports website or on
70.32 forms prescribed by the commissioner; and

71.1 (3) provide proof that the applicant is 18 years of age. Acceptable proof is a photo driver's
71.2 license, state photo identification card, passport, or birth certificate combined with additional
71.3 photo identification.

71.4 (c) Before the commissioner issues an amateur combatant license to an individual, the
71.5 applicant must submit proof of qualifications that includes at a minimum: (1) an applicant's
71.6 prior bout history and evidence showing that the applicant has completed at least six months
71.7 of training in a combative sport; or (2) a letter of recommendation from a coach or trainer.

71.8 (d) Before the commissioner issues a professional combatant license to an individual,
71.9 the applicant must submit proof of qualifications that includes an applicant's prior bout
71.10 history showing the applicant has competed in at least four sanctioned combative sports
71.11 contests. If the applicant has not competed in at least four sanctioned combative sports
71.12 contests, the commissioner may still grant the applicant a license if the applicant provides
71.13 evidence demonstrating that the applicant has sufficient skills and experience in combative
71.14 sports or martial arts to compete as a professional combatant.

71.15 ~~(e)~~ (e) Before the commissioner issues a license to a referee, judge, or timekeeper, the
71.16 applicant must submit proof of qualifications that may include certified training from the
71.17 Association of Boxing Commissions, licensure with other regulatory bodies, professional
71.18 references, or a log of bouts worked.

71.19 ~~(d)~~ (f) Before the commissioner issues a license to a ringside physician, the applicant
71.20 must submit proof that they are licensed to practice medicine in the state of Minnesota and
71.21 in good standing.

71.22 Sec. 7. Minnesota Statutes 2023 Supplement, section 341.321, is amended to read:

71.23 **341.321 FEE SCHEDULE.**

71.24 (a) The fee schedule for professional and amateur licenses issued by the commissioner
71.25 is as follows:

71.26 (1) referees, \$25;

71.27 (2) promoters, \$700;

71.28 (3) judges and knockdown judges, \$25;

71.29 (4) trainers and seconds, \$40;

71.30 (5) timekeepers, \$25;

71.31 (6) professional combatants, \$70;

72.1 (7) amateur combatants, \$35; and

72.2 (8) ringside physicians, \$25.

72.3 All license fees shall be paid no later than the weigh-in prior to the contest. No license may
72.4 be issued until all prelicensure requirements in section 341.30 are satisfied and fees are
72.5 paid.

72.6 (b) A promoter or event organizer of an event regulated by the Department of Labor and
72.7 Industry must pay, per event, a combative sport contest fee of .

72.8 (c) If the promoter sells tickets for the event, the event fee is \$1,500 per event or four
72.9 percent of the gross ticket sales, whichever is greater. The fee must be paid as follows:

72.10 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

72.11 (2) \$1,000 at the weigh-in prior to the contest;

72.12 (3) if four percent of the gross ticket sales is greater than \$1,500, the balance is due to
72.13 the commissioner within 14 days of the completed contest; and

72.14 (4) the value of all complimentary tickets distributed for an event, to the extent they
72.15 exceed five percent of total event attendance, counts toward gross tickets sales for the
72.16 purposes of determining a combative sports contest fee. For purposes of this clause, the
72.17 lowest advertised ticket price shall be used to calculate the value of complimentary tickets.

72.18 (d) If the promoter does not sell tickets and receives only a flat payment from a venue
72.19 to administer the event, the event fee is \$1,500 per event or four percent of the flat payment,
72.20 whichever is greater. The fee must be paid as follows:

72.21 (1) \$500 at the time the combative sport contest is scheduled, which is nonrefundable;

72.22 (2) \$1,000 at the weigh-in prior to the contest; and

72.23 (3) if four percent of the flat payment is greater than \$1,500, the balance is due to the
72.24 commissioner within 14 days of the completed contest.

72.25 ~~(e)~~ (e) All fees and penalties collected by the commissioner must be deposited in the
72.26 commissioner account in the special revenue fund.

72.27 Sec. 8. Minnesota Statutes 2023 Supplement, section 341.33, is amended by adding a
72.28 subdivision to read:

72.29 Subd. 3. **Medical records.** The commissioner may, if the commissioner determines that
72.30 doing so would be desirable to protect the health of a combatant, provide the combatant's
72.31 medical information collected under this chapter to the physician conducting a prebout exam

73.1 under this section or to the ringside physician or physicians assigned to the combatant's
73.2 combative sports contest.

73.3 Sec. 9. Minnesota Statutes 2023 Supplement, section 341.355, is amended to read:

73.4 **341.355 CIVIL PENALTIES.**

73.5 When the commissioner finds that a person has violated one or more provisions of any
73.6 statute, rule, or order that the commissioner is empowered to regulate, enforce, or issue, the
73.7 commissioner may impose, for each violation, a civil penalty of up to \$10,000 for each
73.8 violation, or a civil penalty that deprives the person of any economic advantage gained by
73.9 the violation, or both. The commissioner may also impose these penalties against a person
73.10 who has violated section 341.28, subdivision 5, paragraph (b) or (c), or subdivision 7.

73.11 **ARTICLE 5**

73.12 **CONSTRUCTION CODES AND LICENSING**

73.13 Section 1. Minnesota Statutes 2023 Supplement, section 326B.106, subdivision 1, is
73.14 amended to read:

73.15 Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections
73.16 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the
73.17 Construction Codes Advisory Council establish a code of standards for the construction,
73.18 reconstruction, alteration, and repair of buildings, governing matters of structural materials,
73.19 design and construction, fire protection, health, sanitation, and safety, including design and
73.20 construction standards regarding heat loss control, illumination, and climate control. The
73.21 code must also include duties and responsibilities for code administration, including
73.22 procedures for administrative action, penalties, and suspension and revocation of certification.
73.23 The code must conform insofar as practicable to model building codes generally accepted
73.24 and in use throughout the United States, including a code for building conservation. In the
73.25 preparation of the code, consideration must be given to the existing statewide specialty
73.26 codes presently in use in the state. Model codes with necessary modifications and statewide
73.27 specialty codes may be adopted by reference. The code must be based on the application
73.28 of scientific principles, approved tests, and professional judgment. To the extent possible,
73.29 the code must be adopted in terms of desired results instead of the means of achieving those
73.30 results, avoiding wherever possible the incorporation of specifications of particular methods
73.31 or materials. To that end the code must encourage the use of new methods and new materials.
73.32 Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall
73.33 administer and enforce the provisions of those sections.

74.1 (b) The commissioner shall develop rules addressing the plan review fee assessed to
74.2 similar buildings without significant modifications including provisions for use of building
74.3 systems as specified in the industrial/modular program specified in section 326B.194.
74.4 Additional plan review fees associated with similar plans must be based on costs
74.5 commensurate with the direct and indirect costs of the service.

74.6 (c) Beginning with the 2018 edition of the model building codes and every six years
74.7 thereafter, the commissioner shall review the new model building codes and adopt the model
74.8 codes as amended for use in Minnesota, within two years of the published edition date. The
74.9 commissioner may adopt amendments to the building codes prior to the adoption of the
74.10 new building codes to advance construction methods, technology, or materials, or, where
74.11 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
74.12 or the use of a building.

74.13 (d) Notwithstanding paragraph (c), the commissioner shall act on each new model
74.14 residential energy code and the new model commercial energy code in accordance with
74.15 federal law for which the United States Department of Energy has issued an affirmative
74.16 determination in compliance with United States Code, title 42, section 6833. The
74.17 commissioner may adopt amendments prior to adoption of the new energy codes, as amended
74.18 for use in Minnesota, to advance construction methods, technology, or materials, or, where
74.19 necessary to protect the health, safety, and welfare of the public, or to improve the efficiency
74.20 or use of a building.

74.21 (e) Beginning in 2024, the commissioner shall act on the new model commercial energy
74.22 code by adopting each new published edition of ASHRAE 90.1 or a more efficient standard.
74.23 The commercial energy code in effect in 2036 and thereafter must achieve an 80 percent
74.24 reduction in annual net energy consumption or greater, using the ASHRAE 90.1-2004 as a
74.25 baseline. The commissioner shall adopt commercial energy codes from 2024 to 2036 that
74.26 incrementally move toward achieving the 80 percent reduction in annual net energy
74.27 consumption. By January 15 of the year following each new code adoption, the commissioner
74.28 shall make a report on progress under this section to the legislative committees with
74.29 jurisdiction over the energy code.

74.30 (f) Nothing in this section shall be interpreted to limit the ability of a public utility to
74.31 offer code support programs, or to claim energy savings resulting from such programs,
74.32 through its energy conservation and optimization plans approved by the commissioner of
74.33 commerce under section 216B.241 or an energy conservation and optimization plan filed
74.34 by a consumer-owned utility under section 216B.2403.

75.1 (g) Beginning in 2026, the commissioner shall act on the new model residential energy
75.2 code by adopting each new published edition of the International Energy Conservation Code
75.3 or a more efficient standard. The residential energy code in effect in 2038 and thereafter
75.4 must achieve a 70 percent reduction in annual net energy consumption or greater, using the
75.5 2006 International Energy Conservation Code State Level Residential Codes Energy Use
75.6 Index for Minnesota, as published by the United States Department of Energy's Building
75.7 Energy Codes Program, as a baseline. The commissioner shall adopt residential energy
75.8 codes from 2026 to 2038 that incrementally move toward achieving the 70 percent reduction
75.9 in annual net energy consumption. By January 15 of the year following each new code
75.10 adoption, the commissioner shall submit a report on progress under this section to the
75.11 legislative committees with jurisdiction over the energy code.

75.12 Sec. 2. Minnesota Statutes 2022, section 326B.802, subdivision 13, is amended to read:

75.13 Subd. 13. **Residential real estate.** "Residential real estate" means a new or existing
75.14 building constructed for habitation by one to four families, and includes detached garages
75.15 and swimming pools.

75.16 Sec. 3. Minnesota Statutes 2023 Supplement, section 326B.802, subdivision 15, is amended
75.17 to read:

75.18 Subd. 15. **Special skill.** "Special skill" means one of the following eight categories:

75.19 (a) **Excavation.** Excavation includes work in any of the following areas:

75.20 (1) excavation;

75.21 (2) trenching;

75.22 (3) grading; and

75.23 (4) site grading.

75.24 (b) **Masonry and concrete.** Masonry and concrete includes work in any of the following
75.25 areas:

75.26 (1) drain systems;

75.27 (2) poured walls;

75.28 (3) slabs and poured-in-place footings;

75.29 (4) masonry walls;

75.30 (5) masonry fireplaces;

- 76.1 (6) masonry veneer; and
- 76.2 (7) water resistance and waterproofing.
- 76.3 (c) **Carpentry.** Carpentry includes work in any of the following areas:
- 76.4 (1) rough framing;
- 76.5 (2) finish carpentry;
- 76.6 (3) doors, windows, and skylights;
- 76.7 (4) porches and decks, excluding footings;
- 76.8 (5) wood foundations; and
- 76.9 (6) drywall installation, excluding taping and finishing.
- 76.10 (d) **Interior finishing.** Interior finishing includes work in any of the following areas:
- 76.11 (1) floor covering;
- 76.12 (2) wood floors;
- 76.13 (3) cabinet and counter top installation;
- 76.14 (4) insulation and vapor barriers;
- 76.15 (5) interior or exterior painting;
- 76.16 (6) ceramic, marble, and quarry tile;
- 76.17 (7) ornamental guardrail and installation of prefabricated stairs; and
- 76.18 (8) wallpapering.
- 76.19 (e) **Exterior finishing.** Exterior finishing includes work in any of the following areas:
- 76.20 (1) siding;
- 76.21 (2) soffit, fascia, and trim;
- 76.22 (3) exterior plaster and stucco;
- 76.23 (4) painting; and
- 76.24 (5) rain carrying systems, including gutters and down spouts.
- 76.25 (f) **Drywall and plaster.** Drywall and plaster includes work in any of the following
- 76.26 areas:
- 76.27 (1) installation;

- 77.1 (2) taping;
- 77.2 (3) finishing;
- 77.3 (4) interior plaster;
- 77.4 (5) painting; and
- 77.5 (6) wallpapering.
- 77.6 (g) **Residential roofing.** Residential roofing includes work in any of the following areas:
- 77.7 (1) roof coverings;
- 77.8 (2) roof sheathing;
- 77.9 (3) roof weatherproofing and insulation;
- 77.10 (4) repair of roof support system, but not construction of new roof support system; and
- 77.11 (5) penetration of roof coverings for purposes of attaching a solar photovoltaic system.
- 77.12 (h) **General installation specialties.** Installation includes work in any of the following
- 77.13 areas:
- 77.14 (1) garage doors and openers;
- 77.15 (2) ~~pools~~, spas; and hot tubs;
- 77.16 (3) fireplaces and wood stoves;
- 77.17 (4) asphalt paving and seal coating;
- 77.18 (5) ornamental guardrail and prefabricated stairs; and
- 77.19 (6) assembly of the support system for a solar photovoltaic system.
- 77.20 Sec. 4. Minnesota Statutes 2022, section 326B.89, subdivision 1, is amended to read:
- 77.21 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
- 77.22 the meanings given them.
- 77.23 (b) "Gross annual receipts" means the total amount derived from residential contracting
- 77.24 or residential remodeling activities, regardless of where the activities are performed, and
- 77.25 must not be reduced by costs of goods sold, expenses, losses, or any other amount.
- 77.26 (c) "Licensee" means a person licensed as a residential contractor or residential remodeler.
- 77.27 (d) "Residential real estate" means a new or existing building constructed for habitation
- 77.28 by one to four families, and includes detached garages intended for storage of vehicles

78.1 associated with the residential real estate, and private swimming pools connected with the
 78.2 residential real estate, which are controlled and used by the owner or the owner's family or
 78.3 invited guests and are not used as part of a business.

78.4 (e) "Fund" means the contractor recovery fund.

78.5 (f) "Owner" when used in connection with real property, means a person who has any
 78.6 legal or equitable interest in real property and includes a condominium or townhome
 78.7 association that owns common property located in a condominium building or townhome
 78.8 building or an associated detached garage. Owner does not include any real estate developer
 78.9 or any owner using, or intending to use, the property for a business purpose and not as
 78.10 owner-occupied residential real estate.

78.11 (g) "Cycle One" means the time period between July 1 and December 31.

78.12 (h) "Cycle Two" means the time period between January 1 and June 30.

78.13 ARTICLE 6

78.14 BUREAU OF MEDIATION SERVICES

78.15 Section 1. Minnesota Statutes 2022, section 626.892, subdivision 10, is amended to read:

78.16 Subd. 10. **Training.** (a) A person appointed to the arbitrator roster under this section
 78.17 must complete training as required by the commissioner during the person's appointment.

78.18 At a minimum, an initial training must include:

78.19 (1) at least six hours on the topics of cultural competency, racism, implicit bias, and
 78.20 recognizing and valuing community diversity and cultural differences; and

78.21 (2) at least six hours on topics related to the daily experience of peace officers, which
 78.22 may include ride-alongs with on-duty officers or other activities that provide exposure to
 78.23 the environments, choices, and judgments required of officers in the field.

78.24 (b) The commissioner may adopt rules establishing training requirements consistent
 78.25 with this subdivision.

78.26 ~~(b) An arbitrator appointed to the roster of arbitrators in 2020 must complete the required~~
 78.27 ~~initial training by July 1, 2021.~~ (c) An arbitrator appointed to the roster of arbitrators after
 78.28 2020 must complete the required initial training within six months of the arbitrator's
 78.29 appointment.

78.30 ~~(e)~~ (d) The Bureau of Mediation Services must pay for all costs associated with the
 78.31 required training ~~must be borne by the arbitrator.~~

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

79.2 Sec. 2. **REPEALER.**

79.3 (a) Minnesota Statutes 2022, sections 179.81; 179.82; 179.83, subdivision 1; 179.84,
79.4 subdivision 1; and 179.85, are repealed.

79.5 (b) Minnesota Rules, parts 5520.0100; 5520.0110; 5520.0120; 5520.0200; 5520.0250;
79.6 5520.0300; 5520.0500; 5520.0520; 5520.0540; 5520.0560; 5520.0600; 5520.0620;
79.7 5520.0700; 5520.0710; and 5520.0800, are repealed.

79.8 ARTICLE 7

79.9 PUBLIC EMPLOYMENT LABOR RELATIONS

79.10 Section 1. Minnesota Statutes 2023 Supplement, section 179A.041, subdivision 10, is
79.11 amended to read:

79.12 Subd. 10. **Open Meeting Law; exceptions.** Chapter 13D does not apply to ~~meetings of~~
79.13 ~~the~~ a board meeting when ~~it~~ the board is:

79.14 (1) deliberating on the merits of an unfair labor practice ~~charges~~ charge under sections
79.15 179.11, 179.12, and 179A.13;

79.16 (2) reviewing a hearing officer's recommended decision and order ~~of a hearing officer~~
79.17 under section 179A.13; or

79.18 (3) reviewing ~~decisions of the commissioner of the Bureau of Mediation Services relating~~
79.19 ~~to~~ a commissioner's decision on an unfair labor ~~practices~~ practice under section 179A.12,
79.20 subdivision 11.

79.21 Sec. 2. Minnesota Statutes 2023 Supplement, section 179A.06, subdivision 6, is amended
79.22 to read:

79.23 Subd. 6. **Payroll deduction, authorization, and remittance.** (a) Public employees ~~have~~
79.24 ~~the right to~~ may request and be allowed payroll deduction for the exclusive representative
79.25 ~~and the~~ its associated political fund ~~associated with the exclusive representative and registered~~
79.26 ~~pursuant to~~ under section 10A.12. If there is no exclusive representative, public employees
79.27 may request payroll deduction for the employee organization of their choice. A public
79.28 employer must provide payroll deduction according to any public employee's request under
79.29 this paragraph.

80.1 ~~(b)~~ A public employer must rely on a certification from ~~any~~ an exclusive representative
 80.2 requesting remittance of a deduction that the employee organization has and will maintain
 80.3 an authorization, signed, either by hand or electronically according to section 325L.02,
 80.4 paragraph (h), by the public employee from whose salary or wages the deduction is to be
 80.5 made, ~~which may include an electronic signature by the public employee as defined in~~
 80.6 ~~section 325L.02, paragraph (h).~~ An exclusive representative making such a certification
 80.7 ~~must not be~~ is not required to provide the public employer a copy of the authorization unless
 80.8 a dispute arises about the authorization's existence or terms ~~of the authorization.~~ ~~The exclusive~~
 80.9 ~~representative must indemnify the public employer for any successful claims made by the~~
 80.10 ~~employee for unauthorized deductions in reliance on the certification.~~

80.11 ~~(b)~~ (c) A dues payroll deduction authorization ~~remains in effect~~ is effective until the
 80.12 exclusive representative notifies the employer ~~receives notice from the exclusive~~
 80.13 ~~representative~~ that a public employee has changed or canceled ~~their~~ the employee's
 80.14 authorization in writing in accordance with the terms of the original ~~authorizing document,~~
 80.15 ~~and~~ authorization. When determining whether deductions have been properly changed or
 80.16 canceled, a public employer must rely on information from the exclusive representative
 80.17 receiving remittance of the deduction ~~regarding whether the deductions have been properly~~
 80.18 ~~changed or canceled.~~ ~~The exclusive representative must indemnify the public employer,~~
 80.19 ~~including any reasonable attorney fees and litigation costs, for any successful claims made~~
 80.20 ~~by the employee for unauthorized deductions made in reliance on such information.~~

80.21 ~~(e)~~ (d) Deduction authorization under this section is:

80.22 (1) independent from the public employee's membership status in the employee
 80.23 organization to which payment is remitted; and is

80.24 (2) effective regardless of whether a collective bargaining agreement authorizes the
 80.25 deduction.

80.26 ~~(d)~~ Employers (e) An employer must ~~commence~~:

80.27 (1) begin deductions within 30 days ~~of notice of authorization from the~~ after an exclusive
 80.28 representative submits a certification under paragraph (b); and ~~must~~

80.29 (2) remit the deductions to the exclusive representative within 30 days of the deduction.
 80.30 ~~The failure of an employer to comply with the provisions of this paragraph shall be an unfair~~
 80.31 ~~labor practice under section 179A.13, the relief for which shall be reimbursement by the~~
 80.32 ~~employer of deductions that should have been made or remitted based on a valid authorization~~
 80.33 ~~given by the employee or employees.~~

81.1 ~~(e) In the absence of an exclusive representative, public employees have the right to~~
 81.2 ~~request and be allowed payroll deduction for the organization of their choice.~~

81.3 (f) An exclusive representative must indemnify a public employer:

81.4 (1) for any successful employee claim for unauthorized employer deductions made by
 81.5 relying on an exclusive representative's certification under paragraph (b); and

81.6 (2) for any successful employee claim for unauthorized employer deductions made by
 81.7 relying on information for changing or canceling deductions under paragraph (c), with
 81.8 indemnification including any reasonable attorney fees and litigation costs.

81.9 ~~(f)~~ (g) Any dispute under this subdivision must be resolved through an unfair labor
 81.10 practice proceeding under section 179A.13. It is an unfair labor practice if an employer fails
 81.11 to comply with paragraph (e), and the employer must reimburse deductions that should have
 81.12 been made or remitted based on a valid authorization given by the employee or employees.

81.13 Sec. 3. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 8, is amended
 81.14 to read:

81.15 Subd. 8. **Bargaining unit information.** (a) Within 20 calendar days ~~from the date of~~
 81.16 ~~hire of~~ after a bargaining unit employee is hired, a public employer must provide the
 81.17 following ~~contact~~ information on the employee to an the unit's exclusive representative in
 81.18 an Excel file format or other format agreed to by the exclusive representative:

81.19 (1) name;

81.20 (2) job title;

81.21 (3) worksite location, including location ~~within~~ in a facility when appropriate;

81.22 (4) home address;

81.23 (5) work telephone number;

81.24 (6) home and personal cell phone numbers on file with the public employer;

81.25 (7) date of hire; and

81.26 (8) work email address and personal email address on file with the public employer.

81.27 (b) Every 120 calendar days ~~beginning on January 1, 2024~~, a public employer must
 81.28 provide to ~~an~~ a bargaining unit's exclusive representative in an Excel file or similar format
 81.29 agreed to by the exclusive representative the ~~following~~ information under paragraph (a) for
 81.30 all bargaining unit employees: ~~name; job title; worksite location, including location within~~
 81.31 ~~a facility when appropriate; home address; work telephone number; home and personal cell~~

82.1 ~~phone numbers on file with the public employer; date of hire; and work email address and~~
 82.2 ~~personal email address on file with the public employer.~~

82.3 (c) ~~A public employer must notify an exclusive representative within 20 calendar days~~
 82.4 ~~of the separation of~~ If a bargaining unit employee separates from employment or transfer
 82.5 transfers out of the a bargaining unit of a bargaining unit employee, the employee's public
 82.6 employer must notify the employee's exclusive representative within 20 calendar days after
 82.7 the separation or transfer.

82.8 Sec. 4. Minnesota Statutes 2023 Supplement, section 179A.07, subdivision 9, is amended
 82.9 to read:

82.10 Subd. 9. **Access.** (a) A public employer must allow an exclusive representative to meet
 82.11 in person with a newly hired employees, without charge to the pay or leave time of the
 82.12 employees, for 30 minutes, employee within 30 calendar days from the date of hire; during
 82.13 new employee orientations or, if the employer does not conduct new employee orientations,
 82.14 at individual or group meetings. For an orientation or meeting under this paragraph, an
 82.15 employer must allow the employee and exclusive representative up to 30 minutes to meet
 82.16 and must not charge the employee's pay or leave time during the orientation or meeting. An
 82.17 orientation or meeting may be held virtually or for longer than 30 minutes only by mutual
 82.18 agreement of the employer and exclusive representative.

82.19 (b) An exclusive representative ~~shall~~ must receive ~~no less than~~ at least ten days' notice
 82.20 ~~in advance~~ of an orientation, ~~except that~~ but a shorter notice may be provided ~~where~~ if there
 82.21 is an urgent need critical to the employer's operations ~~of the public employer~~ that was not
 82.22 reasonably foreseeable. Notice of and attendance at new employee orientations and other
 82.23 meetings under this paragraph ~~must be~~ and paragraph (a) are limited to:

82.24 (1) the public employer;

82.25 (2) the employees;

82.26 (3) the exclusive representative; and

82.27 (4) any vendor contracted to provide a service for purposes of the meeting. Meetings
 82.28 ~~may be held virtually or for longer than 30 minutes only by mutual agreement of the public~~
 82.29 ~~employer and exclusive representative.~~

82.30 ~~(b)~~ (c) A public employer must allow an exclusive representative to communicate with
 82.31 bargaining unit members ~~using their employer-issued email addresses regarding~~ by email
 82.32 on:

- 83.1 (1) collective bargaining;
- 83.2 (2) the administration of collective bargaining agreements;
- 83.3 (3) the investigation of grievances, and other workplace-related complaints and issues;
- 83.4 and
- 83.5 (4) internal matters involving the governance or business of the exclusive representative;
- 83.6 ~~consistent with the employer's generally applicable technology use policies.~~
- 83.7 (d) An exclusive representative may communicate with bargaining unit members under
- 83.8 paragraph (c) via the members' employer-issued email addresses, but the communication
- 83.9 must be consistent with the employer's generally applicable technology use policies.
- 83.10 ~~(e)~~ (e) A public employer must allow an exclusive representative to meet with bargaining
- 83.11 unit members in facilities owned or leased by the public employer regarding to communicate
- 83.12 on:
- 83.13 (1) collective bargaining;
- 83.14 (2) the administration of collective bargaining agreements;
- 83.15 (3) the investigation of grievances and other workplace-related complaints and issues;
- 83.16 and
- 83.17 (4) internal matters involving the governance or business of the exclusive representative;
- 83.18 ~~provided the use does not interfere with governmental operations and the exclusive~~
- 83.19 ~~representative complies with worksite security protocols established by the public employer.~~
- 83.20 (f) The following applies for a meeting under paragraph (e):
- 83.21 (1) a meeting cannot interfere with government operations;
- 83.22 (2) the exclusive representative must comply with employer-established worksite security
- 83.23 protocols;
- 83.24 ~~Meetings conducted~~ (3) a meeting in a government buildings pursuant to this paragraph
- 83.25 ~~must not building cannot be for the purpose of supporting or opposing any candidate for~~
- 83.26 ~~partisan political office or for the purpose of distributing literature or information regarding~~
- 83.27 on partisan elections; and
- 83.28 (4) an exclusive representative conducting a meeting in a government building or other
- 83.29 government facility pursuant to this subdivision may be charged for maintenance, security,
- 83.30 and other costs related to the use of using the government building or facility that would
- 83.31 not otherwise be incurred by the government entity.

84.1 Sec. 5. Minnesota Statutes 2023 Supplement, section 179A.10, subdivision 2, is amended
84.2 to read:

84.3 Subd. 2. **State employees.** (a) Unclassified employees, unless otherwise excluded, are
84.4 included within the units ~~which~~ that include the classifications to which they are assigned
84.5 for purposes of compensation. Supervisory employees ~~shall only~~ can be assigned only to
84.6 ~~units~~ unit 12 and or 16. The following units are the appropriate units of executive branch
84.7 state employees:

- 84.8 (1) law enforcement unit;
- 84.9 (2) craft, maintenance, and labor unit;
- 84.10 (3) service unit;
- 84.11 (4) health care nonprofessional unit;
- 84.12 (5) health care professional unit;
- 84.13 (6) clerical and office unit;
- 84.14 (7) technical unit;
- 84.15 (8) correctional guards unit;
- 84.16 (9) state university instructional unit;
- 84.17 (10) state college instructional unit;
- 84.18 (11) state university administrative unit;
- 84.19 (12) professional engineering unit;
- 84.20 (13) health treatment unit;
- 84.21 (14) general professional unit;
- 84.22 (15) professional state residential instructional unit;
- 84.23 (16) supervisory employees unit;
- 84.24 (17) public safety radio communications operator unit;
- 84.25 (18) licensed peace officer special unit; and
- 84.26 (19) licensed peace officer leader unit.

84.27 ~~Each unit consists of the classifications or positions assigned to it in the schedule of~~
84.28 ~~state employee job classification and positions maintained by the commissioner. The~~

85.1 ~~commissioner may only make changes in the schedule in existence on the day prior to~~
 85.2 ~~August 1, 1984, as required by law or as provided in subdivision 4.~~

85.3 (b) The following positions are included in the licensed peace officer special unit:

85.4 (1) State Patrol lieutenant;

85.5 (2) NR district supervisor - enforcement;

85.6 (3) assistant special agent in charge;

85.7 (4) corrections investigation assistant director 2;

85.8 (5) corrections investigation supervisor; and

85.9 (6) commerce supervisor special agent.

85.10 (c) The following positions are included in the licensed peace officer leader unit:

85.11 (1) State Patrol captain;

85.12 (2) NR program manager 2 enforcement; and

85.13 (3) special agent in charge.

85.14 (d) Each unit consists of the classifications or positions assigned to it in the schedule of
 85.15 state employee job classification and positions maintained by the commissioner. The
 85.16 commissioner may make changes in the schedule in existence on the day before August 1,
 85.17 1984, only:

85.18 (1) as required by law; or

85.19 (2) as provided in subdivision 4.

85.20 Sec. 6. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 2a, is amended
 85.21 to read:

85.22 Subd. 2a. **Majority verification procedure.** (a) ~~Notwithstanding any other provision~~
 85.23 ~~of this section,~~ An employee organization may file a petition with the commissioner
 85.24 requesting certification as the exclusive representative of ~~an~~ a proposed appropriate unit
 85.25 ~~based on a verification that~~ for which there is no currently certified exclusive representative.
 85.26 The petition must verify that over 50 percent of the employees in the proposed appropriate
 85.27 unit wish to be represented by the petitioner organization. ~~The commissioner shall require~~
 85.28 ~~dated representation authorization signatures of affected employees as verification of the~~
 85.29 ~~employee organization's claim of majority status.~~

86.1 (b) ~~Upon receipt of an employee organization's petition, accompanied by employee~~
 86.2 ~~authorization signatures under this subdivision, the commissioner shall investigate the~~
 86.3 ~~petition.~~ If the commissioner determines that over 50 percent of the employees in an the
 86.4 appropriate unit have provided authorization signatures designating the petitioning employee
 86.5 organization ~~specified in the petition~~ as their exclusive representative, the commissioner
 86.6 ~~shall not order an election but shall~~ must certify the employee organization as the employees'
 86.7 exclusive representative without ordering an election under this section.

86.8 Sec. 7. Minnesota Statutes 2022, section 179A.12, subdivision 5, is amended to read:

86.9 Subd. 5. **Commissioner to investigate.** ~~The commissioner shall, Upon receipt of an~~
 86.10 ~~employee organization's receiving a petition to the commissioner~~ under subdivision ~~3~~ 1a
 86.11 or 2a, the commissioner must:

86.12 (1) investigate to determine if sufficient evidence of a question of representation exists;
 86.13 and

86.14 (2) hold hearings necessary to determine the appropriate unit and other matters necessary
 86.15 to determine the representation rights of the affected employees and employer.

86.16 Sec. 8. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 6, is amended
 86.17 to read:

86.18 Subd. 6. **Authorization signatures.** ~~In (a) When~~ determining the numerical status of
 86.19 an employee organization for purposes of this section, the commissioner ~~shall~~ must require
 86.20 a dated representation authorization signatures of affected employees signature of each
 86.21 affected employee as verification of the statements contained in the joint request or petitions
 86.22 petition. These

86.23 (b) An authorization signatures shall be signature is privileged and confidential
 86.24 information available to the commissioner only. An electronic signatures signature, as
 86.25 defined in section 325L.02, paragraph (h), ~~shall be~~ is valid as an authorization signatures
 86.26 signature.

86.27 (c) An authorization signatures shall be signature is valid for ~~a period of~~ one year
 86.28 following the signature date of signature.

87.1 Sec. 9. Minnesota Statutes 2023 Supplement, section 179A.12, subdivision 11, is amended
87.2 to read:

87.3 Subd. 11. **Unfair labor practices.** The commissioner may void the result of an election
87.4 or majority verification procedure and order a new election or procedure if the commissioner
87.5 finds ~~that~~ one of the following:

87.6 (1) there was an unfair labor practice that:

87.7 (i) was committed by an employer or, a representative candidate or, an employee, or a
87.8 group of employees; and ~~that the unfair labor practice~~

87.9 (ii) affected the result of an the election or the majority verification procedure pursuant
87.10 to subdivision 2a; or ~~that~~

87.11 (2) procedural or other irregularities in the conduct of the election or majority verification
87.12 procedure may have substantially affected its the results; ~~the commissioner may void the~~
87.13 ~~result and order a new election or majority verification procedure.~~

87.14 Sec. 10. **RULEMAKING.**

87.15 The commissioner must adopt rules on petitions for majority verification, including
87.16 technical changes needed for consistency with Minnesota Statutes, section 179A.12, and
87.17 the commissioner may use the expedited rulemaking process under Minnesota Statutes,
87.18 section 14.389.

87.19 Sec. 11. **REVISOR INSTRUCTION.**

87.20 The revisor of statutes must renumber Minnesota Statutes, section 179A.12, subdivision
87.21 3, as Minnesota Statutes, section 179A.12, subdivision 1a.

87.22 ARTICLE 8

87.23 MISCELLANEOUS LABOR PROVISIONS

87.24 Section 1. Minnesota Statutes 2023 Supplement, section 116J.871, subdivision 1, as
87.25 amended by Laws 2024, chapter 85, section 15, is amended to read:

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

87.28 (b) "Economic development" means financial assistance provided to a person directly
87.29 or to a local unit of government or nonprofit organization on behalf of a person who is
87.30 engaged in the manufacture or sale of goods and services. Economic development does not

88.1 include (1) financial assistance for rehabilitation of existing housing; (2) financial assistance
88.2 for new housing construction in which total financial assistance at a single project site is
88.3 less than \$100,000; or (3) financial assistance for the new construction of fully detached
88.4 single-family affordable homeownership units for which the financial assistance covers no
88.5 more than ten fully detached single-family affordable homeownership units. For purposes
88.6 of this paragraph, "affordable homeownership" means housing targeted at households with
88.7 incomes, at initial occupancy, at or below 115 percent of the state or area median income,
88.8 whichever is greater, as determined by the United States Department of Housing and Urban
88.9 Development.

88.10 (c) "Financial assistance" means (1) a grant awarded by a state agency for economic
88.11 development related purposes if a single business receives \$200,000 or more of the grant
88.12 proceeds; (2) a loan or the guaranty or purchase of a loan made by a state agency for
88.13 economic development related purposes if a single business receives \$500,000 or more of
88.14 the loan proceeds; ~~or~~ (3) a reduction, credit, or abatement of a tax assessed under chapter
88.15 297A where the tax reduction, credit, or abatement applies to a geographic area smaller
88.16 than the entire state and was granted for economic development related purposes; (4) tax
88.17 increment financing pursuant to section 469.174, provided that such tax increment financing
88.18 (i) provides financial assistance to a development that consists, in part or in whole, of 25
88.19 units or more of multifamily housing, or (ii) provides \$100,000 or more of financial assistance
88.20 to a development; or (5) allocations of low-income housing credits by all suballocators as
88.21 defined under section 462A.222, for which tax credits are used for multifamily housing
88.22 projects consisting of more than ten units. Financial assistance does not include payments
88.23 by the state of aids and credits under chapter 273 or 477A to a political subdivision.

88.24 (d) "Project site" means the location where improvements are made that are financed in
88.25 whole or in part by the financial assistance; or the location of employees that receive financial
88.26 assistance in the form of employment and training services as defined in section 116L.19,
88.27 subdivision 4, or customized training from a technical college.

88.28 (e) "State agency" means any agency defined under section 16B.01, subdivision 2,
88.29 Enterprise Minnesota, Inc., and the Department of Iron Range Resources and Rehabilitation.

88.30 **EFFECTIVE DATE.** This section is effective for financial assistance provided after
88.31 August 1, 2024, and applies only to tax increment financing districts for which the request
88.32 for certification was made on or after August 1, 2024.

89.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.42, subdivision 2, is amended
89.2 to read:

89.3 Subd. 2. **Project.** "Project" means demolition, erection, construction, alteration,
89.4 improvement, restoration, remodeling, or repairing of a public building, structure, facility,
89.5 land, or other public work, which includes any work suitable for and intended for use by
89.6 the public, or for the public benefit, financed in whole or part by state funds. Project also
89.7 includes demolition, erection, construction, alteration, improvement, restoration, remodeling,
89.8 or repairing of a building, structure, facility, land, or public work when:

89.9 (1) the acquisition of property, predesign, design, or demolition is financed in whole or
89.10 part by state funds; or

89.11 (2) the project is owned by a city, county, or school district and the materials and supplies
89.12 used or consumed in and equipment incorporated into the construction, reconstruction,
89.13 upgrade, expansion, renovation, or remodeling of the project qualify for an exemption from
89.14 sales and use tax under chapter 297A or special law.

89.15 Sec. 3. Minnesota Statutes 2022, section 181.960, subdivision 3, is amended to read:

89.16 Subd. 3. **Employer.** "Employer" means a person who has ~~20~~ one or more employees.
89.17 Employer does not include a state agency, statewide system, political subdivision, or advisory
89.18 board or commission that is subject to chapter 13.

89.19 Sec. 4. **RULEMAKING; ACCEPTABLE BLOOD LEAD LEVELS FOR WORKERS.**

89.20 The commissioner of labor and industry, in consultation with the commissioner of health,
89.21 shall adopt rules to:

89.22 (1) lower the acceptable blood lead levels above which require mandatory removal of
89.23 workers from the lead exposure; and

89.24 (2) lower the blood lead levels required before a worker is allowed to return to work.
89.25 The thresholds established must be based on the most recent public health information on
89.26 the safety of lead exposure.

ARTICLE 9

BROADBAND AND PIPELINE SAFETY

90.1
90.2
90.3 Section 1. Minnesota Statutes 2022, section 116J.395, subdivision 6, is amended to read:

90.4 Subd. 6. **Awarding grants.** (a) In evaluating applications and awarding grants, the
90.5 commissioner shall give priority to applications that are constructed in areas identified by
90.6 the director of the Office of Broadband Development as unserved.

90.7 (b) In evaluating applications and awarding grants, the commissioner may give priority
90.8 to applications that:

90.9 (1) are constructed in areas identified by the director of the Office of Broadband
90.10 Development as underserved;

90.11 (2) offer new or substantially upgraded broadband service to important community
90.12 institutions including, but not limited to, libraries, educational institutions, public safety
90.13 facilities, and healthcare facilities;

90.14 (3) facilitate the use of telehealth and electronic health records;

90.15 (4) serve economically distressed areas of the state, as measured by indices of
90.16 unemployment, poverty, or population loss that are significantly greater than the statewide
90.17 average;

90.18 (5) provide technical support and train residents, businesses, and institutions in the
90.19 community served by the project to utilize broadband service;

90.20 (6) include a component to actively promote the adoption of the newly available
90.21 broadband services in the community;

90.22 (7) provide evidence of strong support for the project from citizens, government,
90.23 businesses, and institutions in the community;

90.24 (8) provide access to broadband service to a greater number of unserved or underserved
90.25 households and businesses; ~~or~~

90.26 (9) leverage greater amounts of funding for the project from other private and public
90.27 sources; or

90.28 (10) commit to implementation of workforce best practices as defined in paragraph (e).

90.29 (c) The commissioner shall endeavor to award grants under this section to qualified
90.30 applicants in all regions of the state.

91.1 (d) No less than the following percentages of general fund appropriations for the
91.2 border-to-border broadband grant program shall be reserved for applicants that agree to
91.3 implement the workforce best practices as defined in paragraph (e), based on the year in
91.4 which the grants were awarded:

91.5 (1) 50 percent in 2024;

91.6 (2) 60 percent in 2025; and

91.7 (3) 70 percent in 2026 and thereafter.

91.8 The applicant's agreement to implement the workforce best practices as defined in paragraph
91.9 (e) must be an express condition of providing the grant in the grant agreement.

91.10 (e) An applicant for a grant under this section is considered to implement workforce
91.11 best practices only if the applicant can demonstrate that:

91.12 (1) there is credible evidence of support for the application and the applicant's workforce
91.13 needs on the project for which the grant is provided from one or more labor,
91.14 labor-management, or other workforce organizations that have a track record of representing
91.15 and advocating for workers or recruiting, training, and securing employment for people of
91.16 color, Indigenous people, women, or people with disabilities in the construction industry;
91.17 and

91.18 (2) all laborers and mechanics performing construction, installation, remodeling, or
91.19 repairs on the project sites for which the grant is provided:

91.20 (i) are paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the
91.21 applicant and all of its construction contractors and subcontractors agree that the payment
91.22 of prevailing wage to such laborers and mechanics is subject to the requirements and
91.23 enforcement provisions under sections 177.27, 177.30, 177.32, 177.41 to 177.435, and
91.24 177.45, which the commissioner of labor and industry shall have the authority to enforce;
91.25 or

91.26 (ii) receive from their employer:

91.27 (A) at least 80 hours of skills training annually, of which at least 40 hours must consist
91.28 of hands-on instruction;

91.29 (B) employer-paid family health insurance coverage; and

91.30 (C) employer-paid retirement benefit payments equal to no less than 15 percent of the
91.31 employee's total taxable wages.

92.1 (f) In the event that the commissioner does not receive enough qualified applications to
92.2 achieve the standards under paragraph (d), the commissioner shall consult with prospective
92.3 applicants and labor and workforce organizations under paragraph (e), clause (1), to solicit
92.4 additional qualified applications.

92.5 Sec. 2. **[116J.3991] BROADBAND, EQUITY, ACCESS, AND DEPLOYMENT**
92.6 **(BEAD).**

92.7 Subdivision 1. **Implementation.** The commissioner shall implement a Broadband,
92.8 Equity, Access, and Deployment (BEAD) Program that prioritizes applicants for state
92.9 funding that demonstrate the following, provided that implementation of this requirement
92.10 must not prevent the state from receiving any federal broadband grant funding:

92.11 (1) use of a directly employed workforce, as opposed to a subcontracted workforce, to
92.12 perform broadband placing, splicing, and maintenance work. Public entity applicants may
92.13 meet this requirement by use of a directly employed workforce or committing to contract
92.14 with an Internet service provider that will use a directly employed workforce; or

92.15 (2) commitment to implement workforce best practices under section 116J.395,
92.16 subdivision 6, paragraph (e), on the project or projects for which the applicant seeks public
92.17 funding.

92.18 Subd. 2. **Project evaluation.** In projects funded by the BEAD Program, the criteria
92.19 under subdivision 1 and section 116J.395, subdivision 6, paragraph (e), shall receive a
92.20 priority point allocation in the point scheme for project applications, such that these criteria
92.21 shall receive the maximum allowable points in the BEAD scoring framework.

92.22 Subd. 3. **Disclosures.** Applicants' disclosures responding to the criteria in subdivision
92.23 1 and section 116J.395, subdivision 6, paragraph (e), must be publicly available on the
92.24 department website, and all workforce commitments made under this section and section
92.25 116J.395 shall become enforceable, certified commitments and conditions of the grant.

92.26 Subd. 4. **Workforce plan data.** (a) Grantees in projects funded by the program under
92.27 this section and section 116J.395 are required to provide in annual reports information on
92.28 the workforce performing installation work funded through the grant, including:

92.29 (1) the number of installation labor hours performed by workforce directly employed
92.30 by the grantee or the Internet service provider;

92.31 (2) the number of installation labor hours performed by contractors and subcontractors
92.32 on grant-funded projects with subtotals for hours worked by Minnesota residents, people
92.33 of color, Indigenous people, women, and people with disabilities;

93.1 (3) the name, business address, and number of labor hours performed by each contractor
93.2 and subcontractor that participated in construction of a grant-funded project;

93.3 (4) the percentages of workforce performing installation labor whose straight-time hourly
93.4 pay rate was at least \$25 and who received employer-paid medical coverage and retirement
93.5 benefits; and

93.6 (5) any other workforce plan information as determined by the commissioner.

93.7 (b) Following an award, the workforce plan and the requirement to submit ongoing
93.8 workforce reports shall be incorporated as material conditions of the contract with the
93.9 department and become enforceable, certified commitments.

93.10 Subd. 5. **Failure to meet requirements or falsification of data.** If successful applicants
93.11 fail to meet the program requirements under this section, or otherwise falsify information
93.12 regarding such requirements, the commissioner shall investigate the failure and issue an
93.13 appropriate action, up to and including a determination that the applicant is ineligible for
93.14 future participation in broadband grant programs funded by the department.

93.15 Sec. 3. **[181.912] UNDERGROUND TELECOMMUNICATIONS**
93.16 **INFRASTRUCTURE.**

93.17 Subdivision 1. **Definitions.** For the purposes of this section:

93.18 (1) "directional drilling" means a drilling method that utilizes a steerable drill bit to cut
93.19 a bore hole for installing underground utilities;

93.20 (2) "safety-qualified underground telecommunications installer" means a person who
93.21 has completed underground utilities installation certification under subdivision 3;

93.22 (3) "underground telecommunications utilities" means buried broadband, telephone and
93.23 other telecommunications transmission, distribution and service lines, and associated
93.24 facilities; and

93.25 (4) "underground utilities" means buried electric transmission and distribution lines, gas
93.26 and hazardous liquids pipelines and distribution lines, sewer and water pipelines, telephone
93.27 or telecommunications lines, and associated facilities.

93.28 Subd. 2. **Installation requirements.** The installation of underground telecommunications
93.29 infrastructure that is located within ten feet of existing underground utilities or that crosses
93.30 said utilities must be performed by safety-qualified underground telecommunications
93.31 installers as follows:

94.1 (1) the location of existing utilities by hand or hydro excavation or other accepted methods
94.2 must be performed by a safety-qualified underground telecommunications installer;

94.3 (2) where telecommunications infrastructure is installed by means of directional drilling,
94.4 the monitoring of the location and depth of the drill head must be performed by a
94.5 safety-qualified underground telecommunications installer; and

94.6 (3) no less than two safety-qualified underground telecommunications installers must
94.7 be present at all times at any location where telecommunications infrastructure is being
94.8 installed by means of directional drilling.

94.9 Subd. 3. Certification Standards. (a) The commissioner of labor and industry shall
94.10 approve standards for a safety-qualified underground telecommunications installer
94.11 certification program that requires a person to:

94.12 (1) complete a 40-hour initial course that includes classroom and hands-on instruction
94.13 covering proper work procedures for safe installation of underground utilities, including:

94.14 (i) regulations applicable to excavation near existing utilities;

94.15 (ii) identification, location, and verification of utility lines using hand or hydro excavation
94.16 or other accepted methods;

94.17 (iii) response to line strike incidents;

94.18 (iv) traffic control procedures;

94.19 (v) use of a tracking device to safely guide directional drill equipment along a drill path;
94.20 and

94.21 (vi) avoidance and mitigation of safety hazards posed by underground utility installation
94.22 projects;

94.23 (2) demonstrate knowledge of the course material by successfully completing an
94.24 examination approved by the commissioner; and

94.25 (3) complete a four-hour refresher course within three years of completing the original
94.26 course and every three years thereafter in order to maintain certification.

94.27 (b) The commissioner must develop an approval process for training providers under
94.28 this subdivision, and may suspend or revoke the approval of any training provider that fails
94.29 to demonstrate consistent delivery of approved curriculum or success in preparing participants
94.30 to complete the examination.

95.1 **EFFECTIVE DATE.** The requirement for use of safety-qualified underground
 95.2 telecommunications installers under subdivision 2 is effective on July 1, 2025.

95.3 Sec. 4. Minnesota Statutes 2022, section 216B.17, is amended by adding a subdivision to
 95.4 read:

95.5 **Subd. 9. Telecommunications and cable communications systems.** (a) The commission
 95.6 has authority under this section to investigate, upon complaint or on its own motion, conduct
 95.7 by or on behalf of a telecommunications carrier, telephone company, or cable
 95.8 communications system provider that impacts public utility or cooperative electric association
 95.9 infrastructure. If the commission finds that the conduct damaged or unreasonably interfered
 95.10 with the function of the infrastructure, the commission may take any action authorized under
 95.11 sections 216B.52 to 216B.61 with respect to the provider.

95.12 (b) For purposes of this subdivision:

95.13 (1) "telecommunications carrier" has the meaning given in section 237.01, subdivision
 95.14 6;

95.15 (2) "telephone company" has the meaning given in section 237.01, subdivision 7; and

95.16 (3) "cable communications system provider" means an owner or operator of a cable
 95.17 communications system as defined in section 238.02, subdivision 3.

95.18 Sec. 5. Minnesota Statutes 2022, section 299J.01, is amended to read:

95.19 **299J.01 AUTHORITY OF OFFICE OF PIPELINE SAFETY.**

95.20 The commissioner of public safety shall, to the extent authorized by agreement with the
 95.21 United States Secretary of Transportation, act as agent for the United States Secretary of
 95.22 Transportation to implement the federal Hazardous Liquid Pipeline Safety Act, ~~United~~
 95.23 ~~States Code, title 49, sections 2001 to 2014, the federal and~~ Natural Gas Pipeline Safety
 95.24 ~~Act acts,~~ United States Code, title 49, sections 1671 to 1686 60101 to 60141, and federal
 95.25 pipeline safety regulations with respect to interstate pipelines located within this state. The
 95.26 commissioner shall, to the extent authorized by federal law, regulate pipelines in the state
 95.27 as authorized by sections 299J.01 to 299J.17 and 299F.56 to 299F.641.

96.1 Sec. 6. Minnesota Statutes 2022, section 299J.02, is amended by adding a subdivision to
96.2 read:

96.3 Subd. 14. **Utility corridor.** "Utility corridor" means land that contains access to
96.4 above-ground utility infrastructure or an underground facility as defined in section 216D.01,
96.5 subdivision 11.

96.6 Sec. 7. Minnesota Statutes 2022, section 299J.04, subdivision 2, is amended to read:

96.7 Subd. 2. **Delegated duties.** (a) The commissioner shall seek and accept federal
96.8 designation of the office's pipeline inspectors as federal agents for the purposes of
96.9 enforcement of the federal Hazardous Liquid Pipeline Safety Act, ~~United States Code, title~~
96.10 ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety Act acts, United
96.11 States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and federal rules adopted to
96.12 implement those acts. The commissioner shall establish and submit to the United States
96.13 Secretary of Transportation an inspection program that complies with requirements for
96.14 delegated interstate agent inspection authority.

96.15 (b) To the extent that federal delegation of interstate agent inspection authority permits,
96.16 the inspection program for interstate pipelines and LNG facilities must be the same as the
96.17 inspection program for intrastate pipelines and LNG facilities. If the United States Secretary
96.18 of Transportation delegates inspection authority to the state as provided in this subdivision,
96.19 the commissioner, at a minimum, shall do the following to carry out the delegated federal
96.20 authority:

96.21 (1) inspect pipelines and LNG facilities periodically as specified in the inspection
96.22 program;

96.23 (2) collect inspection fees;

96.24 (3) order and oversee the testing of pipelines and LNG facilities as authorized by federal
96.25 law and regulations; and

96.26 (4) file reports with the United States Secretary of Transportation as required to maintain
96.27 the delegated inspection authority.

96.28 Sec. 8. Minnesota Statutes 2022, section 299J.11, is amended to read:

96.29 **299J.11 ADOPTION OF FEDERAL PIPELINE INSPECTION RULES.**

96.30 (a) To enable the state to act as an agent of the United States Secretary of Transportation
96.31 and to qualify for annual federal certification to enforce the federal pipeline inspection

97.1 program authorized by the Hazardous Liquid Pipeline Safety Act, ~~United States Code, title~~
97.2 ~~49, sections 2001 to 2014, the federal~~ and Natural Gas Pipeline Safety Act acts, United
97.3 States Code, title 49, sections ~~1671 to 1686~~ 60101 to 60141, and the rules implementing
97.4 those acts, the federal pipeline inspection rules and safety standards, and regulations and
97.5 standards that may be adopted that amend them, are adopted.

97.6 (b) An individual or contractor performing construction or maintenance work within 20
97.7 feet of a utility corridor must comply with the operator qualification rules set forth in Code
97.8 of Federal Regulations, title 49, parts 192, subpart N, and 195, subpart G.

97.9 (c) An individual or contractor performing construction or maintenance work within 20
97.10 feet of a utility corridor must comply with the workplace drug and alcohol testing rules set
97.11 forth in Code of Federal Regulations, title 49, part 40.

97.12 Sec. 9. **REPEALER.**

97.13 Minnesota Statutes 2022, section 116J.398, is repealed.

97.14 **ARTICLE 10**

97.15 **EMPLOYEE MISCLASSIFICATION PROHIBITED**

97.16 Section 1. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 1, is amended
97.17 to read:

97.18 Subdivision 1. **Examination of records.** The commissioner may enter during reasonable
97.19 office hours or upon request and inspect the place of business or employment of any employer
97.20 of employees working in the state, to examine and inspect books, registers, payrolls, and
97.21 other records of any employer that in any way relate to wages, hours, and other conditions
97.22 of employment of any employees. The commissioner may transcribe any or all of the books,
97.23 registers, payrolls, and other records as the commissioner deems necessary or appropriate
97.24 and may question the employer, employees, and other persons to ascertain compliance with
97.25 any of the sections 177.21 to 177.435 and 181.165 listed in subdivision 4. The commissioner
97.26 may investigate wage claims or complaints by an employee against an employer if the failure
97.27 to pay a wage may violate Minnesota law or an order or rule of the department.

97.28 **EFFECTIVE DATE.** This section is effective July 1, 2024.

98.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 2, is amended
98.2 to read:

98.3 Subd. 2. **Submission of records; penalty.** The commissioner may require the employer
98.4 of employees working in the state to submit to the commissioner photocopies, certified
98.5 copies, or, if necessary, the originals of ~~employment~~ records that relate to employment or
98.6 employment status which the commissioner deems necessary or appropriate. The records
98.7 which may be required include full and correct statements in writing, including sworn
98.8 statements by the employer, containing information relating to wages, hours, names,
98.9 addresses, and any other information pertaining to the employer's employees and the
98.10 conditions of their employment as the commissioner deems necessary or appropriate.

98.11 The commissioner may require the records to be submitted by certified mail delivery
98.12 or, if necessary, by personal delivery by the employer or a representative of the employer,
98.13 as authorized by the employer in writing.

98.14 The commissioner may fine the employer up to \$10,000 for each failure to submit or
98.15 deliver records as required by this section. This penalty is in addition to any penalties
98.16 provided under section 177.32, subdivision 1. In determining the amount of a civil penalty
98.17 under this subdivision, the appropriateness of such penalty to the size of the employer's
98.18 business and the gravity of the violation shall be considered.

98.19 **EFFECTIVE DATE.** This section is effective July 1, 2024.

98.20 Sec. 3. Minnesota Statutes 2022, section 177.27, subdivision 3, is amended to read:

98.21 Subd. 3. **Adequacy of records.** If the records maintained by the employer do not provide
98.22 sufficient information to determine the exact amount of back wages due an employee, the
98.23 commissioner may make a determination of wages due based on available evidence ~~and~~
98.24 ~~mediate a settlement with the employer.~~

98.25 **EFFECTIVE DATE.** This section is effective July 1, 2024.

98.26 Sec. 4. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 4, is amended
98.27 to read:

98.28 Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an
98.29 employer to comply with sections 177.21 to 177.435, 179.86, 181.02, 181.03, 181.031,
98.30 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.165, 181.172, paragraph
98.31 (a) or (d), 181.214 to 181.217, 181.275, subdivision 2a, 181.635, 181.722, 181.723, 181.79,
98.32 181.85 to 181.89, 181.939 to 181.943, 181.9445 to 181.9448, 181.987, 181.991, 268B.09,

99.1 subdivisions 1 to 6, and 268B.14, subdivision 3, with any rule promulgated under section
99.2 177.28, 181.213, or 181.215. The commissioner shall issue an order requiring an employer
99.3 to comply with sections 177.41 to 177.435, 181.165, or 181.987 if the violation is repeated.
99.4 For purposes of this subdivision only, a violation is repeated if at any time during the two
99.5 years that preceded the date of violation, the commissioner issued an order to the employer
99.6 for violation of sections 177.41 to 177.435, 181.165, or 181.987 and the order is final or
99.7 the commissioner and the employer have entered into a settlement agreement that required
99.8 the employer to pay back wages that were required by sections 177.41 to 177.435. The
99.9 department shall serve the order upon the employer or the employer's authorized
99.10 representative in person or by certified mail at the employer's place of business. An employer
99.11 who wishes to contest the order must file written notice of objection to the order with the
99.12 commissioner within 15 calendar days after being served with the order. A contested case
99.13 proceeding must then be held in accordance with sections 14.57 to 14.69 or 181.165. If,
99.14 within 15 calendar days after being served with the order, the employer fails to file a written
99.15 notice of objection with the commissioner, the order becomes a final order of the
99.16 commissioner. For the purposes of this subdivision, an employer includes a contractor that
99.17 has assumed a subcontractor's liability within the meaning of section 181.165.

99.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

99.19 Sec. 5. Minnesota Statutes 2023 Supplement, section 177.27, subdivision 7, is amended
99.20 to read:

99.21 Subd. 7. **Employer liability.** If an employer is found by the commissioner to have
99.22 violated a section identified in subdivision 4, or any rule adopted under section 177.28,
99.23 181.213, or 181.215, and the commissioner issues an order to comply, the commissioner
99.24 shall order the employer to cease and desist from engaging in the violative practice and to
99.25 take such affirmative steps that in the judgment of the commissioner will effectuate the
99.26 purposes of the section or rule violated. In addition to remedies, damages, and penalties
99.27 provided for in the violated section, the commissioner shall order the employer to pay to
99.28 the aggrieved parties back pay, gratuities, and compensatory damages, less any amount
99.29 actually paid to the ~~employee~~ aggrieved parties by the employer, and for an additional equal
99.30 amount as liquidated damages. Any employer who is found by the commissioner to have
99.31 repeatedly or willfully violated a section or sections identified in subdivision 4 shall be
99.32 subject to ~~a~~ an additional civil penalty of up to \$10,000 for each violation for each employee.
99.33 In determining the amount of a civil penalty under this subdivision, the appropriateness of
99.34 such penalty to the size of the employer's business and the gravity of the violation shall be
99.35 considered. In addition, the commissioner may order the employer to reimburse the

100.1 department and the attorney general for all appropriate litigation and hearing costs expended
100.2 in preparation for and in conducting the contested case proceeding, unless payment of costs
100.3 would impose extreme financial hardship on the employer. If the employer is able to establish
100.4 extreme financial hardship, then the commissioner may order the employer to pay a
100.5 percentage of the total costs that will not cause extreme financial hardship. Costs include
100.6 but are not limited to the costs of services rendered by the attorney general, private attorneys
100.7 if engaged by the department, administrative law judges, court reporters, and expert witnesses
100.8 as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance
100.9 of a commissioner's order from the date the order is signed by the commissioner until it is
100.10 paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The
100.11 commissioner may establish escrow accounts for purposes of distributing remedies and
100.12 damages.

100.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

100.14 Sec. 6. Minnesota Statutes 2022, section 181.171, subdivision 1, is amended to read:

100.15 Subdivision 1. **Civil action; damages.** A person may bring a civil action seeking redress
100.16 for violations of sections 181.02, 181.03, 181.031, 181.032, 181.08, 181.09, 181.10, 181.101,
100.17 181.11, 181.13, 181.14, 181.145, ~~and~~ 181.15, 181.722, and 181.723 directly to district court.
100.18 An employer who is found to have violated the above sections is liable to the aggrieved
100.19 party for the civil penalties or damages provided for in the section violated. An employer
100.20 who is found to have violated the above sections shall also be liable for compensatory
100.21 damages and other appropriate relief including but not limited to injunctive relief.

100.22 **EFFECTIVE DATE.** This section is effective July 1, 2024.

100.23 Sec. 7. Minnesota Statutes 2022, section 181.722, is amended to read:

100.24 **181.722 MISREPRESENTATION MISCLASSIFICATION OF EMPLOYMENT**
100.25 **RELATIONSHIP PROHIBITED EMPLOYEES.**

100.26 Subdivision 1. ~~Prohibition~~ **Prohibited activities related to employment status.** ~~No~~
100.27 ~~employer shall misrepresent the nature of its employment relationship with its employees~~
100.28 ~~to any federal, state, or local government unit; to other employers; or to its employees. An~~
100.29 ~~employer misrepresents the nature of its employment relationship with its employees if it~~
100.30 ~~makes any statement regarding the nature of the relationship that the employer knows or~~
100.31 ~~has reason to know is untrue and if it fails to report individuals as employees when legally~~
100.32 ~~required to do so.~~

101.1 (a) A person shall not:

101.2 (1) fail to classify, represent, or treat an individual who is the person's employee pursuant
101.3 to subdivision 3 as an employee in accordance with the requirements of any applicable local,
101.4 state, or federal law. A violation under this clause is in addition to any violation of local,
101.5 state, or federal law;

101.6 (2) fail to report or disclose to any person or to any local, state, or federal government
101.7 agency an individual who is the person's employee pursuant to subdivision 3 as an employee
101.8 when required to do so under any applicable local, state, or federal law. Each failure to
101.9 report or disclose an individual as an employee shall constitute a separate violation of this
101.10 clause; or

101.11 (3) require or request an individual who is the person's employee pursuant to subdivision
101.12 3 to enter into any agreement or complete any document that misclassifies, misrepresents,
101.13 or treats the individual as an independent contractor or otherwise does not reflect that the
101.14 individual is the person's employee pursuant to subdivision 3. Each agreement or completed
101.15 document constitutes a separate violation of this provision.

101.16 (b) An owner, partner, principal, member, officer, or agent, on behalf of the person, who
101.17 knowingly or repeatedly engaged in any of the prohibited activities in this subdivision may
101.18 be held individually liable.

101.19 (c) An order issued by the commissioner to a person for engaging in any of the prohibited
101.20 activities in this subdivision is in effect against any successor person. A person is a successor
101.21 person if the person shares three or more of the following with the person to whom the order
101.22 was issued:

101.23 (1) has one or more of the same owners, members, principals, officers, or managers;

101.24 (2) performs similar work within the state of Minnesota;

101.25 (3) has one or more of the same telephone or fax numbers;

101.26 (4) has one or more of the same email addresses or websites;

101.27 (5) employs or engages substantially the same individuals to provide or perform services;

101.28 (6) utilizes substantially the same vehicles, facilities, or equipment; or

101.29 (7) lists or advertises substantially the same project experience and portfolio of work.

101.30 Subd. 1a. **Definitions.** (a) "Person" means any individual, sole proprietor, limited liability
101.31 company, limited liability partnership, corporation, partnership, incorporated or
101.32 unincorporated association, joint stock company, or any other legal or commercial entity.

102.1 (b) "Department" means the Department of Labor and Industry.

102.2 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
102.3 representative of the commissioner who is either an employee of the Department of Labor
102.4 and Industry or a person working under contract with the Department of Labor and Industry.

102.5 (d) "Individual" means a human being.

102.6 (e) "Knowingly" means knew or could have known with the exercise of reasonable
102.7 diligence.

102.8 ~~Subd. 2. **Agreements to misclassify prohibited.** No employer shall require or request~~
102.9 ~~any employee to enter into any agreement, or sign any document, that results in~~
102.10 ~~misclassification of the employee as an independent contractor or otherwise does not~~
102.11 ~~accurately reflect the employment relationship with the employer.~~

102.12 **Subd. 3. Determination of employment relationship.** For purposes of this section, the
102.13 nature of an employment relationship is determined using the same tests and in the same
102.14 manner as employee status is determined under the applicable workers' compensation and
102.15 unemployment insurance program laws and rules.

102.16 ~~Subd. 4. **Civil remedy Damages and penalties.** A construction worker, as defined in~~
102.17 ~~section 179.254, who is not an independent contractor and has been injured by a violation~~
102.18 ~~of this section, may bring a civil action for damages against the violator. If the construction~~
102.19 ~~worker injured is an employee of the violator of this section, the employee's representative,~~
102.20 ~~as defined in section 179.01, subdivision 5, may bring a civil action for damages against~~
102.21 ~~the violator on behalf of the employee. The court may award attorney fees, costs, and~~
102.22 ~~disbursements to a construction worker recovering under this section.~~

102.23 (a) The following damages and penalties may be imposed for a violation of this section:

102.24 (1) compensatory damages to the individual the person has failed to classify, represent,
102.25 or treat as an employee pursuant to subdivision 3. Compensatory damages includes but is
102.26 not limited to the value of supplemental pay including minimum wage; overtime; shift
102.27 differentials; vacation pay, sick pay, and other forms of paid time off; health insurance; life
102.28 and disability insurance; retirement plans; savings plans and any other form of benefit;
102.29 employer contributions to unemployment insurance; Social Security and Medicare; and any
102.30 costs and expenses incurred by the individual resulting from the person's failure to classify,
102.31 represent, or treat the individual as an employee;

102.32 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
102.33 or treat as an employee pursuant to subdivision 3;

103.1 (3) a penalty of up to \$10,000 for each violation of subdivision 1; and

103.2 (4) a penalty of \$1,000 for each person who delays, obstructs, or otherwise fails to
103.3 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
103.4 to cooperate constitutes a separate violation.

103.5 (b) This section may be investigated and enforced under the commissioner's authority
103.6 under state law.

103.7 Subd. 5. **Reporting of violations.** Any court finding that a violation of this section has
103.8 occurred shall transmit a copy of its findings of fact and conclusions of law to the
103.9 commissioner of labor and industry. The commissioner of labor and industry shall report
103.10 the finding to relevant local, state, and federal agencies, including the commissioner of
103.11 commerce, the commissioner of employment and economic development, the commissioner
103.12 of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

103.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

103.14 Sec. 8. Minnesota Statutes 2022, section 181.723, is amended to read:

103.15 **181.723 MISCLASSIFICATION OF CONSTRUCTION CONTRACTORS**
103.16 **EMPLOYEES.**

103.17 Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

103.18 (a) "Person" means any individual, sole proprietor, limited liability company, limited
103.19 liability partnership, corporation, partnership, incorporated or unincorporated association,
103.20 ~~sole proprietorship~~, joint stock company, or any other legal or commercial entity.

103.21 (b) "Department" means the Department of Labor and Industry.

103.22 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
103.23 representative of the commissioner who is either an employee of the Department of Labor
103.24 and Industry or person working under contract with the Department of Labor and Industry.

103.25 (d) "Individual" means a human being.

103.26 (e) "Day" means calendar day unless otherwise provided.

103.27 (f) "Knowingly" means knew or could have known with the exercise of reasonable
103.28 diligence.

103.29 (g) "Business entity" means a person ~~other than an individual or a sole proprietor~~ as that
103.30 term is defined in paragraph (a), except the term does not include an individual.

104.1 (h) "Independent contractor" means a business entity that meets all the requirements
104.2 under subdivision 4, paragraph (a).

104.3 Subd. 2. **Limited application.** This section only applies to ~~individuals~~ persons providing
104.4 or performing public or private sector commercial or residential building construction or
104.5 improvement services. Building construction and or improvement services do not include
104.6 all public or private sector commercial or residential building construction or improvement
104.7 services except for: (1) the manufacture, supply, or sale of products, materials, or
104.8 merchandise; (2) landscaping services for the maintenance or removal of existing plants,
104.9 shrubs, trees, and other vegetation, whether or not the services are provided as part of a
104.10 contract for the building construction or improvement services; and (3) all other landscaping
104.11 services, unless the other landscaping services are provided as part of a contract for the
104.12 building construction or improvement services.

104.13 Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for
104.14 purposes of chapters 176, 177, 181, 181A, 182, and 268, as of January 1, 2009 and 326B,
104.15 an individual who provides or performs building construction or improvement services for
104.16 a person that are in the course of the person's trade, business, profession, or occupation is
104.17 an employee of that person and that person is an employer of the individual.

104.18 Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and
104.19 not an employee of the person for whom the individual is providing or performing services
104.20 in the course of the person's trade, business, profession, or occupation only if the individual
104.21 is operating as a business entity that meets all of the following requirements at the time the
104.22 services were provided or performed:

104.23 ~~(1) maintains a separate business with the individual's own office, equipment, materials,~~
104.24 ~~and other facilities;~~

104.25 ~~(2)(i) holds or has applied for a federal employer identification number or (ii) has filed~~
104.26 ~~business or self-employment income tax returns with the federal Internal Revenue Service~~
104.27 ~~if the individual has performed services in the previous year;~~

104.28 ~~(3) is operating under contract to perform the specific services for the person for specific~~
104.29 ~~amounts of money and under which the individual controls the means of performing the~~
104.30 ~~services;~~

104.31 ~~(4) is incurring the main expenses related to the services that the individual is performing~~
104.32 ~~for the person under the contract;~~

105.1 ~~(5) is responsible for the satisfactory completion of the services that the individual has~~
105.2 ~~contracted to perform for the person and is liable for a failure to complete the services;~~

105.3 ~~(6) receives compensation from the person for the services performed under the contract~~
105.4 ~~on a commission or per-job or competitive bid basis and not on any other basis;~~

105.5 ~~(7) may realize a profit or suffer a loss under the contract to perform services for the~~
105.6 ~~person;~~

105.7 ~~(8) has continuing or recurring business liabilities or obligations; and~~

105.8 ~~(9) the success or failure of the individual's business depends on the relationship of~~
105.9 ~~business receipts to expenditures.~~

105.10 ~~An individual who is not registered, if required by section 326B.701, is presumed to be~~
105.11 ~~an employee of a person for whom the individual performs services in the course of the~~
105.12 ~~person's trade, business, profession, or occupation. The person for whom the services were~~
105.13 ~~performed may rebut this presumption by showing that the unregistered individual met all~~
105.14 ~~nine factors in this paragraph at the time the services were performed.~~

105.15 ~~(b) If an individual is an owner or partial owner of a business entity, the individual is~~
105.16 ~~an employee of the person for whom the individual is performing services in the course of~~
105.17 ~~the person's trade, business, profession, or occupation, and is not an employee of the business~~
105.18 ~~entity in which the individual has an ownership interest, unless:~~

105.19 ~~(1) the business entity meets the nine factors in paragraph (a);~~

105.20 ~~(2) invoices and payments are in the name of the business entity; and~~

105.21 ~~(3) the business entity is registered with the secretary of state, if required.~~

105.22 ~~If the business entity in which the individual has an ownership interest is not registered,~~
105.23 ~~if required by section 326B.701, the individual is presumed to be an employee of a person~~
105.24 ~~for whom the individual performs services and not an employee of the business entity in~~
105.25 ~~which the individual has an ownership interest. The person for whom the services were~~
105.26 ~~performed may rebut the presumption by showing that the business entity met the~~
105.27 ~~requirements of clauses (1) to (3) at the time the services were performed.~~

105.28 ~~(1) was established and maintained separately from and independently of the person for~~
105.29 ~~whom the services were provided or performed;~~

105.30 ~~(2) owns, rents, or leases equipment, tools, vehicles, materials, supplies, office space,~~
105.31 ~~or other facilities that are used by the business entity to provide or perform building~~
105.32 ~~construction or improvement services;~~

- 106.1 (3) provides or performs, or offers to provide or perform, the same or similar building
106.2 construction or improvement services for multiple persons or the general public;
- 106.3 (4) is in compliance with all of the following:
- 106.4 (i) holds a federal employer identification number if required by federal law;
- 106.5 (ii) holds a Minnesota tax identification number if required by Minnesota law;
- 106.6 (iii) has received and retained 1099 forms for income received for building construction
106.7 or improvement services provided or performed, if required by Minnesota or federal law;
- 106.8 (iv) has filed business or self-employment income tax returns, including estimated tax
106.9 filings, with the federal Internal Revenue Service and the Department of Revenue, as the
106.10 business entity or as a self-employed individual reporting income earned, for providing or
106.11 performing building construction or improvement services, if any, in the previous 12 months;
106.12 and
- 106.13 (v) has completed and provided a W-9 federal income tax form to the person for whom
106.14 the services were provided or performed if required by federal law;
- 106.15 (5) is in good standing as defined by section 5.26, if applicable;
- 106.16 (6) has a Minnesota unemployment insurance account if required by chapter 268;
- 106.17 (7) has obtained required workers' compensation insurance coverage if required by
106.18 chapter 176;
- 106.19 (8) holds current business licenses, registrations, and certifications if required by chapter
106.20 326B and sections 327.31 to 327.36;
- 106.21 (9) is operating under a written contract to provide or perform the specific services for
106.22 the person that:
- 106.23 (i) is signed and dated by both an authorized representative of the business entity and
106.24 of the person for whom the services are being provided or performed;
- 106.25 (ii) is fully executed no later than 30 days after the date work commences;
- 106.26 (iii) identifies the specific services to be provided or performed under the contract;
- 106.27 (iv) provides for compensation from the person for the services provided or performed
106.28 under the contract on a commission or per-job or competitive bid basis and not on any other
106.29 basis; and
- 106.30 (v) the requirements of item (ii) shall not apply to change orders;

107.1 (10) submits invoices and receives payments for completion of the specific services
107.2 provided or performed under the written proposal, contract, or change order in the name of
107.3 the business entity. Payments made in cash do not meet this requirement;

107.4 (11) the terms of the written proposal, contract, or change order provide the business
107.5 entity control over the means of providing or performing the specific services, and the
107.6 business entity in fact controls the provision or performance of the specific services;

107.7 (12) incurs the main expenses and costs related to providing or performing the specific
107.8 services under the written proposal, contract, or change order;

107.9 (13) is responsible for the completion of the specific services to be provided or performed
107.10 under the written proposal, contract, or change order and is responsible, as provided under
107.11 the written proposal, contract, or change order, for failure to complete the specific services;
107.12 and

107.13 (14) may realize additional profit or suffer a loss, if costs and expenses to provide or
107.14 perform the specific services under the written proposal, contract, or change order are less
107.15 than or greater than the compensation provided under the written proposal, contract, or
107.16 change order.

107.17 (b)(1) Any individual providing or performing the services as or for a business entity is
107.18 an employee of the person who engaged the business entity, unless the business entity meets
107.19 all of the requirements under subdivision 4, paragraph (a).

107.20 (2) Any individual who is determined to be the person's employee is acting as an agent
107.21 of and in the interest of the person when engaging any other individual or business entity
107.22 to provide or perform any portion of the services that the business entity was engaged by
107.23 the person to provide or perform.

107.24 (3) Any individual engaged by an employee of the person, at any tier under the person,
107.25 is also the person's employee, unless the individual is providing or performing the services
107.26 as or for a business entity that meets the requirements of subdivision 4, paragraph (a).

107.27 (4) Clauses (1) to (3) do not create an employee-employer relationship between a person
107.28 and an individual if: (i) there is an intervening business entity in the contractual chain
107.29 between the person and the individual that meets the requirements of subdivision 4, paragraph
107.30 (a); or (ii) the person establishes that an intervening business entity treats and classifies the
107.31 individual as an employee for purposes of, and in compliance with, chapters 176, 177, 181,
107.32 181A, 268, 268B, 270C, and 290.

108.1 Subd. 7. **Prohibited activities related to independent contractor status.** (a) The
108.2 prohibited activities in ~~this subdivision~~ paragraphs (b) and (c) are in addition to ~~those the~~
108.3 activities prohibited in sections 326B.081 to 326B.085.

108.4 (b) An individual providing or performing building construction or improvement services
108.5 ~~shall not hold himself or herself out~~ represent themselves as an independent contractor
108.6 unless the individual is operating as a business entity that meets all the requirements of
108.7 subdivision 4, paragraph (a).

108.8 (c) A person who provides or performs building construction or improvement services
108.9 in the course of the person's trade, business, occupation, or profession shall not:

108.10 (1) as a condition of payment for services provided or performed, require an individual
108.11 ~~through coercion, misrepresentation, or fraudulent means,~~ who is an employee pursuant to
108.12 this section, to register as a construction contractor under section 326B.701, or to adopt or
108.13 agree to being classified, represented, or treated as an independent contractor status or form
108.14 a business entity. Each instance of conditioning payment to an individual who is an employee
108.15 on one of these conditions shall constitute a separate violation of this provision;

108.16 (2) ~~knowingly misrepresent or misclassify an individual as an independent contractor,~~
108.17 fail to classify, represent, or treat an individual who is an employee pursuant to this section
108.18 as an employee in accordance with the requirements of any of the chapters listed in
108.19 subdivision 3. Failure to classify, represent, or treat an individual who is an employee
108.20 pursuant to this section as an employee in accordance with each requirement of a chapter
108.21 listed in subdivision 3 shall constitute a separate violation of this provision;

108.22 (3) fail to report or disclose to any person or to any local, state, or federal government
108.23 agency an individual who is an employee pursuant to subdivision 3, as an employee when
108.24 required to do so under any applicable local, state, or federal law. Each failure to report or
108.25 disclose an individual as an employee shall constitute a separate violation of this provision;

108.26 (4) require or request an individual who is an employee pursuant to this section to enter
108.27 into any agreement or complete any document that misclassifies, misrepresents, or treats
108.28 the individual as an independent contractor or otherwise does not reflect that the individual
108.29 is an employee pursuant to this section. Each agreement or completed document shall
108.30 constitute a separate violation of this provision; or

108.31 (5) require an individual who is an employee under this section to register under section
108.32 326B.701.

109.1 (d) In addition to the person providing or performing building construction or
109.2 improvement services in the course of the person's trade, business, occupation, or profession,
109.3 any owner, partner, principal, member, officer, or agent who engaged in any of the prohibited
109.4 activities in this subdivision knowingly or repeatedly may be held individually liable.

109.5 (e) An order issued by the commissioner to a person for engaging in any of the prohibited
109.6 activities in this subdivision is in effect against any successor person. A person is a successor
109.7 person if the person shares three or more of the following with the person to whom the order
109.8 was issued:

109.9 (1) has one or more of the same owners, members, principals, officers, or managers;

109.10 (2) performs similar work within the state of Minnesota;

109.11 (3) has one or more of the same telephone or fax numbers;

109.12 (4) has one or more of the same email addresses or websites;

109.13 (5) employs or engages substantially the same individuals to provide or perform building
109.14 construction or improvement services;

109.15 (6) utilizes substantially the same vehicles, facilities, or equipment; or

109.16 (7) lists or advertises substantially the same project experience and portfolio of work.

109.17 (f) If a person who has engaged an individual to provide or perform building construction
109.18 or improvement services that are in the course of the person's trade, business, profession,
109.19 or occupation, classifies, represents, treats, reports, or discloses the individual as an
109.20 independent contractor, the person shall maintain, for at least three years, and in a manner
109.21 that may be readily produced to the commissioner upon demand, all the information and
109.22 documentation upon which the person based the determination that the individual met all
109.23 the requirements under subdivision 4, paragraph (a), at the time the individual was engaged
109.24 and at the time the services were provided or performed.

109.25 (g) The following damages and penalties may be imposed for a violation of this section:

109.26 (1) compensatory damages to the individual the person failed to classify, represent, or
109.27 treat as an employee pursuant to this section. Compensatory damages include but are not
109.28 limited to the value of supplemental pay including minimum wage; overtime; shift
109.29 differentials; vacation pay; sick pay; and other forms of paid time off; health insurance; life
109.30 and disability insurance; retirement plans; saving plans and any other form of benefit;
109.31 employer contributions to unemployment insurance; Social Security and Medicare and any

110.1 costs and expenses incurred by the individual resulting from the person's failure to classify,
110.2 represent, or treat the individual as an employee;

110.3 (2) a penalty of up to \$10,000 for each individual the person failed to classify, represent,
110.4 or treat as an employee pursuant to this section;

110.5 (3) a penalty of up to \$10,000 for each violation of this subdivision; and

110.6 (4) a penalty of \$1,000 for any person who delays, obstructs, or otherwise fails to
110.7 cooperate with the commissioner's investigation. Each day of delay, obstruction, or failure
110.8 to cooperate constitutes a separate violation.

110.9 (h) This section may be investigated and enforced under the commissioner's authority
110.10 under state law.

110.11 Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner
110.12 of revenue and the commissioner of employment and economic development, adopt, amend,
110.13 suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the
110.14 commissioner's responsibilities under this section. ~~This subdivision is effective May 26,~~
110.15 ~~2007.~~

110.16 Subd. 15. **Notice and review by commissioners of revenue and employment and**
110.17 **economic development.** When the commissioner has reason to believe that a person has
110.18 violated subdivision 7, ~~paragraph (b); or (c), clause (1) or (2);~~ the commissioner must notify
110.19 the commissioner of revenue and the commissioner of employment and economic
110.20 development. Upon receipt of notification from the commissioner, the commissioner of
110.21 revenue must review the information returns required under section 6041A of the Internal
110.22 Revenue Code. The commissioner of revenue shall also review the submitted certification
110.23 that is applicable to returns audited or investigated under section 289A.35.

110.24 **EFFECTIVE DATE.** This section is effective July 1, 2024, except that the amendments
110.25 to subdivision 4 are effective for building construction or improvement services provided
110.26 or performed on or after March 1, 2025.

110.27 Sec. 9. **[181.724] INTERGOVERNMENTAL MISCLASSIFICATION**
110.28 **ENFORCEMENT AND EDUCATION PARTNERSHIP ACT.**

110.29 Subdivision 1. **Citation.** This section and section 181.725 may be cited as the
110.30 "Intergovernmental Misclassification Enforcement and Education Partnership Act."

110.31 Subd. 2. **Policy and statement of purpose.** It is the policy of the state of Minnesota to
110.32 prevent employers from misclassifying workers, because employee misclassification allows

111.1 an employer to illegally evade obligations under state labor, employment, and tax laws,
111.2 including but not limited to the laws governing minimum wage, overtime, unemployment
111.3 insurance, paid family medical leave, earned sick and safe time, workers' compensation
111.4 insurance, temporary disability insurance, the payment of wages, and payroll taxes.

111.5 Subd. 3. **Definitions.** (a) For the purposes of this section and section 181.725, the
111.6 following terms have the meanings given, unless the language or context clearly indicates
111.7 that a different meaning is intended.

111.8 (b) "Partnership entity" means one of the following governmental entities with jurisdiction
111.9 over employee misclassification in Minnesota:

111.10 (1) the Department of Labor and Industry;

111.11 (2) the Department of Revenue;

111.12 (3) the Department of Employment and Economic Development;

111.13 (4) the Department of Commerce; and

111.14 (5) the attorney general in the attorney general's enforcement capacity under sections
111.15 177.45 and 181.1721.

111.16 (c) "Employee misclassification" means the practice by an employer of not properly
111.17 classifying workers as employees.

111.18 Subd. 4. **Coordination, collaboration, and information sharing.** For purposes of this
111.19 section, a partnership entity:

111.20 (1) shall communicate with other entities to help detect and investigate instances of
111.21 employee misclassification;

111.22 (2) may request from, provide to, or receive from the other partnership entities data
111.23 necessary for the purpose of detecting and investigating employee misclassification, unless
111.24 prohibited by federal law; and

111.25 (3) may collaborate with one another when investigating employee misclassification,
111.26 unless prohibited by federal law. Collaboration includes but is not limited to referrals,
111.27 strategic enforcement, and joint investigations by two or more partnership entities.

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

112.1 Sec. 10. [181.725] INTERGOVERNMENTAL MISCLASSIFICATION
112.2 ENFORCEMENT AND EDUCATION PARTNERSHIP.

112.3 Subdivision 1. **Composition.** The Intergovernmental Misclassification Enforcement and
112.4 Education Partnership is composed of the following members or their designees, who shall
112.5 serve on behalf of their respective partnership entities:

112.6 (1) the commissioner of labor and industry;

112.7 (2) the commissioner of revenue;

112.8 (3) the commissioner of employment and economic development;

112.9 (4) the commissioner of commerce; and

112.10 (5) the attorney general.

112.11 Subd. 2. **Meetings.** The commissioner of labor and industry, in consultation with other
112.12 members of the partnership, shall convene and lead meetings of the partnership to discuss
112.13 issues related to the investigation of employee misclassification and public outreach.
112.14 Members of the partnership may select a designee to attend any such meeting. Meetings
112.15 must occur at least quarterly.

112.16 Subd. 2a. **Additional meetings.** (a) In addition to regular quarterly meetings under
112.17 subdivision 2, the commissioner of labor and industry, in consultation with members of the
112.18 partnership, may convene and lead additional meetings for the purpose of discussing and
112.19 making recommendations under subdivision 4a.

112.20 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
112.21 in law.

112.22 Subd. 3. **Roles.** Each partnership entity may use the information received through its
112.23 participation in the partnership to investigate employee misclassification within their relevant
112.24 jurisdictions as follows:

112.25 (1) the Department of Labor and Industry in its enforcement authority under chapters
112.26 176, 177, and 181;

112.27 (2) the Department of Revenue in its enforcement authority under chapters 289A and
112.28 290;

112.29 (3) the Department of Employment and Economic Development in its enforcement
112.30 authority under chapters 268 and 268B;

113.1 (4) the Department of Commerce in its enforcement authority under chapters 45, 60A,
113.2 60K, 79, and 79A; and

113.3 (5) the attorney general in the attorney general's enforcement authority under sections
113.4 177.45 and 181.1721.

113.5 Subd. 4. **Annual presentation to the legislature.** At the request of the chairs, the
113.6 Intergovernmental Misclassification Enforcement and Education Partnership shall present
113.7 annually to members of the house of representatives and senate committees with jurisdiction
113.8 over labor. The presentation shall include information about how the partnership carried
113.9 out its duties during the preceding calendar year.

113.10 Subd. 4a. **First presentation.** (a) By March 1, 2025, the Intergovernmental
113.11 Misclassification Enforcement and Education Partnership shall make its first presentation
113.12 to members of the house of representatives and senate committees with jurisdiction over
113.13 labor. The first presentation may be made in a form and manner determined by the
113.14 partnership. In addition to providing information about how the partnership carried out its
113.15 duties in its first year, the presentation shall include the following information and
113.16 recommendations, including any budget requests to carry out the recommendations:

113.17 (1) consider any staffing recommendations for the partnership and each partnership
113.18 entity to carry out the duties and responsibilities under this section;

113.19 (2) provide a summary of the industries, areas, and employers with high numbers of
113.20 misclassification violations and recommendations for proactive review and enforcement
113.21 efforts;

113.22 (3) propose a system for making cross referrals between partnership entities;

113.23 (4) identify cross-training needs and a proposed cross-training plan; and

113.24 (5) propose a metric or plan for monitoring and assessing:

113.25 (i) the number and severity of employee misclassification violations; and

113.26 (ii) the adequacy and effectiveness of the partnership's duties related to employee
113.27 misclassification, including but not limited to the partnership's efforts on education, outreach,
113.28 detection, investigation, deterrence, and enforcement of employee misclassification.

113.29 (b) This subdivision expires July 31, 2025, unless a different expiration date is specified
113.30 in law.

113.31 Subd. 5. **Separation.** The Intergovernmental Misclassification Enforcement and
113.32 Education Partnership is not a separate agency or board and is not subject to chapter 13D.

114.1 Data shared or created by the partnership entities under this section or section 181.724 are
114.2 subject to chapter 13 and hold the data classification prescribed by law.

114.3 Subd. 6. **Duties.** The Intergovernmental Misclassification Enforcement and Education
114.4 Partnership shall:

114.5 (1) set goals to maximize Minnesota's efforts to detect, investigate, and deter employee
114.6 misclassification;

114.7 (2) share information to facilitate the detection and investigation of employee
114.8 misclassification;

114.9 (3) develop a process or procedure that provides a person with relevant information and
114.10 connects them with relevant partnership entities, regardless of which partnership entity that
114.11 person contacts for assistance;

114.12 (4) identify best practices in investigating employee misclassification;

114.13 (5) identify resources needed for better enforcement of employee misclassification;

114.14 (6) inform and educate stakeholders on rights and responsibilities related to employee
114.15 misclassification;

114.16 (7) serve as a unified point of contact for workers, businesses, and the public impacted
114.17 by misclassification;

114.18 (8) inform the public on enforcement actions taken by the partnership entities; and

114.19 (9) perform other duties as necessary to:

114.20 (i) increase the effectiveness of detection, investigation, enforcement, and deterrence of
114.21 employee misclassification; and

114.22 (ii) carry out the purposes of the partnership.

114.23 Subd. 7. **Public outreach.** (a) The commissioner of labor and industry shall maintain
114.24 on the department's website information about the Intergovernmental Misclassification
114.25 Enforcement and Education Partnership, including information about how to file a complaint
114.26 related to employee misclassification.

114.27 (b) Each partnership entity shall maintain on its website information about worker
114.28 classification laws, including requirements for employers and employees, consequences for
114.29 misclassifying workers, and contact information for other partnership entities.

114.30 Subd. 8. **No limitation of other duties.** This section does not limit the duties or
114.31 authorities of a partnership entity, or any other government entity, under state law.

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

115.2 Sec. 11. Minnesota Statutes 2022, section 270B.14, subdivision 17, is amended to read:

115.3 Subd. 17. **Disclosure to Department of Commerce.** (a) The commissioner may disclose
115.4 to the commissioner of commerce information required to administer the Uniform Disposition
115.5 of Unclaimed Property Act in sections 345.31 to 345.60, including the Social Security
115.6 numbers of the taxpayers whose refunds are on the report of abandoned property submitted
115.7 by the commissioner to the commissioner of commerce under section 345.41. Except for
115.8 data published under section 345.42, the information received that is private or nonpublic
115.9 data retains its classification, and can be used by the commissioner of commerce only for
115.10 the purpose of verifying that the persons claiming the refunds are the owners.

115.11 (b) The commissioner may disclose a return or return information to the commissioner
115.12 of commerce under section 45.0135 to the extent necessary to investigate employer
115.13 compliance with section 176.181.

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

115.15 Sec. 12. Minnesota Statutes 2022, section 270B.14, is amended by adding a subdivision
115.16 to read:

115.17 Subd. 23. **Disclosure to the attorney general.** The commissioner may disclose a return
115.18 or return information to the attorney general for the purpose of determining whether a
115.19 business is an employer and to the extent necessary to enforce section 177.45 or 181.1721.

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

115.21 Sec. 13. Minnesota Statutes 2022, section 326B.081, subdivision 3, is amended to read:

115.22 Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.165,
115.23 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, and chapter 341, and all rules,
115.24 orders, stipulation agreements, settlements, compliance agreements, licenses, registrations,
115.25 certificates, and permits adopted, issued, or enforced by the department under sections
115.26 181.165, 181.722, 181.723, 325E.66, 327.31 to 327.36, this chapter, or chapter 341.

115.27 **EFFECTIVE DATE.** This section is effective July 1, 2024.

115.28 Sec. 14. Minnesota Statutes 2022, section 326B.081, subdivision 6, is amended to read:

115.29 Subd. 6. **Licensing order.** "Licensing order" means an order issued under section
115.30 326B.082, subdivision 12, ~~paragraph (a).~~

116.1 **EFFECTIVE DATE.** This section is effective July 1, 2024.

116.2 Sec. 15. Minnesota Statutes 2022, section 326B.081, subdivision 8, is amended to read:

116.3 Subd. 8. **Stop work order.** "Stop work order" means an order issued under section
116.4 326B.082, subdivision 10.

116.5 **EFFECTIVE DATE.** This section is effective March 1, 2025.

116.6 Sec. 16. Minnesota Statutes 2022, section 326B.082, subdivision 1, is amended to read:

116.7 Subdivision 1. **Remedies available.** The commissioner may enforce all applicable law
116.8 under this section. The commissioner may use any enforcement provision in this section,
116.9 including the assessment of monetary penalties, against a person required to have a license,
116.10 registration, certificate, or permit under the applicable law based on conduct that would
116.11 provide grounds for action against a licensee, registrant, certificate holder, or permit holder
116.12 under the applicable law. The use of an enforcement provision in this section shall not
116.13 preclude the use of any other enforcement provision in this section or otherwise provided
116.14 by law. The commissioner's investigation and enforcement authority under this section may
116.15 be used by the commissioner in addition to or as an alternative to any other investigation
116.16 and enforcement authority provided by law.

116.17 **EFFECTIVE DATE.** This section is effective July 1, 2024.

116.18 Sec. 17. Minnesota Statutes 2022, section 326B.082, subdivision 2, is amended to read:

116.19 Subd. 2. **Access to information and property; subpoenas.** (a) In order to carry out the
116.20 purposes of the applicable law, the commissioner may:

116.21 (1) administer oaths and affirmations, certify official acts, interview, question, take oral
116.22 or written statements, demand data and information, and take depositions;

116.23 (2) request, examine, take possession of, test, sample, measure, photograph, record, and
116.24 copy any documents, apparatus, devices, equipment, or materials;

116.25 (3) at a time and place indicated by the commissioner, request persons to appear before
116.26 the commissioner to give testimony, provide data and information, and produce documents,
116.27 apparatus, devices, equipment, or materials;

116.28 (4) issue subpoenas to compel persons to ~~appear before the commissioner to give~~
116.29 ~~testimony,~~ provide data and information, and to produce documents, apparatus, devices,
116.30 equipment, or materials; and

117.1 (5) with or without notice, enter without delay ~~upon~~ and access all areas of any property,
117.2 public or private, for the purpose of taking any action authorized under this subdivision or
117.3 the applicable law, including ~~obtaining~~ to request, examine, take possession of, test, sample,
117.4 measure, photograph, record, and copy any data, information, remedying documents,
117.5 apparatus, devices, equipment, or materials; to interview, question, or take oral or written
117.6 statements; to remedy violations; or ~~conducting~~ to conduct surveys, inspections, or
117.7 investigations.

117.8 (b) Persons requested by the commissioner to give testimony, provide data and
117.9 information, or produce documents, apparatus, devices, equipment, or materials shall respond
117.10 within the time and in the manner specified by the commissioner. If no time to respond is
117.11 specified in the request, then a response shall be submitted within 30 days of the
117.12 commissioner's service of the request.

117.13 (c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's
117.14 representative, or lessee's representative to permit the commissioner's entry ~~onto~~ and access
117.15 to all areas of any property as provided in paragraph (a), the commissioner may apply for
117.16 an administrative inspection order in the Ramsey County District Court or, at the
117.17 commissioner's discretion, in the district court in the county in which the property is located.
117.18 The commissioner may anticipate that a property owner or lessee will refuse entry and
117.19 access to all areas of a property if the property owner, lessee, property owner's representative,
117.20 or lessee's representative has refused to permit entry or access to all areas of a property on
117.21 a prior occasion or has informed the commissioner that entry or access to areas of a property
117.22 will be refused. Upon showing of administrative probable cause by the commissioner, the
117.23 district court shall issue an administrative inspection order that compels the property owner
117.24 or lessee to permit the commissioner to enter and be allowed access to all areas of the
117.25 property for the purposes specified in paragraph (a).

117.26 (d) Upon the application of the commissioner, a district court shall treat the failure of
117.27 any person to obey a subpoena lawfully issued by the commissioner under this subdivision
117.28 as a contempt of court.

117.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

117.30 Sec. 18. Minnesota Statutes 2022, section 326B.082, subdivision 4, is amended to read:

117.31 Subd. 4. **Fax or email transmission.** When this section or section 326B.083 permits a
117.32 request for reconsideration or request for hearing to be served by fax on the commissioner,
117.33 or when the commissioner instructs that a request for reconsideration or request for hearing
117.34 be served by email on the commissioner, the fax or email shall not exceed 15 printed pages

118.1 in length. The request shall be considered timely served if the fax or email is received by
118.2 the commissioner, at the fax number or email address identified by the commissioner in the
118.3 order or notice of violation, no later than 4:30 p.m. central time on the last day permitted
118.4 for faxing or emailing the request. Where the quality or authenticity of the faxed or emailed
118.5 request is at issue, the commissioner may require the original request to be filed. Where the
118.6 commissioner has not identified quality or authenticity of the faxed or emailed request as
118.7 an issue and the request has been faxed or emailed in accordance with this subdivision, the
118.8 person faxing or emailing the request does not need to file the original request with the
118.9 commissioner.

118.10 **EFFECTIVE DATE.** This section is effective July 1, 2024.

118.11 Sec. 19. Minnesota Statutes 2022, section 326B.082, subdivision 6, is amended to read:

118.12 Subd. 6. **Notices of violation.** (a) The commissioner may issue a notice of violation to
118.13 any person who the commissioner determines has committed a violation of the applicable
118.14 law. The notice of violation must state a summary of the facts that constitute the violation
118.15 and the applicable law violated. The notice of violation may require the person to correct
118.16 the violation. If correction is required, the notice of violation must state the deadline by
118.17 which the violation must be corrected.

118.18 (b) In addition to any person, a notice of violation may be issued to any individual
118.19 identified in section 181.723, subdivision 7, paragraph (d). A notice of violation is effective
118.20 against any successor person as defined in section 181.723, subdivision 7, paragraph (e).

118.21 ~~(b)~~ (c) The commissioner shall issue the notice of violation by:

118.22 (1) serving the notice of violation on the property owner or on the person who committed
118.23 the violation; or

118.24 (2) posting the notice of violation at the location where the violation occurred.

118.25 ~~(e)~~ (d) If the person to whom the commissioner has issued the notice of violation believes
118.26 the notice was issued in error, then the person may request reconsideration of the parts of
118.27 the notice that the person believes are in error. The request for reconsideration must be in
118.28 writing and must be served on, faxed, or emailed to the commissioner at the address, fax
118.29 number, or email address specified in the notice of violation by the tenth day after the
118.30 commissioner issued the notice of violation. The date on which a request for reconsideration
118.31 is served by mail shall be the postmark date on the envelope in which the request for
118.32 reconsideration is mailed. If the person does not serve, fax, or email a written request for
118.33 reconsideration or if the person's written request for reconsideration is not served on or

119.1 faxed to the commissioner by the tenth day after the commissioner issued the notice of
119.2 violation, the notice of violation shall become a final order of the commissioner and will
119.3 not be subject to review by any court or agency. The request for reconsideration must:

119.4 (1) specify which parts of the notice of violation the person believes are in error;

119.5 (2) explain why the person believes the parts are in error; and

119.6 (3) provide documentation to support the request for reconsideration.

119.7 The commissioner shall respond in writing to requests for reconsideration made under
119.8 this paragraph within 15 days after receiving the request. A request for reconsideration does
119.9 not stay a requirement to correct a violation as set forth in the notice of violation. After
119.10 reviewing the request for reconsideration, the commissioner may affirm, modify, or rescind
119.11 the notice of violation. The commissioner's response to a request for reconsideration is final
119.12 and shall not be reviewed by any court or agency.

119.13 **EFFECTIVE DATE.** This section is effective July 1, 2024.

119.14 Sec. 20. Minnesota Statutes 2022, section 326B.082, subdivision 7, is amended to read:

119.15 Subd. 7. **Administrative orders; correction; assessment of monetary penalties.** (a)
119.16 The commissioner may issue an administrative order to any person who the commissioner
119.17 determines has committed a violation of the applicable law. The commissioner shall issue
119.18 the administrative order by serving the administrative order on the person. The administrative
119.19 order may require the person to correct the violation, may require the person to cease and
119.20 desist from committing the violation, and may assess monetary damages and penalties. The
119.21 commissioner shall follow the procedures in section 326B.083 when issuing administrative
119.22 orders. Except as provided in paragraph (b), the commissioner may issue to each person a
119.23 monetary penalty of up to \$10,000 for each violation of applicable law committed by the
119.24 person. The commissioner may order that part or all of the monetary penalty will be forgiven
119.25 if the person to whom the order is issued demonstrates to the commissioner by the 31st day
119.26 after the order is issued that the person has corrected the violation or has developed a
119.27 correction plan acceptable to the commissioner.

119.28 (b) The commissioner may issue an administrative order for failure to correct a violation
119.29 by the deadline stated in a final notice of violation issued under subdivision 6 or a final
119.30 administrative order issued under paragraph (a). Each day after the deadline during which
119.31 the violation remains uncorrected is a separate violation for purposes of calculating the
119.32 maximum monetary penalty amount.

120.1 (c) Upon the application of the commissioner, a district court shall find the failure of
120.2 any person to correct a violation as required by a final notice of violation issued under
120.3 subdivision 6 or a final administrative order issued by the commissioner under this
120.4 subdivision as a contempt of court.

120.5 (d) In addition to any person, an administrative order may be issued to any individual
120.6 identified in section 181.723, subdivision 7, paragraph (d). An administrative order shall
120.7 be effective against any successor person as defined in section 181.723, subdivision 7,
120.8 paragraph (e).

120.9 **EFFECTIVE DATE.** This section is effective July 1, 2024.

120.10 Sec. 21. Minnesota Statutes 2022, section 326B.082, subdivision 10, is amended to read:

120.11 Subd. 10. **Stop work orders.** ~~(a) If the commissioner determines based on an inspection~~
120.12 ~~or investigation that a person has violated or is about to violate the applicable law, The~~
120.13 ~~commissioner may issue to the person a stop work order requiring the person to cease and~~
120.14 ~~desist from committing the violation~~ cessation of all business operations of a person at one
120.15 or more of the person's workplaces and places of business or across all of the person's
120.16 workplaces and places of business. A stop work order may only be issued to any person
120.17 who the commissioner has determined, based on an inspection or investigation, has violated
120.18 the applicable law, has engaged in any of the activities under subdivision 11, paragraph (b),
120.19 or section 326B.701, subdivision 5, or has failed to comply with a final notice, final
120.20 administrative order, or final licensing order issued by the commissioner under this section
120.21 or a final order to comply issued by the commissioner under section 177.27, or to any person
120.22 identified in paragraph (c).

120.23 (b) The stop work order is effective upon its issuance under paragraph (e). The order
120.24 remains in effect until the commissioner issues an order lifting the stop work order. The
120.25 commissioner shall issue an order lifting the stop work order upon finding that the person
120.26 has come into compliance with the applicable law, has come into compliance with a final
120.27 order or notice of violation issued by the commissioner, has ceased and desisted from
120.28 engaging in any of the activities under subdivision 11, paragraph (b), or section 326B.701,
120.29 subdivision 5, and has paid in any remedies, damages, penalties, and other monetary
120.30 sanctions, including wages owed to employees under paragraph (j), to the satisfaction of
120.31 the commissioner, or if the commissioner or appellate court modifies or vacates the order.

120.32 (c) In addition to any person, a stop work order may be issued to any individual identified
120.33 in section 181.723, subdivision 7, paragraph (d). The stop work order is effective against
120.34 any successor person as defined in section 181.723, subdivision 7, paragraph (e).

121.1 ~~(b)~~ (d) If the commissioner determines that a condition exists on real property that
121.2 ~~violates the applicable law~~ is the basis for issuing a stop work order, the commissioner may
121.3 also issue a stop work order to the owner or lessee of the real property ~~to cease and desist~~
121.4 ~~from committing the violation and to correct the condition that is in violation~~ to cease and
121.5 desist from committing the violation and to correct the condition that is in violation.

121.6 ~~(e)~~ (e) The commissioner shall issue the stop work order by:

121.7 (1) serving the order on the person ~~who has committed or is about to commit the violation;~~

121.8 (2) posting the order at the location where the violation was committed ~~or is about to be~~
121.9 ~~committed~~ or at the location where the ~~violating~~ condition exists that is the basis for issuing
121.10 the stop work order; or

121.11 (3) serving the order on any owner or lessee of the real property where the ~~violating~~
121.12 ~~condition exists~~ violations or conditions exist.

121.13 ~~(d)~~ (f) A stop work order shall:

121.14 (1) describe the act, conduct, or practice committed ~~or about to be committed~~, or the
121.15 condition, and include a reference to the applicable law ~~that the act, conduct, practice, or~~
121.16 ~~condition violates or would violate~~, the final order or final notice of violation, the provisions
121.17 in subdivision 11, paragraph (b); the provisions in section 326B.701, subdivision 5; or
121.18 liability under section 181.165, as applicable; and

121.19 (2) provide notice that any person aggrieved by the stop work order may request a hearing
121.20 as provided in paragraph ~~(e)~~ (g).

121.21 ~~(e)~~ (g) Within 30 days after the commissioner issues a stop work order, any person
121.22 aggrieved by the order may request an expedited hearing to review the commissioner's
121.23 action. The request for hearing must be made in writing and must be served on, emailed,
121.24 or faxed to the commissioner at the address, email address, or fax number specified in the
121.25 order. If the person does not request a hearing or if the person's written request for hearing
121.26 is not served on, emailed, or faxed to the commissioner on or before the 30th day after the
121.27 commissioner issued the stop work order, the order will become a final order of the
121.28 commissioner and will not be subject to review by any court or agency. The date on which
121.29 a request for hearing is served by mail is the postmark date on the envelope in which the
121.30 request for hearing is mailed. The hearing request must specifically state the reasons for
121.31 seeking review of the order. The person who requested the hearing and the commissioner
121.32 are the parties to the expedited hearing. The hearing shall be commenced within ten days
121.33 after the commissioner receives the request for hearing. The hearing shall be conducted

122.1 under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision.
122.2 The administrative law judge shall issue a report containing findings of fact, conclusions
122.3 of law, and a recommended order within ten days after the completion of the hearing, the
122.4 receipt of late-filed exhibits, or the submission of written arguments, whichever is later.
122.5 Any party aggrieved by the administrative law judge's report shall have five days after the
122.6 date of the administrative law judge's report to submit written exceptions and argument to
122.7 the commissioner that the commissioner shall consider and enter in the record. Within 15
122.8 days after receiving the administrative law judge's report, the commissioner shall issue an
122.9 order vacating, modifying, or making permanent the stop work order. The commissioner
122.10 and the person requesting the hearing may by agreement lengthen any time periods described
122.11 in this paragraph. The Office of Administrative Hearings may, in consultation with the
122.12 agency, adopt rules specifically applicable to cases under this subdivision.

122.13 ~~(f)~~ (h) A stop work order issued under this subdivision ~~shall be~~ is in effect until it is
122.14 lifted by the commissioner under paragraph (b) or is modified or vacated by the commissioner
122.15 or an appellate court under paragraph (b). The administrative hearing provided by this
122.16 subdivision and any appellate judicial review as provided in chapter 14 shall constitute the
122.17 exclusive remedy for any person aggrieved by a stop order.

122.18 (i) The commissioner may assess a civil penalty of \$5,000 per day against a person for
122.19 each day the person conducts business operations that are in violation of a stop work order
122.20 issued under this section.

122.21 (j) Once a stop work order becomes final, any of the person's employees affected by a
122.22 stop work order issued pursuant to this subdivision shall be entitled to average daily earnings
122.23 from the person for up to the first ten days of work lost by the employee because of the
122.24 issuance of a stop work order. Lifting of a stop work order may be conditioned on payment
122.25 of wages to employees. The commissioner may issue an order to comply under section
122.26 177.27 to obtain payment from persons liable for the payment of wages owed to the
122.27 employees under this section.

122.28 ~~(g)~~ (k) Upon the application of the commissioner, a district court shall find the failure
122.29 of any person to comply with a final stop work order lawfully issued by the commissioner
122.30 under this subdivision as a contempt of court.

122.31 (l) Notwithstanding section 13.39, the data in a stop work order issued under this
122.32 subdivision are classified as public data after the commissioner has issued the order.

122.33 (m) When determining the appropriateness and extent of a stop work order the
122.34 commissioner shall consider the factors set forth in section 14.045, subdivision 3.

123.1 **EFFECTIVE DATE.** This section is effective March 1, 2025.

123.2 Sec. 22. Minnesota Statutes 2022, section 326B.082, subdivision 11, is amended to read:

123.3 Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny
123.4 an application for a permit, license, registration, or certificate if the applicant does not meet
123.5 or fails to maintain the minimum qualifications for holding the permit, license, registration,
123.6 or certificate, or has any unresolved violations ~~or~~, unpaid fees, or monetary damages or
123.7 penalties related to the activity for which the permit, license, registration, or certificate has
123.8 been applied for or was issued.

123.9 (b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's
123.10 permit, license, registration, or certificate, or censure the person holding or acting as
123.11 qualifying person for the permit, license, registration, or certificate, if the commissioner
123.12 finds that the person:

123.13 (1) committed one or more violations of the applicable law;

123.14 (2) committed one or more violations of chapter 176, 177, 181, 181A, 182, 268, 270C,
123.15 or 363A;

123.16 ~~(2)~~ (3) submitted false or misleading information to ~~the~~ any state agency in connection
123.17 with activities for which the permit, license, registration, or certificate was issued, or in
123.18 connection with the application for the permit, license, registration, or certificate;

123.19 ~~(3)~~ (4) allowed the alteration or use of the person's own permit, license, registration, or
123.20 certificate by another person;

123.21 ~~(4)~~ (5) within the previous five years, was convicted of a crime in connection with
123.22 activities for which the permit, license, registration, or certificate was issued;

123.23 ~~(5)~~ (6) violated: (i) a final administrative order issued under subdivision 7, (ii) a final
123.24 stop work order issued under subdivision 10, (iii) injunctive relief issued under subdivision
123.25 9, or (iv) a consent order, order to comply, or other final order ~~of~~ issued by the commissioner
123.26 or the commissioner of human rights, employment and economic development, or revenue;

123.27 ~~(6)~~ (7) delayed, obstructed, or otherwise failed to cooperate with a commissioner's
123.28 investigation, including a request to give testimony, to provide data and information, to
123.29 produce documents, things, apparatus, devices, equipment, or materials, or to enter and
123.30 access all areas of any property ~~under subdivision 2;~~

123.31 ~~(7)~~ (8) retaliated in any manner against any employee or person who makes a complaint,
123.32 is questioned by, cooperates with, or provides information to the commissioner ~~or an~~

124.1 ~~employee or agent authorized by the commissioner who seeks access to property or things~~
124.2 ~~under subdivision 2;~~

124.3 ~~(8)~~ (9) engaged in any fraudulent, deceptive, or dishonest act or practice; or

124.4 ~~(9)~~ (10) performed work in connection with the permit, license, registration, or certificate
124.5 or conducted the person's affairs in a manner that demonstrates incompetence,
124.6 untrustworthiness, or financial irresponsibility.

124.7 (c) In addition to any person, a licensing order may be issued to any individual identified
124.8 in section 181.723, subdivision 7, paragraph (d). A licensing order is effective against any
124.9 successor person as defined in section 181.723, subdivision 7, paragraph (e).

124.10 ~~(e)~~ (d) If the commissioner revokes or denies a person's permit, license, registration, or
124.11 certificate under paragraph (b), the person is prohibited from reapplying for the same type
124.12 of permit, license, registration, or certificate for at least two years after the effective date
124.13 of the revocation or denial. The commissioner may, as a condition of reapplication, require
124.14 the person to obtain a bond or comply with additional reasonable conditions the commissioner
124.15 considers necessary to protect the public, including but not limited to demonstration of
124.16 current and ongoing compliance with the laws the violation of which were the basis for
124.17 revoking or denying the person's permit, license, registration, or certificate under paragraph
124.18 (b) or that the person has ceased and desisted in engaging in activities under paragraph (b)
124.19 that were the basis for revoking or denying the person's permit, license, registration, or
124.20 certificate under paragraph (b).

124.21 ~~(d)~~ (e) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn,
124.22 or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding
124.23 under this subdivision within two years after the permit, license, registration, or certificate
124.24 was last effective and enter a revocation or suspension order as of the last date on which
124.25 the permit, license, registration, or certificate was in effect.

124.26 **EFFECTIVE DATE.** This section is effective July 1, 2024.

124.27 Sec. 23. Minnesota Statutes 2022, section 326B.082, subdivision 13, is amended to read:

124.28 Subd. 13. **Summary suspension.** In any case where the commissioner has issued an
124.29 order to revoke, suspend, or deny a license, registration, certificate, or permit under
124.30 subdivisions 11, paragraph (b), and 12, the commissioner may summarily suspend the
124.31 person's permit, license, registration, or certificate before the order becomes final. The
124.32 commissioner shall issue a summary suspension order when the safety of life or property
124.33 is threatened or to prevent the commission of fraudulent, deceptive, untrustworthy, or

125.1 dishonest acts against the public, including but not limited to violations of section 181.723,
125.2 subdivision 7. The summary suspension shall not affect the deadline for submitting a request
125.3 for hearing under subdivision 12. If the commissioner summarily suspends a person's permit,
125.4 license, registration, or certificate, a timely request for hearing submitted under subdivision
125.5 12 shall also be considered a timely request for hearing on continuation of the summary
125.6 suspension. If the commissioner summarily suspends a person's permit, license, registration,
125.7 or certificate under this subdivision and the person submits a timely request for a hearing,
125.8 then a hearing on continuation of the summary suspension must be held within ten days
125.9 after the commissioner receives the request for hearing unless the parties agree to a later
125.10 date.

125.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

125.12 Sec. 24. Minnesota Statutes 2022, section 326B.082, is amended by adding a subdivision
125.13 to read:

125.14 Subd. 16a. **Additional penalties and damages.** Any person who delays, obstructs, or
125.15 otherwise fails to cooperate with the commissioner's investigation may be issued a penalty
125.16 of \$1,000. Each day of delay, obstruction, or failure to cooperate shall constitute a separate
125.17 violation.

125.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

125.19 Sec. 25. Minnesota Statutes 2022, section 326B.701, is amended to read:

125.20 **326B.701 CONSTRUCTION CONTRACTOR REGISTRATION.**

125.21 Subdivision 1. **Definitions.** The following definitions apply to this section:

125.22 (a) "Building construction or improvement services" means public or private sector
125.23 commercial or residential building construction or improvement services.

125.24 ~~(a)~~ (b) "Business entity" means a person other than an individual or a sole proprietor as
125.25 that term is defined in paragraph (h), except the term does not include an individual.

125.26 (c) "Commissioner" means the commissioner of labor and industry or a duly designated
125.27 representative of the commissioner who is either an employee of the Department of Labor
125.28 and Industry or person working under contract with the Department of Labor and Industry.

125.29 (d) "Day" means calendar day unless otherwise provided.

125.30 (e) "Department" means the Department of Labor and Industry.

126.1 ~~(b)~~ (f) "Document" or "documents" includes papers; books; records; memoranda; data;
126.2 contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings;
126.3 records; accounts; files; statements; letters; emails; invoices; bills; notes; and calendars
126.4 maintained in any form or manner.

126.5 (g) "Individual" means a human being.

126.6 (h) "Person" means any individual, sole proprietor, limited liability company, limited
126.7 liability partnership, corporation, partnership, incorporated or unincorporated association,
126.8 joint stock company, or any other legal or commercial entity.

126.9 Subd. 2. **Applicability; registration requirement.** ~~(a) Persons who perform public or~~
126.10 ~~private sector commercial or residential building construction or improvement services as~~
126.11 ~~described in subdivision 2 must register with the commissioner as provided in this section.~~
126.12 ~~The purpose of registration is to assist the Department of Labor and Industry, the Department~~
126.13 ~~of Employment and Economic Development, and the Department of Revenue to enforce~~
126.14 ~~laws related to misclassification of employees.~~

126.15 ~~(b)~~ (a) Except as provided in paragraph ~~(e)~~ (b), any person who provides or performs
126.16 building construction or improvement services in the state ~~on or after September 15, 2012,~~
126.17 of Minnesota must register with the commissioner as provided in this section before providing
126.18 or performing building construction or improvement services ~~for another person.~~ The
126.19 requirements for registration under this section are not a substitute for, and do not relieve
126.20 a person from complying with, any other law requiring that the person be licensed, registered,
126.21 or certified.

126.22 ~~(e)~~ (b) The registration requirements in this section do not apply to:

126.23 (1) a person who, at the time the person is providing or performing the building
126.24 construction or improvement services, holds a current license, certificate, or registration
126.25 under chapter 299M or 326B;

126.26 ~~(2) a person who holds a current independent contractor exemption certificate issued~~
126.27 ~~under this section that is in effect on September 15, 2012, except that the person must register~~
126.28 ~~under this section no later than the date the exemption certificate expires, is revoked, or is~~
126.29 ~~canceled;~~

126.30 ~~(3)~~ (2) a person who has given a bond to the state under section 326B.197 or 326B.46;

126.31 ~~(4)~~ (3) an employee of the person providing or performing the building construction or
126.32 improvement services, ~~if the person was in compliance with laws related to employment of~~
126.33 ~~the individual at the time the construction services were performed;~~

127.1 ~~(5)~~ (4) an architect or professional engineer engaging in professional practice as defined
 127.2 in section 326.02, subdivisions 2 and 3;

127.3 ~~(6)~~ (5) a school district or technical college governed under chapter 136F;

127.4 ~~(7)~~ (6) a person providing or performing building construction or improvement services
 127.5 on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach
 127.6 Foundation, and their individual volunteers when engaged in activities on their behalf; or

127.7 ~~(8)~~ (7) a person exempt from licensing under section 326B.805, subdivision 6, clause
 127.8 ~~(5)~~ (4).

127.9 Subd. 3. **Registration application.** (a) Persons required to register under this section
 127.10 must submit electronically, in the manner prescribed by the commissioner, a complete
 127.11 application according to ~~paragraphs (b) to (d)~~ this subdivision.

127.12 (b) A complete application must include all of the following information and
 127.13 documentation about any individual who is registering as an individual or a sole proprietor,
 127.14 ~~or who owns 25 percent or more of a business entity being registered~~ the person who is
 127.15 applying for a registration:

127.16 (1) ~~the individual's full~~ person's legal name and title at the applicant's business;

127.17 (2) the person's assumed names filed with the secretary of state, if applicable;

127.18 ~~(2)~~ (3) ~~the individual's business address and~~ person's telephone number;

127.19 ~~(3) the percentage of the applicant's business owned by the individual; and~~

127.20 ~~(4) the individual's Social Security number.~~

127.21 ~~(e) A complete application must also include the following information:~~

127.22 ~~(1) the applicant's legal name; assumed name filed with the secretary of state, if any;~~
 127.23 ~~designated business address; physical address; telephone number; and email address;~~

127.24 ~~(2) the applicant's Minnesota tax identification number, if one is required or has been~~
 127.25 ~~issued;~~

127.26 ~~(3) the applicant's federal employer identification number, if one is required or has been~~
 127.27 ~~issued;~~

127.28 ~~(4) evidence of the active status of the applicant's business filings with the secretary of~~
 127.29 ~~state, if one is required or has been issued;~~

127.30 ~~(5) whether the applicant has any employees at the time the application is filed;~~

128.1 ~~(6) the names of all other persons with an ownership interest in the business entity who~~
128.2 ~~are not identified in paragraph (b), and the percentage of the interest owned by each person,~~
128.3 ~~except that the names of shareholders with less than ten percent ownership in a publicly~~
128.4 ~~traded corporation need not be provided;~~

128.5 ~~(7) information documenting compliance with workers' compensation and unemployment~~
128.6 ~~insurance laws;~~

128.7 (4) the person's email address;

128.8 (5) the person's business address;

128.9 (6) the person's physical address, if different from the business address;

128.10 (7) the legal name, telephone number, and email address of the person's registered agent,
128.11 if applicable, and the registered agent's business address and physical address, if different
128.12 from the business address;

128.13 (8) the jurisdiction in which the person is organized, if that jurisdiction is not in
128.14 Minnesota, as applicable;

128.15 (9) the legal name of the person in the jurisdiction in which it is organized, if the legal
128.16 name is different than the legal name provided in clause (1), as applicable;

128.17 (10) all of the following identification numbers, if all of these identification numbers
128.18 have been issued to the person. A complete application must include at least one of the
128.19 following identification numbers:

128.20 (i) the person's Social Security number;

128.21 (ii) the person's Minnesota tax identification number; or

128.22 (iii) the person's federal employer identification number;

128.23 (11) evidence of the active status of the person's business filings with the secretary of
128.24 state, if applicable;

128.25 (12) whether the person has any employees at the time the application is filed, and if so,
128.26 how many employees the person employs;

128.27 (13) the legal names of all persons with an ownership interest in the business entity, if
128.28 applicable, and the percentage of the interest owned by each person, except that the names
128.29 of shareholders with less than ten percent ownership in a publicly traded corporation need
128.30 not be provided;

129.1 (14) information documenting the person's compliance with workers' compensation and
129.2 unemployment insurance laws for the person's employees, if applicable;

129.3 (15) whether the person or any persons with an ownership interest in the business entity
129.4 as disclosed under clause (13) have been issued a notice of violation, administrative order,
129.5 licensing order, or order to comply by the Department of Labor and Industry in the last ten
129.6 years;

129.7 ~~(8)~~ (16) a certification that the ~~person~~ individual signing the application has: reviewed
129.8 it; ~~determined~~ asserts that the information and documentation provided is true and accurate;
129.9 and ~~determined~~ that the ~~person signing~~ individual is authorized to sign and file the application
129.10 as an agent or authorized representative of the ~~applicant~~ person. The name of the ~~person~~
129.11 individual signing, entered on an electronic application, shall constitute a valid signature
129.12 of the agent or authorized representative on behalf of the ~~applicant~~ person; and

129.13 ~~(9)~~ (17) a signed authorization for the Department of Labor and Industry to verify the
129.14 information and documentation provided on or with the application.

129.15 ~~(d)~~ (c) A registered person must notify the commissioner within 15 days after there is a
129.16 change in any of the information on the application as approved. This notification must be
129.17 provided electronically in the manner prescribed by the commissioner. However, if the
129.18 ~~business entity~~ structure or legal form of the business entity has changed, the person must
129.19 submit a new registration application and registration fee, if any, for the new business entity.

129.20 ~~(e) The registered~~ (d) A person must ~~remain registered~~ maintain a current and up-to-date
129.21 registration while providing or performing building construction or improvement services
129.22 ~~for another person~~. The provisions of sections 326B.091, 326B.094, 326B.095, and 326B.097
129.23 apply to this section. ~~A person with an expired registration shall not provide construction~~
129.24 ~~services for another person if registration is required under this section.~~ Registration
129.25 application and expiration time frames are as follows:

129.26 ~~(1) all registrations issued on or before December 31, 2015, expire on December 31,~~
129.27 ~~2015;~~

129.28 ~~(2)~~ (1) all registrations issued after December 31, 2015, expire on the following December
129.29 31 of each odd-numbered year; and

129.30 ~~(3)~~ (2) a person may submit a ~~registration or~~ renewal application starting October 1 of
129.31 the year the registration expires. If a renewal application is submitted later than December
129.32 1 of the expiration year, the registration may expire before the department has issued or
129.33 denied the ~~registration~~ renewal.

130.1 Subd. 4. **Website.** (a) The commissioner shall develop and maintain a website on which
 130.2 ~~applicants for registration~~ persons can submit a registration or renewal application. The
 130.3 website shall be designed to receive and process ~~registration~~ applications and promptly
 130.4 issue registration certificates electronically to successful applicants.

130.5 (b) The commissioner shall maintain ~~the certificates of registration on the department's~~
 130.6 ~~official public website, which shall include~~ the following information on the department's
 130.7 official public website:

130.8 (1) the registered person's legal ~~business~~ name, including any assumed name, ~~as filed~~
 130.9 with the secretary of state;

130.10 (2) the legal names of the persons with an ownership interest in the business entity;

130.11 ~~(2)~~ (3) the registered person's business address designated and physical address, if
 130.12 different from the business address, provided on the application; and

130.13 ~~(3)~~ (4) the effective date of the registration and the expiration date.

130.14 Subd. 5. **Prohibited activities related to registration.** (a) The prohibited activities in
 130.15 this subdivision are in addition to those prohibited in ~~sections 326B.081 to 326B.085~~ section
 130.16 326B.082, subdivision 11.

130.17 (b) A person who provides or performs building construction or improvement services
 130.18 ~~in the course of the person's trade, business, occupation, or profession~~ shall not:

130.19 (1) ~~contract with~~ provide or perform building construction or improvement services for
 130.20 ~~another person~~ without ~~first~~ being registered, if required by to be registered under this
 130.21 section;

130.22 (2) require an individual who is the person's employee to register; or

130.23 ~~(2) contract with or pay~~ (3) engage another person to provide or perform building
 130.24 construction or improvement services if the other person is required to be registered under
 130.25 this section and is not registered if required by subdivision 2. All payments to an unregistered
 130.26 person for construction services on a single project site shall be considered a single violation.

130.27 It is not a violation of this clause:

130.28 (i) for a person to ~~contract with or pay~~ have engaged an unregistered person if the
 130.29 unregistered person ~~was registered at the time the contract for construction services was~~
 130.30 ~~entered into~~ held a current registration on the date they began providing or performing the
 130.31 building construction or improvement services; or

131.1 (ii) for a homeowner or business to ~~contract with or pay~~ engage an unregistered person
131.2 if the homeowner or business is not in the trade, business, profession, or occupation of
131.3 performing building construction or improvement services; ~~or~~.

131.4 ~~(3) be penalized for violations of this subdivision that are committed by another person.~~
131.5 ~~This clause applies only to violations of this paragraph.~~

131.6 (c) Each day a person who is required to be registered provides or performs building
131.7 construction or improvement services while unregistered shall be considered a separate
131.8 violation.

131.9 Subd. 6. Investigation and enforcement; remedies; and penalties. ~~(a) Notwithstanding~~
131.10 ~~the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum~~
131.11 ~~penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if~~
131.12 ~~the person registers within 30 days of the date of the penalty order.~~

131.13 ~~(b) The penalty for contracting with or paying an unregistered person to perform~~
131.14 ~~construction services in violation of subdivision 5, paragraph (b), clause (2), shall be as~~
131.15 ~~provided in section 326B.082, subdivisions 7 and 12, but the commissioner shall forgive~~
131.16 ~~the penalty for the first violation.~~

131.17 The commissioner may investigate and enforce this section under the authority in chapters
131.18 177 and 326B.

131.19 Subd. 7. ~~Notice requirement.~~ ~~Notice of a penalty order for failure to register must~~
131.20 ~~include a statement that the penalty shall be forgiven if the person registers within 30 days~~
131.21 ~~of the date of the penalty order.~~

131.22 Subd. 8. **Data classified.** Data in applications and any required documentation submitted
131.23 to the commissioner under this section are private data on individuals or nonpublic data as
131.24 defined in section 13.02. ~~Data in registration certificates issued by the commissioner are~~
131.25 ~~public data; except that for the registration information published on the department's website~~
131.26 ~~may be accessed for registration verification purposes only.~~ Data that document a suspension,
131.27 revocation, or cancellation of a certificate registration are public data. ~~Upon request of~~
131.28 Notwithstanding its classification as private data on individuals or nonpublic data, data in
131.29 applications and any required documentation submitted to the commissioner under this
131.30 section may be used by the commissioner to investigate and take enforcement action related
131.31 to laws for which the commissioner has enforcement responsibility and the commissioner
131.32 may share data and documentation with the Department of Revenue, the Department of
131.33 Commerce, the Department of Human Rights, or the Department of Employment and
131.34 Economic Development. The commissioner may release to the requesting department

132.1 departments data classified as private or nonpublic under this subdivision or investigative
132.2 data that are not public under section 13.39 that relate to ~~the issuance or denial of applications~~
132.3 ~~or revocations of certificates~~ prohibited activities under this section and section 181.723.

132.4 **EFFECTIVE DATE.** This section is effective July 1, 2024.

132.5 **ARTICLE 11**

132.6 **MINORS APPEARING IN INTERNET CONTENT**

132.7 Section 1. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision
132.8 to read:

132.9 Subd. 5a. **Online platform.** "Online platform" means any public-facing website, web
132.10 application, or digital application, including a mobile application. Online platform includes
132.11 a social network, advertising network, mobile operating system, search engine, email service,
132.12 monetization platform to sell digital services, streaming service, paid subscription, or Internet
132.13 access service.

132.14 Sec. 2. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to
132.15 read:

132.16 Subd. 7a. **Content creation.** "Content creation" means content shared on an online
132.17 platform in exchange for compensation.

132.18 Sec. 3. Minnesota Statutes 2022, section 181A.03, is amended by adding a subdivision to
132.19 read:

132.20 Subd. 7b. **Content creator.** "Content creator" means an individual or individuals 18
132.21 years of age or older, including family members, who create video content performed in
132.22 Minnesota in exchange for compensation, and includes any proprietorship, partnership,
132.23 company, or other corporate entity assuming the name or identity of a particular individual
132.24 or individuals, or family members, for the purposes of that content creator. Content creator
132.25 does not include a person under the age of 18 who produces their own video content.

132.26 Sec. 4. **[181A.13] COMPENSATION FOR INTERNET CONTENT CREATION.**

132.27 Subdivision 1. **Minors featured in content creation.** (a) Except as otherwise provided
132.28 in this section, a minor is considered engaged in the work of content creation when the
132.29 following criteria are met at any time during the previous 12-month period:

133.1 (1) at least 30 percent of the content creator's compensated video content produced within
133.2 a 30-day period included the likeness, name, or photograph of any minor. Content percentage
133.3 is measured by the percentage of time the likeness, name, or photograph of a minor or if
133.4 more than one minor regularly appears in the creator's content, any of the minors, visually
133.5 appears or is the subject of an oral narrative in a video segment as compared to the total
133.6 length of the segment; and

133.7 (2) the number of views received per video segment on any online platform met the
133.8 online platform's threshold for generating compensation or the content creator received
133.9 actual compensation for video content equal to or greater than \$0.01 per view.

133.10 (b) A minor under the age of 14 is prohibited from engaging in the work of content
133.11 creation as provided in paragraph (a). If a minor under the age of 14 is featured by a content
133.12 creator, the minor shall receive 100 percent of the proceeds of the creator's compensation
133.13 for the content they have appeared in, less any amount owed to another minor.

133.14 (c) A minor who is at least age 14 but under the age of 18 may produce, create, and
133.15 publish their own content and is entitled to all compensation for their own content creation.
133.16 A minor engaged in the work of content creation as the producer, creator, and publisher of
133.17 content must also follow the requirements in paragraph (b).

133.18 (d) A minor who appears incidentally in a video that depicts a public event that a
133.19 reasonable person would know to be broadcast, including a concert, competition, or sporting
133.20 event, and is published by a content creator is not considered a violation of this section.

133.21 Subd. 2. **Records required.** (a) All video content creators whose content features a
133.22 minor engaged in the work of content creation shall maintain the following records and
133.23 retain the records until the minor reaches the age of 21:

133.24 (1) the name and documentary proof of the age of the minor engaged in the work of
133.25 content creation;

133.26 (2) the amount of content creation that generated compensation as described in subdivision
133.27 1 during the reporting period;

133.28 (3) the total number of minutes of content creation for which the content creator received
133.29 compensation during the reporting period;

133.30 (4) the total number of minutes a minor was featured in content creation during the
133.31 reporting period;

133.32 (5) the total compensation generated from content creation featuring a minor during the
133.33 reporting period; and

134.1 (6) the amount deposited into the trust account for the benefit of the minor engaged in
134.2 the work of content creation as required by subdivision 3.

134.3 (b) The records required by this subdivision must be readily accessible to the minor for
134.4 review. The content creator shall provide notice to the minor of the existence of the records.

134.5 Subd. 3. **Trust required.** (a) A minor who is engaged in the work of content creation
134.6 consistent with this section must be compensated by the content creator. The content creator
134.7 must set aside gross earnings on the video content that includes the likeness, name, or
134.8 photograph of the minor in a trust account to be preserved for the benefit of the minor until
134.9 the minor reaches the age of majority, according to the following distribution:

134.10 (1) if only one minor meets the content threshold described in subdivision 1, the
134.11 percentage of total gross earnings on any video segment, including the likeness, name, or
134.12 photograph of the minor that is equal to or greater than half of the content percentage that
134.13 includes the minor as described in subdivision 1; or

134.14 (2) if more than one minor meets the content threshold described in subdivision 1 and
134.15 a video segment includes more than one of those minors, the percentage described in clause
134.16 (1) for all minors in any segment must be equally divided between the minors regardless
134.17 of differences in percentage of content provided by the individual minors.

134.18 (b) A trust account required under this section must, at a minimum, provide that:

134.19 (1) the money in the account is available only to the minor engaged in the work of content
134.20 creation;

134.21 (2) the account is held by a bank, corporate fiduciary, or trust company, as those terms
134.22 are defined in chapter 48A;

134.23 (3) the money in the account becomes available to the minor engaged in the work of
134.24 content creation upon the minor attaining the age of 18 years or upon a declaration that the
134.25 minor is emancipated; and

134.26 (4) that the account meets the requirements of chapter 527, the Uniform Transfers to
134.27 Minors Act.

134.28 (c) If a content creator knowingly or recklessly violates this section, a minor satisfying
134.29 the criteria described in subdivision 1 may commence a civil action to enforce the provisions
134.30 of this section regarding the trust account. In any action brought in accordance with this
134.31 section, the court may award the following damages:

134.32 (1) actual damages including any compensation owed under this section;

135.1 (2) punitive damages; and
 135.2 (3) the costs of the action, including attorney fees and litigation costs.

135.3 (d) This section does not affect a right or remedy available under any other law of the
 135.4 state.

135.5 (e) Nothing in this section shall be interpreted to have any effect on a party that is neither
 135.6 the content creator nor the minor who engaged in the work of content creation.

135.7 Subd. 4. Civil cause of action; violations. (a) Along with the civil action provided in
 135.8 subdivision 3, paragraph (c), the minor may commence a civil action against the content
 135.9 creator for damages, injunctive relief, and any other relief the court finds just and equitable
 135.10 to enforce this section.

135.11 (b) The attorney general may enforce subdivision 1, pursuant to section 8.31, and may
 135.12 recover costs and fees.

135.13 Subd. 5. Content removal. Content containing the likeness of a child must be deleted
 135.14 and removed from any online platform by the individual who posted the content, the account
 135.15 owner, or another person who has control over the account when the request is made by a
 135.16 minor age 13 or older whose likeness appears in the content, or by an adult who was under
 135.17 the age of 18 when their likeness was used in the content.

135.18 **EFFECTIVE DATE.** This section is effective July 1, 2025.

135.19 **ARTICLE 12**

135.20 **HOUSING APPROPRIATIONS**

135.21 Section 1. Laws 2023, chapter 37, article 1, section 2, subdivision 1, is amended to read:

| | | | | |
|--------|-------------------------------------------|----|--------------------|------------------------------|
| 135.22 | | | | <u>273,298,000</u> |
| 135.23 | Subdivision 1. Total Appropriation | \$ | 792,098,000 | \$ <u>223,298,000</u> |

135.24 (a) The amounts that may be spent for each
 135.25 purpose are specified in the following
 135.26 subdivisions.

135.27 (b) Unless otherwise specified, this
 135.28 appropriation is for transfer to the housing
 135.29 development fund for the programs specified
 135.30 in this section. Except as otherwise indicated,
 135.31 this transfer is part of the agency's permanent
 135.32 budget base.

136.1 Sec. 2. Laws 2023, chapter 37, article 1, section 2, subdivision 17, is amended to read:

| | | | |
|-------|-----------------------------------------|-------------|------------------------|
| 136.2 | | | 100,000,000 |
| 136.3 | Subd. 17. Housing Infrastructure | 100,000,000 | <u>60,000,000</u> |

136.4 This appropriation is for the housing
 136.5 infrastructure program for the eligible
 136.6 purposes under Minnesota Statutes, section
 136.7 462A.37, subdivision 2. This is a onetime
 136.8 appropriation.

136.9 Sec. 3. Laws 2023, chapter 37, article 1, section 2, subdivision 29, is amended to read:

| | | | |
|--------|------------------------------------------|------------|-----------------------|
| 136.10 | | | 45,000,000 |
| 136.11 | Subd. 29. Community Stabilization | 45,000,000 | <u>35,000,000</u> |

136.12 This appropriation is for the community
 136.13 stabilization program. This a onetime
 136.14 appropriation. Of this amount, \$10,000,000 is
 136.15 for a grant to AEON for Huntington Place.

136.16 Sec. 4. **APPROPRIATION; MINNESOTA HOUSING FINANCE AGENCY.**

136.17 \$59,255,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
 136.18 of the Minnesota Housing Finance Agency. This appropriation is onetime and in addition
 136.19 to amounts appropriated in 2023. This appropriation is for transfer to the housing
 136.20 development fund. Of this amount:

136.21 (1) \$50,000,000 is for the housing affordability preservation investment program;

136.22 (2) \$8,885,000 is for the family homelessness prevention and assistance program under
 136.23 Minnesota Statutes, section 462A.204. Notwithstanding Minnesota Statutes, section 16C.06,
 136.24 \$943,000 of this appropriation is allocated to federally recognized American Indian Tribes
 136.25 located in Minnesota. Notwithstanding procurement provisions outlined in Minnesota
 136.26 Statutes, section 16C.06, subdivisions 1, 2, and 6, the agency may award grants to existing
 136.27 program grantees;

136.28 (3) \$270,000 is for administering the requirements of article 13, sections 18 and 43 to
 136.29 46; and

136.30 (4) \$100,000 is for a grant to the Amherst H. Wilder Foundation for the Minnesota
 136.31 homeless study.

137.1 Sec. 5. **APPROPRIATION; MINNESOTA MANAGEMENT AND BUDGET.**

137.2 \$200,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
137.3 of Minnesota Management and Budget for management analysis and development to facilitate
137.4 the working group on common interest communities and homeowners associations established
137.5 in article 14. This is a onetime appropriation.

137.6 Sec. 6. **APPROPRIATION; SUPREME COURT.**

137.7 \$545,000 in fiscal year 2025 is appropriated from the general fund to the supreme court
137.8 for the implementation of Laws 2023, chapter 52, article 19, section 120, as amended in
137.9 article 14, section 2. This is a onetime appropriation and is available until June 30, 2026.

137.10

ARTICLE 13

137.11

HOUSING POLICY

137.12 Section 1. Minnesota Statutes 2022, section 15.082, is amended to read:

137.13 **15.082 OBLIGATIONS OF PUBLIC CORPORATIONS.**

137.14 Notwithstanding any other law, the state is not liable for obligations of a public
137.15 corporation created by statute. Upon dissolution of the public corporation, its wholly owned
137.16 assets become state property. Partially owned assets become state property to the extent
137.17 that state money was used to acquire them.

137.18 This section does not apply to a public corporation governed by chapter 119 or section
137.19 469.0121.

137.20 **EFFECTIVE DATE.** This section is effective July 1, 2024.

137.21 Sec. 2. Minnesota Statutes 2022, section 462A.02, subdivision 10, is amended to read:

137.22 Subd. 10. **Energy conservation decarbonization and climate resilience.** It is further
137.23 declared that supplies of conventional energy resources are rapidly depleting in quantity
137.24 and rising in price and that the burden of these occurrences falls heavily upon the citizens
137.25 of Minnesota generally and persons of low and moderate income in particular. These
137.26 conditions are adverse to the health, welfare, and safety of all of the citizens of this state.
137.27 It is further declared that it is a public purpose to ensure the availability of financing to be
137.28 used by all citizens of the state, while giving preference to low and moderate income people,
137.29 to assist in the installation in their dwellings of reasonably priced energy conserving systems
137.30 including the use of alternative energy resources and equipment so that by the improvement
137.31 of the energy efficiency ~~of~~, clean energy, greenhouse gas emissions reduction, climate

138.1 resiliency, and other qualified projects for all housing, the adequacy of the total energy
138.2 supply may be preserved for the benefit of all citizens.

138.3 Sec. 3. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to
138.4 read:

138.5 Subd. 2a. **Distressed building.** "Distressed building" means an existing rental housing
138.6 building:

138.7 (1) in which the units are restricted to households at or below 60 percent of the area
138.8 median income; and

138.9 (2) that:

138.10 (i) is in foreclosure proceedings;

138.11 (ii) has two or more years of negative net operating income;

138.12 (iii) has two or more years with a debt service coverage ratio less than one; or

138.13 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
138.14 reserves available for those purposes.

138.15 Sec. 4. Minnesota Statutes 2022, section 462A.03, is amended by adding a subdivision to
138.16 read:

138.17 Subd. 6a. **Recapitalization.** "Recapitalization" means financing for the physical and
138.18 financial needs of a distressed building, including restructuring and forgiveness of amortizing
138.19 and deferred debt, principal and interest paydown, interest rate write-down, deferral of debt
138.20 payments, mortgage payment forbearance, deferred maintenance, security services, property
138.21 insurance, reasonably necessary capital improvements, funding of reserves for supportive
138.22 services, and property operations. Recapitalization may include reimbursement to a nonprofit
138.23 sponsor or owner for expenditures that would have otherwise qualified for recapitalization.

138.24 Sec. 5. Minnesota Statutes 2022, section 462A.05, subdivision 3b, is amended to read:

138.25 Subd. 3b. **Refinancing mortgages.** The agency may make loans for recapitalization or
138.26 to refinance the existing indebtedness, of owners of rental property, secured by federally
138.27 assisted housing for the purpose of obtaining agreement of the owner to participate in the
138.28 federally assisted rental housing program and to extend any existing low-income affordability
138.29 restrictions on the housing for the maximum term permitted. For purposes of this subdivision,
138.30 "federally assisted rental housing" includes housing that is:

139.1 (1) subject to a project-based housing or rental assistance payment contract funded by
139.2 the federal government;

139.3 (2) financed by the Rural Housing Service of the United States Department of Agriculture
139.4 under section 515 of the Housing Act of 1949, as amended; or

139.5 (3) financed under section 236; section 221(d)(3) below market interest rate program;
139.6 section 202; or section 811 of the Housing and Urban Development Act of 1968, as amended.

139.7 Sec. 6. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 14, is amended
139.8 to read:

139.9 Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate
139.10 in the making, and may enter into commitments for the purchase, making, or participation
139.11 in the making, of eligible loans for rehabilitation, with terms and conditions as the agency
139.12 deems advisable, to persons and families of low and moderate income, and to owners of
139.13 existing residential housing for occupancy by such persons and families, for the rehabilitation
139.14 of existing residential housing owned by them. Rehabilitation may include the addition or
139.15 rehabilitation of a detached accessory dwelling unit. The loans may be insured or uninsured
139.16 and may be made with security, or may be unsecured, as the agency deems advisable. The
139.17 loans may be in addition to or in combination with long-term eligible mortgage loans under
139.18 subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness
139.19 secured by the property, if refinancing is determined by the agency to be necessary to permit
139.20 the owner to meet the owner's housing cost without expending an unreasonable portion of
139.21 the owner's income thereon. No loan for rehabilitation shall be made unless the agency
139.22 determines that the loan will be used primarily to make the housing more desirable to live
139.23 in, to increase the market value of the housing, for compliance with state, county or municipal
139.24 building, housing maintenance, fire, health or similar codes and standards applicable to
139.25 housing, or to accomplish energy ~~conservation-related improvements~~ decarbonization,
139.26 climate resiliency, and other qualified projects. In unincorporated areas and municipalities
139.27 not having codes and standards, the agency may, solely for the purpose of administering
139.28 the provisions of this chapter, establish codes and standards. No loan under this subdivision
139.29 for the rehabilitation of owner-occupied housing shall be denied solely because the loan
139.30 will not be used for placing the owner-occupied residential housing in full compliance with
139.31 all state, county, or municipal building, housing maintenance, fire, health, or similar codes
139.32 and standards applicable to housing. Rehabilitation loans shall be made only when the
139.33 agency determines that financing is not otherwise available, in whole or in part, from private
139.34 lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized

140.1 under this subdivision may be made to eligible persons and families without limitations
140.2 relating to the maximum incomes of the borrowers if:

140.3 (1) the borrower or a member of the borrower's family requires a level of care provided
140.4 in a hospital, skilled nursing facility, or intermediate care facility for persons with
140.5 developmental disabilities;

140.6 (2) home care is appropriate; and

140.7 (3) the improvement will enable the borrower or a member of the borrower's family to
140.8 reside in the housing.

140.9 The agency may waive any requirement that the housing units in a residential housing
140.10 development be rented to persons of low and moderate income if the development consists
140.11 of four or fewer dwelling units, one of which is occupied by the owner.

140.12 Sec. 7. Minnesota Statutes 2022, section 462A.05, subdivision 14a, is amended to read:

140.13 Subd. 14a. **Rehabilitation loans; existing owner-occupied residential housing.** It may
140.14 make loans to persons and families of low and moderate income to rehabilitate or to assist
140.15 in rehabilitating existing residential housing owned and occupied by those persons or
140.16 families. Rehabilitation may include replacement of manufactured homes. No loan shall be
140.17 made unless the agency determines that the loan will be used primarily for rehabilitation
140.18 work necessary for health or safety, essential accessibility improvements, or to improve the
140.19 energy efficiency of, clean energy, greenhouse gas emissions reductions, climate resiliency,
140.20 and other qualified projects in the dwelling. No loan for rehabilitation of owner-occupied
140.21 residential housing shall be denied solely because the loan will not be used for placing the
140.22 residential housing in full compliance with all state, county or municipal building, housing
140.23 maintenance, fire, health or similar codes and standards applicable to housing. The amount
140.24 of any loan shall not exceed the lesser of (a) a maximum loan amount determined under
140.25 rules adopted by the agency not to exceed \$37,500, or (b) the actual cost of the work
140.26 performed, or (c) that portion of the cost of rehabilitation which the agency determines
140.27 cannot otherwise be paid by the person or family without the expenditure of an unreasonable
140.28 portion of the income of the person or family. Loans made in whole or in part with federal
140.29 funds may exceed the maximum loan amount to the extent necessary to comply with federal
140.30 lead abatement requirements prescribed by the funding source. In making loans, the agency
140.31 shall determine the circumstances under which and the terms and conditions under which
140.32 all or any portion of the loan will be repaid and shall determine the appropriate security for
140.33 the repayment of the loan. Loans pursuant to this subdivision may be made with or without
140.34 interest or periodic payments.

141.1 Sec. 8. Minnesota Statutes 2022, section 462A.05, subdivision 14b, is amended to read:

141.2 Subd. 14b. **Energy ~~conservation~~ decarbonization and climate resiliency loans.** It
141.3 may agree to purchase, make, or otherwise participate in the making, and may enter into
141.4 commitments for the purchase, making, or participating in the making, of loans to persons
141.5 and families, without limitations relating to the maximum incomes of the borrowers, to
141.6 assist in energy ~~conservation rehabilitation measures~~ decarbonization, climate resiliency,
141.7 and other qualified projects for existing housing owned by those persons or families
141.8 including, but not limited to: weatherstripping and caulking; chimney construction or
141.9 improvement; furnace or space heater repair, cleaning or replacement; central air conditioner
141.10 installation, repair, maintenance, or replacement; air source or geothermal heat pump
141.11 installation, repair, maintenance, or replacement; insulation; windows and doors; and
141.12 structural or other directly related repairs or installations essential for energy ~~conservation~~
141.13 decarbonization, climate resiliency, and other qualified projects. Loans shall be made only
141.14 when the agency determines that financing is not otherwise available, in whole or in part,
141.15 from private lenders upon equivalent terms and conditions. Loans under this subdivision
141.16 or subdivision 14 may:

141.17 (1) be integrated with a utility's on-bill repayment program approved under section
141.18 216B.241, subdivision 5d; and

141.19 (2) also be made for the installation of on-site solar energy or energy storage systems.

141.20 Sec. 9. Minnesota Statutes 2022, section 462A.05, subdivision 15, is amended to read:

141.21 Subd. 15. **Rehabilitation grants.** (a) It may make grants to persons and families of low
141.22 and moderate income to pay or to assist in paying a loan made pursuant to subdivision 14,
141.23 or to rehabilitate or to assist in rehabilitating existing residential housing owned or occupied
141.24 by such persons or families. For the purposes of this section, persons of low and moderate
141.25 income include administrators appointed pursuant to section 504B.425, paragraph (d). No
141.26 grant shall be made unless the agency determines that the grant will be used primarily to
141.27 make the housing more desirable to live in, to increase the market value of the housing or
141.28 for compliance with state, county or municipal building, housing maintenance, fire, health
141.29 or similar codes and standards applicable to housing, or to accomplish energy ~~conservation~~
141.30 ~~related improvements~~ decarbonization, climate resiliency, or other qualified projects. In
141.31 unincorporated areas and municipalities not having codes and standards, the agency may,
141.32 solely for the purpose of administering this provision, establish codes and standards. No
141.33 grant for rehabilitation of owner occupied residential housing shall be denied solely because
141.34 the grant will not be used for placing the residential housing in full compliance with all

142.1 state, county or municipal building, housing maintenance, fire, health or similar codes and
142.2 standards applicable to housing. The amount of any grant shall not exceed the lesser of (a)
142.3 \$6,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of
142.4 rehabilitation which the agency determines cannot otherwise be paid by the person or family
142.5 without spending an unreasonable portion of the income of the person or family thereon.
142.6 In making grants, the agency shall determine the circumstances under which and the terms
142.7 and conditions under which all or any portion thereof will be repaid and shall determine the
142.8 appropriate security should repayment be required.

142.9 (b) The agency may also make grants to rehabilitate or to assist in rehabilitating housing
142.10 under this subdivision to persons of low and moderate income for the purpose of qualifying
142.11 as foster parents.

142.12 Sec. 10. Minnesota Statutes 2022, section 462A.05, subdivision 15b, is amended to read:

142.13 Subd. 15b. **Energy ~~conservation~~ decarbonization and climate resiliency grants.** (a)
142.14 It may make grants to assist in energy ~~conservation~~ rehabilitation measures decarbonization,
142.15 climate resiliency, and other qualified projects for existing owner occupied housing including,
142.16 but not limited to: insulation, storm windows and doors, furnace or space heater repair,
142.17 cleaning or replacement, chimney construction or improvement, weatherstripping and
142.18 caulking, ~~and~~ structural or other directly related repairs, or installations essential for energy
142.19 ~~conservation~~ decarbonization, climate resiliency, and other qualified projects. The grant to
142.20 any household shall not exceed \$2,000.

142.21 (b) To be eligible for an emergency energy ~~conservation~~ decarbonization and climate
142.22 resiliency grant, a household must be certified as eligible to receive emergency residential
142.23 heating assistance under either the federal or the state program, and either (1) have had a
142.24 heating cost for the preceding heating season that exceeded 120 percent of the regional
142.25 average for the preceding heating season for that energy source as determined by the
142.26 commissioner of employment and economic development, or (2) be eligible to receive a
142.27 federal energy conservation grant, but be precluded from receiving the grant because of a
142.28 need for directly related repairs that cannot be paid for under the federal program. The
142.29 Housing Finance Agency shall make a reasonable effort to determine whether other state
142.30 or federal loan and grant programs are available and adequate to finance the intended
142.31 improvements. An emergency energy conservation grant may be made in conjunction with
142.32 grants or loans from other state or federal programs that finance other needed rehabilitation
142.33 work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility
142.34 for other Housing Finance Agency loan or grant programs.

143.1 Sec. 11. Minnesota Statutes 2022, section 462A.05, subdivision 21, is amended to read:

143.2 Subd. 21. **Rental property loans.** The agency may make or purchase loans to owners
143.3 of rental property that is occupied or intended for occupancy primarily by low- and
143.4 moderate-income tenants and which does not comply with the standards established in
143.5 section 326B.106, subdivision 1, for the purpose of energy ~~improvements~~ decarbonization,
143.6 climate resiliency, and other qualified projects necessary to bring the property into full or
143.7 partial compliance with these standards. For property which meets the other requirements
143.8 of this subdivision, a loan may also be used for moderate rehabilitation of the property. The
143.9 authority granted in this subdivision is in addition to and not in limitation of any other
143.10 authority granted to the agency in this chapter. The limitations on eligible mortgagors
143.11 contained in section 462A.03, subdivision 13, do not apply to loans under this subdivision.
143.12 Loans for the improvement of rental property pursuant to this subdivision may contain
143.13 provisions that repayment is not required in whole or in part subject to terms and conditions
143.14 determined by the agency to be necessary and desirable to encourage owners to maximize
143.15 rehabilitation of properties.

143.16 Sec. 12. Minnesota Statutes 2022, section 462A.05, subdivision 23, is amended to read:

143.17 Subd. 23. **Insuring financial institution loans.** The agency may participate in loans or
143.18 establish a fund to insure loans, or portions of loans, that are made by any banking institution,
143.19 savings association, or other lender approved by the agency, organized under the laws of
143.20 this or any other state or of the United States having an office in this state, to owners of
143.21 renter-occupied homes or apartments that do not comply with standards set forth in section
143.22 326B.106, subdivision 1, without limitations relating to the maximum incomes of the owners
143.23 or tenants. The proceeds of the insured portion of the loan must be used to pay the costs of
143.24 improvements, including all related structural and other improvements, that will reduce
143.25 energy consumption, that will decarbonize, and that will ensure the climate resiliency of
143.26 housing.

143.27 Sec. 13. Minnesota Statutes 2023 Supplement, section 462A.05, subdivision 45, is amended
143.28 to read:

143.29 Subd. 45. **Indian Tribes.** Notwithstanding any other provision in this chapter, at its
143.30 discretion the agency may make any federally recognized Indian Tribe in Minnesota, or
143.31 their associated Tribally Designated Housing Entity (TDHE) as defined by United States
143.32 Code, title 25, section 4103(22), eligible for agency funding ~~authorized under this chapter.~~

144.1 Sec. 14. **[462A.051] WAGE THEFT PREVENTION AND USE OF RESPONSIBLE**
144.2 **CONTRACTORS.**

144.3 **Subdivision 1. Application.** This section applies to all forms of financial assistance
144.4 provided by the Minnesota Housing Finance Agency, as well as the allocation of federal
144.5 low-income housing credits, for the development, construction, rehabilitation, renovation,
144.6 or retrofitting of multiunit residential housing, including loans, grants, tax credits, loan
144.7 guarantees, loan insurance, and other financial assistance.

144.8 **Subd. 2. Disclosures.** An applicant for financial assistance under this chapter shall
144.9 disclose in the application any conviction, court judgment, agency determination, legal
144.10 settlement, ongoing criminal or civil investigation, or lawsuit involving alleged violations
144.11 of sections 177.24, 177.25, 177.32, 177.41 to 177.44, 181.03, 181.101, 181.13, 181.14,
144.12 181.722, 181.723, 181A.01 to 181A.12, or 609.52, subdivision 2, paragraph (a), clause (19),
144.13 or United States Code, title 29, sections 201 to 219, or title 40, sections 3141 to 3148, arising
144.14 or occurring within the preceding five years on a construction project owned or managed
144.15 by the developer or owner of the proposed project, the intended general contractor for the
144.16 proposed project, or any of their respective parent companies, subsidiaries, or other affiliated
144.17 companies. An applicant for financial assistance shall make the disclosures required by this
144.18 subdivision available within 14 calendar days to any member of the public who submits a
144.19 request by mail or electronic correspondence. The applicant shall designate a public
144.20 information officer who will serve as a point of contact for public inquiries.

144.21 **Subd. 3. Responsible contractors required.** As a condition of receiving financial
144.22 assistance, the applicant shall verify that every contractor or subcontractor of any tier
144.23 performing work on the proposed project meets the minimum criteria to be a responsible
144.24 contractor under section 16C.285, subdivision 3. This verification must meet the criteria
144.25 defined in section 16C.285, subdivision 4.

144.26 **Subd. 4. Certified contractor lists.** As a condition of receiving financial assistance, the
144.27 applicant shall have available at the development site main office a list of every contractor
144.28 and subcontractor of any tier that performs work or is expected to perform work on the
144.29 proposed project, as described in section 16C.285, subdivision 5, including the following
144.30 information for each contractor and subcontractor: business name, scope of work, Department
144.31 of Labor and Industry registration number, business name of the entity contracting its
144.32 services, business telephone number and email address, and actual or anticipated number
144.33 of workers on the project. The applicant shall establish the initial contractor list 30 days
144.34 before the start of construction and shall update the list each month thereafter until
144.35 construction is complete. The applicant shall post the contractor list in a conspicuous location

145.1 at the project site and make the contractor list available to members of the public upon
145.2 request.

145.3 Subd. 5. **Wage theft remedy.** If any contractor or subcontractor of any tier is found to
145.4 have failed to pay statutorily required wages under section 609.52, subdivision 1, clause
145.5 (13), on a project receiving financial assistance or an allocation of federal low-income
145.6 housing tax credits from or through the agency, the recipient is responsible for correcting
145.7 the violation.

145.8 Subd. 6. **Wage theft prevention plans; disqualification.** (a) If any contractor or
145.9 subcontractor of any tier fails to pay statutorily required wages on a project receiving
145.10 financial assistance from or through the agency as determined by an enforcement entity,
145.11 the recipient must have a wage theft prevention plan to be eligible for further financial
145.12 assistance from the agency. The project developer's wage theft prevention plan must describe
145.13 detailed measures that the project developer and its general contractor have taken and are
145.14 committed to take to prevent wage theft on the project, including provisions in any
145.15 construction contracts and subcontracts on the project. The plan must be submitted to the
145.16 Department of Labor and Industry who will review the plan. The Department of Labor and
145.17 Industry may require the project developer to amend the plan or adopt policies or protocols
145.18 in the plan. Once approved by the Department of Labor and Industry, the wage theft
145.19 prevention plan must be submitted by the project developer to the agency with any subsequent
145.20 application for financial assistance from the agency. Such wage theft prevention plans shall
145.21 be made available to members of the public by the agency upon request.

145.22 (b) A developer is disqualified from receiving financial assistance from or through the
145.23 agency for three years if any of the developer's contractors or subcontractors of any tier are
145.24 found by an enforcement agency to have, within three years after entering into a wage theft
145.25 prevention plan under paragraph (a), failed to pay statutorily required wages on a project
145.26 receiving financial assistance from or through the agency for a total underpayment of \$25,000
145.27 or more.

145.28 Subd. 7. **Enforcement.** The agency may deny an application for financial assistance
145.29 that does not comply with this section or if the applicant refuses to enter into the agreements
145.30 required by this section. The agency may withhold financial assistance that has been
145.31 previously approved if the agency determines that the applicant has engaged in unacceptable
145.32 practices by failing to comply with this section until the violation is cured.

146.1 **EFFECTIVE DATE.** This section is effective for financial assistance provided after
146.2 August 1, 2024, except Minnesota Statutes, section 462A.051, subdivision 2, does not apply
146.3 to requests for proposals that were initiated prior to August 1, 2024.

146.4 Sec. 15. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
146.5 to read:

146.6 Subd. 18. **Rent and income limits.** Notwithstanding any law to the contrary, to promote
146.7 efficiency in program administration, underwriting, and compliance, the commissioner may
146.8 adjust income or rent limits for any multifamily capital funding program authorized under
146.9 state law to align with federal rent or income limits in sections 42 and 142 of the Internal
146.10 Revenue Code of 1986, as amended. Adjustments made under this subdivision are exempt
146.11 from the rulemaking requirements of chapter 14.

146.12 Sec. 16. Minnesota Statutes 2022, section 462A.07, is amended by adding a subdivision
146.13 to read:

146.14 Subd. 19. **Eligibility for agency programs.** The agency may determine that a household
146.15 or project unit meets the rent or income requirements for a program if the household or unit
146.16 receives or participates in income-based state or federal public assistance benefits, including
146.17 but not limited to:

146.18 (1) child care assistance programs under chapter 119B;

146.19 (2) general assistance, Minnesota supplemental aid, or food support under chapter 256D;

146.20 (3) housing support under chapter 256I;

146.21 (4) Minnesota family investment program and diversionary work program under chapter
146.22 256J; and

146.23 (5) economic assistance programs under chapter 256P.

146.24 Sec. 17. Minnesota Statutes 2022, section 462A.202, subdivision 3a, is amended to read:

146.25 Subd. 3a. **Permanent rental housing.** The agency may make loans, with or without
146.26 interest, to cities and counties to finance the construction, acquisition, or rehabilitation of
146.27 affordable, permanent, publicly owned rental housing, including housing owned by a public
146.28 corporation created pursuant to section 469.0121. Loans made under this subdivision are
146.29 subject to the restrictions of subdivision 7. In making loans under this subdivision, the
146.30 agency shall give priority to projects that increase the supply of affordable family housing.

147.1 Sec. 18. [462A.2096] ANNUAL PROJECTION OF EMERGENCY RENTAL
147.2 ASSISTANCE NEEDS.

147.3 The agency must develop a projection of emergency rental assistance needs in
147.4 consultation with the commissioner of human services and representatives from county and
147.5 Tribal housing administrators and housing nonprofit agencies. The projection must identify
147.6 the amount of funding required to meet all emergency rental assistance needs, including
147.7 the family homelessness prevention and assistance program, the emergency assistance
147.8 program, and emergency general assistance. By January 15 each year, the commissioner
147.9 must submit a report on the projected need for emergency rental assistance to the chairs and
147.10 ranking minority members of the legislative committees having jurisdiction over housing
147.11 and human services finance and policy.

147.12 Sec. 19. Minnesota Statutes 2022, section 462A.21, subdivision 7, is amended to read:

147.13 Subd. 7. **Energy efficiency loans.** The agency may make loans to low and moderate
147.14 income persons who own existing residential housing for the purpose of improving the
147.15 ~~efficient energy utilization~~ decarbonization and climate resiliency of the housing. Permitted
147.16 improvements shall include installation or upgrading of ceiling, wall, floor and duct
147.17 insulation, storm windows and doors, and caulking and weatherstripping. The improvements
147.18 shall not be inconsistent with the energy standards as promulgated as part of the State
147.19 Building Code; provided that the improvements need not bring the housing into full
147.20 compliance with the energy standards. Any loan for such purpose shall be made only upon
147.21 determination by the agency that such loan is not otherwise available, wholly or in part,
147.22 from private lenders upon equivalent terms and conditions. The agency may promulgate
147.23 rules as necessary to implement and make specific the provisions of this subdivision. The
147.24 rules shall be designed to permit the state, to the extent not inconsistent with this chapter,
147.25 to seek federal grants or loans for energy ~~purposes~~ decarbonization, climate resiliency, and
147.26 other qualified projects.

147.27 Sec. 20. Minnesota Statutes 2022, section 462A.21, subdivision 8b, is amended to read:

147.28 Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance
147.29 program to provide loans or direct rental subsidies for housing for families with incomes
147.30 of up to 80 percent of state median income, or to provide grants for the operating cost of
147.31 public housing. Priority must be given to those developments with resident families with
147.32 the lowest income. The development may be financed by the agency or other public or
147.33 private lenders. Direct rental subsidies must be administered by the agency for the benefit

148.1 of eligible families. Financial assistance provided under this subdivision to recipients of aid
148.2 to families with dependent children must be in the form of vendor payments whenever
148.3 possible. Loans, grants, and direct rental subsidies under this subdivision may be made only
148.4 with specific appropriations by the legislature. The limitations on eligible mortgagors
148.5 contained in section 462A.03, subdivision 13, do not apply to loans for the recapitalization
148.6 or rehabilitation of existing housing under this subdivision.

148.7 Sec. 21. Minnesota Statutes 2023 Supplement, section 462A.22, subdivision 1, is amended
148.8 to read:

148.9 Subdivision 1. **Debt ceiling.** The aggregate principal amount of general obligation bonds
148.10 and notes which are outstanding at any time, excluding the principal amount of any bonds
148.11 and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of
148.12 ~~\$5,000,000,000~~ \$7,000,000,000.

148.13 Sec. 22. Minnesota Statutes 2022, section 462A.222, is amended by adding a subdivision
148.14 to read:

148.15 Subd. 5. **Limitation on rental increases.** (a) This subdivision applies to any project
148.16 that is restricted to seniors, as defined by section 462A.37, subdivision 1, paragraph (h),
148.17 and that receives low-income housing tax credits provided under section 42 of the Internal
148.18 Revenue Code of 1986, as amended. The rent in a project may not increase in any 12-month
148.19 period by a percentage more than the greater of:

148.20 (1) the percentage that benefit amounts for Social Security or Supplemental Security
148.21 Income recipients were increased pursuant to United States Code, title 42, sections 415(i)
148.22 and 1382f, in the preceding 12-month period; or

148.23 (2) zero percent.

148.24 (b) This subdivision does not apply to projects owned by a nonprofit entity or to a unit
148.25 occupied by an individual receiving ongoing government-subsidized rental assistance.

148.26 Sec. 23. Minnesota Statutes 2022, section 462A.35, subdivision 2, is amended to read:

148.27 Subd. 2. **Expending funds.** The agency may expend the money in the Minnesota
148.28 manufactured home relocation trust fund to the extent necessary to carry out the objectives
148.29 of section 327C.095, subdivision 13, by making payments to manufactured home owners,
148.30 or other parties approved by the third-party neutral, under subdivision 13, paragraphs (a)
148.31 and (e), and to pay the costs of administering the fund. Money in the fund is appropriated

149.1 to the agency for these purposes and ~~to the commissioner of management and budget~~ to pay
149.2 costs incurred ~~by the commissioner of management and budget~~ to administer the fund.

149.3 Sec. 24. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 2, is amended
149.4 to read:

149.5 Subd. 2. **Authorization.** (a) The agency may issue up to \$30,000,000 in aggregate
149.6 principal amount of housing infrastructure bonds in one or more series to which the payment
149.7 made under this section may be pledged. The housing infrastructure bonds authorized in
149.8 this subdivision may be issued to fund loans, or grants for the purposes of clauses (4) and
149.9 (7), on terms and conditions the agency deems appropriate, made for one or more of the
149.10 following purposes:

149.11 (1) to finance the costs of the construction, acquisition, recapitalization, and rehabilitation
149.12 of supportive housing where at least 50 percent of units are set aside for individuals and
149.13 families who are without a permanent residence;

149.14 (2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned
149.15 housing to be used for affordable rental housing or for affordable home ownership and the
149.16 costs of new construction of rental housing on abandoned or foreclosed property where the
149.17 existing structures will be demolished or removed;

149.18 (3) to finance that portion of the costs of acquisition of property that is attributable to
149.19 the land to be leased by community land trusts to low- and moderate-income home buyers;

149.20 (4) to finance the acquisition, improvement, and infrastructure of manufactured home
149.21 parks under section 462A.2035, subdivision 1b;

149.22 (5) to finance the costs of acquisition, rehabilitation, adaptive reuse, recapitalization, or
149.23 new construction of senior housing;

149.24 (6) to finance the costs of acquisition, rehabilitation, recapitalization, and replacement
149.25 of federally assisted rental housing and for the refinancing of costs of the construction,
149.26 acquisition, and rehabilitation of federally assisted rental housing, including providing funds
149.27 to refund, in whole or in part, outstanding bonds previously issued by the agency or another
149.28 government unit to finance or refinance such costs;

149.29 (7) to finance the costs of acquisition, rehabilitation, adaptive reuse, or new construction
149.30 of single-family housing; ~~and~~

149.31 (8) to finance the costs of construction, acquisition, recapitalization, and rehabilitation
149.32 of permanent housing that is affordable to households with incomes at or below 50 percent

150.1 of the area median income for the applicable county or metropolitan area as published by
150.2 the Department of Housing and Urban Development, as adjusted for household size;

150.3 (9) to finance the recapitalization of a distressed building; and

150.4 (10) to finance the costs of construction, acquisition, recapitalization, rehabilitation,
150.5 conversion, and development of cooperatively owned housing created under chapter 308A
150.6 or 308B that is affordable to low- and moderate-income households.

150.7 (b) Among comparable proposals for permanent supportive housing, preference shall
150.8 be given to permanent supportive housing for veterans and other individuals or families
150.9 who:

150.10 (1) either have been without a permanent residence for at least 12 months or at least four
150.11 times in the last three years; or

150.12 (2) are at significant risk of lacking a permanent residence for 12 months or at least four
150.13 times in the last three years.

150.14 (c) Among comparable proposals for senior housing, the agency must give priority to
150.15 requests for projects that:

150.16 (1) demonstrate a commitment to maintaining the housing financed as affordable to
150.17 senior households;

150.18 (2) leverage other sources of funding to finance the project, including the use of
150.19 low-income housing tax credits;

150.20 (3) provide access to services to residents and demonstrate the ability to increase physical
150.21 supports and support services as residents age and experience increasing levels of disability;
150.22 and

150.23 (4) include households with incomes that do not exceed 30 percent of the median
150.24 household income for the metropolitan area.

150.25 (d) To the extent practicable, the agency shall balance the loans made between projects
150.26 in the metropolitan area and projects outside the metropolitan area. Of the loans made to
150.27 projects outside the metropolitan area, the agency shall, to the extent practicable, balance
150.28 the loans made between projects in counties or cities with a population of 20,000 or less,
150.29 as established by the most recent decennial census, and projects in counties or cities with
150.30 populations in excess of 20,000.

151.1 (e) Among comparable proposals for permanent housing, the agency must give preference
151.2 to projects that will provide housing that is affordable to households at or below 30 percent
151.3 of the area median income.

151.4 (f) If a loan recipient uses the loan for new construction or substantial rehabilitation as
151.5 defined by the agency on a building containing more than four units, the loan recipient must
151.6 construct, convert, or otherwise adapt the building to include:

151.7 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
151.8 accessible units, as defined by section 1002 of the current State Building Code Accessibility
151.9 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower in at
151.10 least one accessible unit as defined by section 1002 of the current State Building Code
151.11 Accessibility Provisions for Dwelling Units in Minnesota; and

151.12 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
151.13 sensory-accessible units that include:

151.14 (A) soundproofing between shared walls for first and second floor units;

151.15 (B) no florescent lighting in units and common areas;

151.16 (C) low-fume paint;

151.17 (D) low-chemical carpet; and

151.18 (E) low-chemical carpet glue in units and common areas.

151.19 Nothing in this paragraph relieves a project funded by the agency from meeting other
151.20 applicable accessibility requirements.

151.21 Sec. 25. Minnesota Statutes 2022, section 462A.37, is amended by adding a subdivision
151.22 to read:

151.23 Subd. 2j. **Additional authorization.** In addition to the amount authorized in subdivisions
151.24 2 to 2i, the agency may issue up to \$50,000,000.

151.25 Sec. 26. Minnesota Statutes 2023 Supplement, section 462A.37, subdivision 5, is amended
151.26 to read:

151.27 **Subd. 5. Additional appropriation.** (a) The agency must certify annually to the
151.28 commissioner of management and budget the actual amount of annual debt service on each
151.29 series of bonds issued under this section.

152.1 (b) Each July 15, beginning in 2015 and through 2037, if any housing infrastructure
152.2 bonds issued under subdivision 2a, or housing infrastructure bonds issued to refund those
152.3 bonds, remain outstanding, the commissioner of management and budget must transfer to
152.4 the housing infrastructure bond account established under section 462A.21, subdivision 33,
152.5 the amount certified under paragraph (a), not to exceed \$6,400,000 annually. The amounts
152.6 necessary to make the transfers are appropriated from the general fund to the commissioner
152.7 of management and budget.

152.8 (c) Each July 15, beginning in 2017 and through 2038, if any housing infrastructure
152.9 bonds issued under subdivision 2b, or housing infrastructure bonds issued to refund those
152.10 bonds, remain outstanding, the commissioner of management and budget must transfer to
152.11 the housing infrastructure bond account established under section 462A.21, subdivision 33,
152.12 the amount certified under paragraph (a), not to exceed \$800,000 annually. The amounts
152.13 necessary to make the transfers are appropriated from the general fund to the commissioner
152.14 of management and budget.

152.15 (d) Each July 15, beginning in 2019 and through 2040, if any housing infrastructure
152.16 bonds issued under subdivision 2c, or housing infrastructure bonds issued to refund those
152.17 bonds, remain outstanding, the commissioner of management and budget must transfer to
152.18 the housing infrastructure bond account established under section 462A.21, subdivision 33,
152.19 the amount certified under paragraph (a), not to exceed \$2,800,000 annually. The amounts
152.20 necessary to make the transfers are appropriated from the general fund to the commissioner
152.21 of management and budget.

152.22 (e) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
152.23 bonds issued under subdivision 2d, or housing infrastructure bonds issued to refund those
152.24 bonds, remain outstanding, the commissioner of management and budget must transfer to
152.25 the housing infrastructure bond account established under section 462A.21, subdivision 33,
152.26 the amount certified under paragraph (a). The amounts necessary to make the transfers are
152.27 appropriated from the general fund to the commissioner of management and budget.

152.28 (f) Each July 15, beginning in 2020 and through 2041, if any housing infrastructure
152.29 bonds issued under subdivision 2e, or housing infrastructure bonds issued to refund those
152.30 bonds, remain outstanding, the commissioner of management and budget must transfer to
152.31 the housing infrastructure bond account established under section 462A.21, subdivision 33,
152.32 the amount certified under paragraph (a). The amounts necessary to make the transfers are
152.33 appropriated from the general fund to the commissioner of management and budget.

153.1 (g) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
153.2 bonds issued under subdivision 2f, or housing infrastructure bonds issued to refund those
153.3 bonds, remain outstanding, the commissioner of management and budget must transfer to
153.4 the housing infrastructure bond account established under section 462A.21, subdivision 33,
153.5 the amount certified under paragraph (a). The amounts necessary to make the transfers are
153.6 appropriated from the general fund to the commissioner of management and budget.

153.7 (h) Each July 15, beginning in 2022 and through 2043, if any housing infrastructure
153.8 bonds issued under subdivision 2g, or housing infrastructure bonds issued to refund those
153.9 bonds, remain outstanding, the commissioner of management and budget must transfer to
153.10 the housing infrastructure bond account established under section 462A.21, subdivision 33,
153.11 the amount certified under paragraph (a). The amounts necessary to make the transfers are
153.12 appropriated from the general fund to the commissioner of management and budget.

153.13 (i) Each July 15, beginning in 2023 and through 2044, if any housing infrastructure
153.14 bonds issued under subdivision 2h, or housing infrastructure bonds issued to refund those
153.15 bonds, remain outstanding, the commissioner of management and budget must transfer to
153.16 the housing infrastructure bond account established under section 462A.21, subdivision 33,
153.17 the amount certified under paragraph (a). The amounts necessary to make the transfers are
153.18 appropriated from the general fund to the commissioner of management and budget.

153.19 (j) Each July 15, beginning in 2026 and through 2047, if any housing infrastructure
153.20 bonds issued under subdivision 2j, or housing infrastructure bonds issued to refund those
153.21 bonds, remain outstanding, the commissioner of management and budget must transfer to
153.22 the housing infrastructure bond account established under section 462A.21, subdivision 33,
153.23 the amount certified under paragraph (a). The amounts necessary to make the transfers are
153.24 appropriated from the general fund to the commissioner of management and budget.

153.25 ~~(j)~~ (k) The agency may pledge to the payment of the housing infrastructure bonds the
153.26 payments to be made by the state under this section.

153.27 Sec. 27. Minnesota Statutes 2023 Supplement, section 462A.39, subdivision 2, is amended
153.28 to read:

153.29 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
153.30 meanings given.

153.31 (b) "Eligible project area" means a home rule charter or statutory city located outside
153.32 of a metropolitan county as defined in section 473.121, subdivision 4, ~~with a population~~
153.33 ~~exceeding 500; a community that has a combined population of 1,500 residents located~~

154.1 ~~within 15 miles of a home rule charter or statutory city located outside a metropolitan county~~
154.2 ~~as defined in section 473.121, subdivision 4;~~ federally recognized Tribal reservations; or
154.3 an area served by a joint county-city economic development authority.

154.4 (c) "Joint county-city economic development authority" means an economic development
154.5 authority formed under Laws 1988, chapter 516, section 1, as a joint partnership between
154.6 a city and county and excluding those established by the county only.

154.7 (d) "Market rate residential rental properties" means properties that are rented at market
154.8 value, including new modular homes, new manufactured homes, and new manufactured
154.9 homes on leased land or in a manufactured home park, and may include rental developments
154.10 that have a portion of income-restricted units.

154.11 (e) "Qualified expenditure" means expenditures for market rate residential rental
154.12 properties including acquisition of property; construction of improvements; and provisions
154.13 of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing
154.14 costs.

154.15 Sec. 28. Minnesota Statutes 2022, section 462A.40, subdivision 2, is amended to read:

154.16 Subd. 2. **Use of funds; grant and loan program.** (a) The agency may award grants and
154.17 loans to be used for multifamily and single family developments for persons and families
154.18 of low and moderate income. Allowable use of the funds include: gap financing, as defined
154.19 in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition
154.20 or removal of existing structures; construction financing; permanent financing; interest rate
154.21 reduction; and refinancing.

154.22 (b) The agency may give preference for grants and loans to comparable proposals that
154.23 include regulatory changes or waivers that result in identifiable cost avoidance or cost
154.24 reductions, including but not limited to increased density, flexibility in site development
154.25 standards, or zoning code requirements.

154.26 ~~(c) The agency shall separately set aside:~~

154.27 ~~(1) at least ten percent of the financing under this section for housing units located in a~~
154.28 ~~township or city with a population of 2,500 or less that is located outside the metropolitan~~
154.29 ~~area, as defined in section 473.121, subdivision 2;~~

154.30 ~~(2) at least 35 percent of the financing under this section for housing for persons and~~
154.31 ~~families whose income is 50 percent or less of the area median income for the applicable~~
154.32 ~~county or metropolitan area as published by the Department of Housing and Urban~~
154.33 ~~Development, as adjusted for household size; and~~

155.1 ~~(3) at least 25 percent of the financing under this section for single-family housing.~~

155.2 ~~(d) If by September 1 of each year the agency does not receive requests to use all of the~~
155.3 ~~amounts set aside under paragraph (c), the agency may use any remaining financing for~~
155.4 ~~other projects eligible under this section.~~

155.5 Sec. 29. Minnesota Statutes 2022, section 462A.40, subdivision 3, is amended to read:

155.6 Subd. 3. **Eligible recipients; definitions; restrictions; use of funds.** (a) The agency
155.7 may award a grant or a loan to any recipient that qualifies under subdivision 2. The agency
155.8 must not award a grant or a loan to a disqualified individual or disqualified business.

155.9 (b) For the purposes of this subdivision disqualified individual means ~~an individual who~~:

155.10 (1) an individual who or an individual whose immediate family member made a
155.11 contribution to the account in the current or prior taxable year and received a credit certificate;

155.12 (2) an individual who or an individual whose immediate family member owns the housing
155.13 for which the grant or loan will be used ~~and is using that housing as their domicile~~;

155.14 (3) an individual who meets the following criteria:

155.15 (i) the individual is an officer or principal of a business entity; and

155.16 (ii) that business entity made a contribution to the account in the current or previous
155.17 taxable year and received a credit certificate; or

155.18 (4) an individual who meets the following criteria:

155.19 (i) the individual directly owns, controls, or holds the power to vote 20 percent or more
155.20 of the outstanding securities of a business entity; and

155.21 (ii) that business entity made a contribution to the account in the current or previous
155.22 taxable year and received a credit certificate.

155.23 (c) For the purposes of this subdivision disqualified business means a business entity
155.24 that:

155.25 (1) made a contribution to the account in the current or prior taxable year and received
155.26 a credit certificate;

155.27 (2) has an officer or principal who is an individual who made a contribution to the
155.28 account in the current or previous taxable year and received a credit certificate; or

155.29 (3) meets the following criteria:

156.1 (i) the business entity is directly owned, controlled, or is subject to the power to vote 20
156.2 percent or more of the outstanding securities by an individual or business entity; and

156.3 (ii) that controlling individual or business entity made a contribution to the account in
156.4 the current or previous taxable year and received a credit certificate.

156.5 (d) ~~The disqualifications in paragraphs (b) and (c) apply if the taxpayer would be~~
156.6 ~~disqualified either individually or in combination with one or more members of the taxpayer's~~
156.7 ~~family, as defined in the Internal Revenue Code, section 267(c)(4). For purposes of this~~
156.8 ~~subdivision, "immediate family" means the taxpayer's spouse, parent or parent's spouse,~~
156.9 ~~sibling or sibling's spouse, or child or child's spouse. For a married couple filing a joint~~
156.10 ~~return, the limitations in this paragraph subdivision apply collectively to the taxpayer and~~
156.11 ~~spouse. For purposes of determining the ownership interest of a taxpayer under paragraph~~
156.12 ~~(a), clause (4), the rules under sections 267(c) and 267(e) of the Internal Revenue Code~~
156.13 ~~apply.~~

156.14 (e) Before applying for a grant or loan, all recipients must sign a disclosure that the
156.15 disqualifications under this subdivision do not apply. The Minnesota Housing Finance
156.16 Agency must prescribe the form of the disclosure. The Minnesota Housing Finance Agency
156.17 may rely on the disclosure to determine the eligibility of recipients under paragraph (a).

156.18 (f) The agency may award grants or loans to a city as defined in section 462A.03,
156.19 subdivision 21; a federally recognized American Indian tribe or subdivision located in
156.20 Minnesota; a tribal housing corporation; a private developer; a nonprofit organization; a
156.21 housing and redevelopment authority under sections 469.001 to 469.047; a public housing
156.22 authority or agency authorized by law to exercise any of the powers granted by sections
156.23 469.001 to 469.047; or the owner of the housing. The provisions of subdivision 2, and
156.24 paragraphs (a) to (e) and (g) of this subdivision, regarding the use of funds and eligible
156.25 recipients apply to grants and loans awarded under this paragraph.

156.26 (g) ~~Except for the set-aside provided in subdivision 2, paragraph (d),~~ Eligible recipients
156.27 must use the funds to serve households that meet the income limits as provided in section
156.28 462A.33, subdivision 5.

156.29 Sec. 30. Minnesota Statutes 2022, section 462C.02, subdivision 6, is amended to read:

156.30 Subd. 6. **City.** "City" means any statutory or home rule charter city, a county housing
156.31 and redevelopment authority created by special law or authorized by its county to exercise
156.32 its powers pursuant to section 469.004, or any public body which (a) is the housing and
156.33 redevelopment authority in and for a statutory or home rule charter city, the port authority

157.1 of a statutory or home rule charter city, ~~or~~ an economic development authority of a city
157.2 established under sections 469.090 to 469.108, or a public corporation created pursuant to
157.3 section 469.0121, and (b) is authorized by ordinance to exercise, on behalf of a statutory or
157.4 home rule charter city, the powers conferred by sections 462C.01 to 462C.10.

157.5 Sec. 31. Minnesota Statutes 2022, section 469.012, subdivision 2j, is amended to read:

157.6 Subd. 2j. **May be in LLP, LLC, or corporation; bound as if HRA.** (a) An authority
157.7 may become a member or shareholder in and enter into or form limited partnerships, limited
157.8 liability companies, or corporations for the purpose of developing, constructing, rehabilitating,
157.9 managing, supporting, or preserving housing projects and housing development projects,
157.10 including low-income housing tax credit projects. These limited partnerships, limited liability
157.11 companies, or corporations are subject to all of the provisions of sections 469.001 to 469.047
157.12 and other laws that apply to housing and redevelopment authorities, as if the limited
157.13 partnership, limited liability company, or corporation were a housing and redevelopment
157.14 authority.

157.15 (b) An authority may create a public corporation in accordance with section 469.0121
157.16 for the purpose of purchasing, owning, and operating real property converted through the
157.17 federal Rental Assistance Demonstration program under Public Law 112-55, as amended.

157.18 **EFFECTIVE DATE.** This section is effective July 1, 2024.

157.19 Sec. 32. **[469.0121] PUBLIC CORPORATION; RENTAL ASSISTANCE**
157.20 **DEMONSTRATION PROGRAM.**

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

157.23 (b) "Authority" has the meaning given under section 469.002, subdivision 2.

157.24 (c) "Board" means the board of directors of a corporation created under this section.

157.25 (d) "Corporation" means a public corporation created under this section.

157.26 (e) "RAD" means the federal Rental Assistance Demonstration program under Public
157.27 Law 112-55, as amended.

157.28 Subd. 2. **Public corporation created.** An authority may create a public corporation to
157.29 purchase, own, and operate real property that has been converted through RAD to preserve
157.30 and improve public housing properties. A public corporation created under this section is
157.31 also a political subdivision of the state and is limited to the powers in this section.

- 158.1 Subd. 3. Corporation powers. (a) The corporation has the following general powers:
- 158.2 (1) to have succession until dissolved by law;
- 158.3 (2) to sue and be sued in its corporate name;
- 158.4 (3) to adopt, alter, and use a corporate seal which shall be judicially noticed;
- 158.5 (4) to accept, hold, and administer gifts and bequests of money, securities, or other
- 158.6 personal property of whatsoever character, absolutely or in trust, for the purposes for which
- 158.7 the corporation is created. Unless otherwise restricted by the terms of the gift or bequest,
- 158.8 the corporation is authorized to sell, exchange, or otherwise dispose of and to invest or
- 158.9 reinvest in such investments as it may determine from time to time the money, securities,
- 158.10 or other property given or bequeathed to it. The principal of such corporate funds and the
- 158.11 income therefrom, and all other revenues received by it from any source whatsoever shall
- 158.12 be placed in such depositories as the board of directors shall determine and shall be subject
- 158.13 to expenditure for corporate purposes;
- 158.14 (5) to enter into contracts generally and to execute all instruments necessary or appropriate
- 158.15 to carry out its corporate purposes;
- 158.16 (6) to appoint and prescribe the duties of officers, agents, and employees as may be
- 158.17 necessary to carry out its work and to compensate them;
- 158.18 (7) to purchase all supplies and materials necessary for carrying out its purposes;
- 158.19 (8) to accept from the United States or the state of Minnesota, or any of their agencies,
- 158.20 money or other assistance whether by gift, loan, or otherwise to carry out its corporate
- 158.21 purposes, and enter into such contracts with the United States or the state of Minnesota, or
- 158.22 any of the agencies of either, or with any of the political subdivisions of the state, as it may
- 158.23 deem proper and consistent with the purposes of this section;
- 158.24 (9) to contract and make cooperative agreements with federal, state, and municipal
- 158.25 departments and agencies and private corporations, associations, and individuals for the use
- 158.26 of the corporation property, including but not limited to rental agreements; and
- 158.27 (10) to acquire real or personal property or any interest therein in any manner authorized
- 158.28 under section 469.012, subdivision 1g, including by the exercise of eminent domain.
- 158.29 (b) A corporation may acquire properties converted under RAD, subject to restrictions
- 158.30 and conditions compatible with funding acquisitions of and improvements to real property
- 158.31 with state general obligation bond proceeds. The commissioner of management and budget
- 158.32 must determine the necessary restrictions and conditions under this paragraph.

159.1 Subd. 4. **Board of directors.** (a) A corporation is governed by a board of directors as
159.2 follows:

159.3 (1) a member of the city council from the city in which the corporation is incorporated;
159.4 and

159.5 (2) a commissioner of the authority that created the corporation.

159.6 (b) The term of a director is six years. Two members of the initial board of directors
159.7 must be appointed for terms of four years, and one for a term of two years.

159.8 (c) Vacancies on the board must be filled by the authority.

159.9 (d) Board members must not be compensated for their service as board members other
159.10 than to be reimbursed for reasonable expenses incurred in connection with their duties as
159.11 board members. Reimbursement shall be reviewed each year by the state auditor.

159.12 (e) The board must annually elect from among its members a chair and other officers
159.13 necessary for the performance of its duties.

159.14 Subd. 5. **Bylaws.** The board of directors must adopt bylaws and rules as it deems
159.15 necessary for the administration of its functions and the accomplishment of its purpose,
159.16 including among other matters the establishment of a business office and the rules, the use
159.17 of the project-based rental assistance properties, and the administration of corporation funds.

159.18 Subd. 6. **Place of business.** The board must locate and maintain the corporation's place
159.19 of business in the city in which the authority that created the corporation is located.

159.20 Subd. 7. **Open meetings; data practices.** Meetings of the board are subject to chapter
159.21 13D and meetings of the board conducted by interactive technology are subject to section
159.22 13D.02. The board is subject to chapter 13, the Minnesota Government Data Practices Act,
159.23 and shall protect from unlawful disclosure data classified as not public.

159.24 Subd. 8. **Compliance.** The corporation must comply with all federal, state, and local
159.25 laws, rules, ordinances, and other regulations required to own and operate properties as
159.26 project-based rental assistance properties.

159.27 Subd. 9. **Dissolution.** Upon dissolution of the corporation for any reason, its wholly
159.28 owned assets become property of the authority that created the corporation.

159.29 **EFFECTIVE DATE.** This section is effective July 1, 2024.

160.1 Sec. 33. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 1, is amended
160.2 to read:

160.3 Subdivision 1. **Purpose.** The purpose of this section is to help metropolitan local
160.4 governments to develop and preserve affordable housing and supportive services for residents
160.5 within their jurisdictions in order to keep families from losing housing and to help those
160.6 experiencing homelessness find housing.

160.7 Sec. 34. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 2, is amended
160.8 to read:

160.9 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the
160.10 meanings given:

160.11 ~~(1)~~ (b) "City distribution factor" means the number of households in a tier I city that are
160.12 cost-burdened divided by the total number of households that are cost-burdened in tier I
160.13 cities. The number of cost-burdened households shall be determined using the most recent
160.14 estimates or experimental estimates provided by the American Community Survey of the
160.15 United States Census Bureau as of May 1 of the aid calculation year.

160.16 ~~(2)~~ (c) "Cost-burdened household" means a household in which gross rent is 30 percent
160.17 or more of household income or in which homeownership costs are 30 percent or more of
160.18 household income.

160.19 ~~(3)~~ (d) "County distribution factor" means the number of households in a county that
160.20 are cost-burdened divided by the total number of households in metropolitan counties that
160.21 are cost-burdened. The number of cost-burdened households shall be determined using the
160.22 most recent estimates or experimental estimates provided by the American Community
160.23 Survey of the United States Census Bureau as of May 1 of the aid calculation year.

160.24 (e) "Locally funded housing expenditures" means expenditures of the aid recipient,
160.25 including expenditures by a public corporation or legal entity created by the aid recipient,
160.26 that are:

160.27 (1) funded from the recipient's general fund, a property tax levy of the recipient or its
160.28 housing and redevelopment authority, or unrestricted money available to the recipient, but
160.29 not including tax increments; and

160.30 (2) expended on one of the following qualifying activities:

160.31 (i) financial assistance to residents in arrears on rent, mortgage, utilities, or property tax
160.32 payments;

161.1 (ii) support services, case management services, and legal services for residents in arrears
161.2 on rent, mortgage, utilities, or property tax payments;

161.3 (iii) down payment assistance or homeownership education, counseling, and training;

161.4 (iv) acquisition, construction, rehabilitation, adaptive reuse, improvement, financing,
161.5 and infrastructure of residential dwellings;

161.6 (v) costs of operating emergency shelter, transitional housing, supportive housing, or
161.7 publicly owned housing, including costs of providing case management services and support
161.8 services; and

161.9 (vi) rental assistance.

161.10 ~~(4)~~ (f) "Metropolitan area" has the meaning given in section 473.121, subdivision 2;

161.11 ~~(5)~~ (g) "Metropolitan county" has the meaning given in section 473.121, subdivision 4;

161.12 ~~(6)~~ (h) "Population" has the meaning given in section 477A.011, subdivision 3; and

161.13 ~~(7)~~ (i) "Tier I city" means a statutory or home rule charter city that is a city of the first,
161.14 second, or third class and is located in a metropolitan county.

161.15 Sec. 35. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 4, is amended
161.16 to read:

161.17 Subd. 4. **Qualifying projects.** (a) Qualifying projects shall include:

161.18 (1) emergency rental assistance for households earning less than 80 percent of area
161.19 median income as determined by the United States Department of Housing and Urban
161.20 Development;

161.21 (2) financial support to nonprofit affordable housing providers in their mission to provide
161.22 safe, dignified, affordable and supportive housing; ~~and~~

161.23 (3) projects designed for the purpose of construction, acquisition, rehabilitation,
161.24 demolition or removal of existing structures, construction financing, permanent financing,
161.25 interest rate reduction, refinancing, and gap financing of housing to provide affordable
161.26 housing to households that have incomes which do not exceed, for homeownership projects,
161.27 115 percent of the greater of state or area median income as determined by the United States
161.28 Department of Housing and Urban Development, and for rental housing projects, 80 percent
161.29 of the greater of state or area median income as determined by the United States Department
161.30 of Housing and Urban Development, except that the housing developed or rehabilitated
161.31 with funds under this section must be affordable to the local work force;

162.1 (4) financing the operations and management of financially distressed residential
162.2 properties;

162.3 (5) funding of supportive services or staff of supportive services providers for supportive
162.4 housing as defined by section 462A.37, subdivision 1. Financial support to nonprofit housing
162.5 providers to finance supportive housing operations may be awarded as a capitalized reserve
162.6 or as an award of ongoing funding; and

162.7 (6) costs of operating emergency shelter facilities, including the costs of providing
162.8 services.

162.9 ~~Projects shall be prioritized~~ (b) Recipients must prioritize projects that provide affordable
162.10 housing to households that have incomes which do not exceed, for homeownership projects,
162.11 80 percent of the greater of state or area median income as determined by the United States
162.12 Department of Housing and Urban Development, and for rental housing projects, 50 percent
162.13 of the greater of state or area median income as determined by the United States Department
162.14 of Housing and Urban Development. Priority may be given to projects that: reduce disparities
162.15 in home ownership; reduce housing cost burden, housing instability, or homelessness;
162.16 improve the habitability of homes; create accessible housing; or create more energy- or
162.17 water-efficient homes.

162.18 ~~(b)~~ (c) Gap financing is either:

162.19 (1) the difference between the costs of the property, including acquisition, demolition,
162.20 rehabilitation, and construction, and the market value of the property upon sale; or

162.21 (2) the difference between the cost of the property and the amount the targeted household
162.22 can afford for housing, based on industry standards and practices.

162.23 ~~(e)~~ (d) If aid under this section is used for demolition or removal of existing structures,
162.24 the cleared land must be used for the construction of housing to be owned or rented by
162.25 persons who meet the income limits of paragraph (a).

162.26 ~~(d)~~ (e) If an aid recipient uses the aid on new construction or substantial rehabilitation
162.27 of a building containing more than four units, the loan recipient must construct, convert, or
162.28 otherwise adapt the building to include:

162.29 (1) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
162.30 accessible units, as defined by section 1002 of the current State Building Code Accessibility
162.31 Provisions for Dwelling Units in Minnesota, and include at least one roll-in shower; and

162.32 (2) the greater of: (i) at least one unit; or (ii) at least five percent of units that are
162.33 sensory-accessible units that include:

163.1 (A) soundproofing between shared walls for first and second floor units;

163.2 (B) no florescent lighting in units and common areas;

163.3 (C) low-fume paint;

163.4 (D) low-chemical carpet; and

163.5 (E) low-chemical carpet glue in units and common areas.

163.6 Nothing in this paragraph relieves a project funded by this section from meeting other

163.7 applicable accessibility requirements.

163.8 Sec. 36. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 5, is amended

163.9 to read:

163.10 Subd. 5. **Use of proceeds.** (a) Any funds distributed under this section must be spent on

163.11 a qualifying project. Funds are considered spent on a qualifying project if:

163.12 (1) a tier I city or county demonstrates to the Minnesota Housing Finance Agency that

163.13 the city or county cannot expend funds on a qualifying project by the deadline imposed by

163.14 paragraph (b) due to factors outside the control of the city or county; and

163.15 (2) the funds are transferred to a local housing trust fund.

163.16 Funds transferred to a local housing trust fund under this paragraph must be spent on a

163.17 project or household that meets the affordability requirements of subdivision 4, paragraph

163.18 (a).

163.19 (b) Funds must be spent by December 31 in the third year following the year after the

163.20 aid was received. The requirements of this paragraph are satisfied if funds are:

163.21 (1) committed to a qualifying project by December 31 in the third year following the

163.22 year after the aid was received; and

163.23 (2) expended by December 31 in the fourth year following the year after the aid was

163.24 received.

163.25 (c) An aid recipient may not use aid money to reimburse itself for prior expenditures.

163.26 Sec. 37. Minnesota Statutes 2023 Supplement, section 477A.35, is amended by adding a

163.27 subdivision to read:

163.28 Subd. 5a. **Conditions for receipt.** (a) As a condition of receiving aid under this section,

163.29 a recipient must commit to using money to supplement, not supplant, existing locally funded

164.1 housing expenditures, so that they are using the money to create new, or to expand existing,
164.2 housing programs.

164.3 (b) In the annual report required under subdivision 6, a recipient must certify its
164.4 compliance with this subdivision, including an accounting of locally funded housing
164.5 expenditures in the prior fiscal year. In a tier I city's or county's first report to the Minnesota
164.6 Housing Finance Agency, it must document its locally funded housing expenditures in the
164.7 two prior fiscal years. If a recipient reduces one of its locally funded housing expenditures,
164.8 the recipient must detail the expenditure, the amount of the reduction, and the reason for
164.9 the reduction. The certification required under this paragraph must be made available publicly
164.10 on the website of the recipient.

164.11 Sec. 38. Minnesota Statutes 2023 Supplement, section 477A.35, subdivision 6, is amended
164.12 to read:

164.13 Subd. 6. **Administration.** (a) The commissioner of revenue must compute the amount
164.14 of aid payable to each tier I city and county under this section. By August 1 of each year,
164.15 the commissioner must certify the distribution factors of each tier I city and county to be
164.16 used in the following year. The commissioner must pay local affordable housing aid annually
164.17 at the times provided in section 477A.015, distributing the amounts available on the
164.18 immediately preceding June 1 under the accounts established in section 477A.37, subdivisions
164.19 2 and 3.

164.20 (b) Beginning in 2025, tier I cities and counties shall submit a report annually, no later
164.21 than December 1 of each year, to the Minnesota Housing Finance Agency. The report must
164.22 include documentation of the location of any unspent funds distributed under this section
164.23 and of qualifying projects completed or planned with funds under this section. If a tier I
164.24 city or county fails to submit a report, if a tier I city or county fails to spend funds within
164.25 the timeline imposed under subdivision 5, paragraph (b), ~~or~~ if a tier I city or county uses
164.26 funds for a project that does not qualify under this section, or if a tier I city or county fails
164.27 to meet its requirements of subdivision 5a, the Minnesota Housing Finance Agency shall
164.28 notify the Department of Revenue and the cities and counties that must repay funds under
164.29 paragraph (c) by February 15 of the following year.

164.30 (c) By May 15, after receiving notice from the Minnesota Housing Finance Agency, a
164.31 tier I city or county must pay to the Minnesota Housing Finance Agency funds the city or
164.32 county received under this section if the city or county:

164.33 (1) fails to spend the funds within the time allowed under subdivision 5, paragraph (b);

165.1 (2) spends the funds on anything other than a qualifying project; ~~or~~

165.2 (3) fails to submit a report documenting use of the funds; or

165.3 (4) fails to meet the requirements of subdivision 5a.

165.4 (d) The commissioner of revenue must stop distributing funds to a tier I city or county
 165.5 that requests in writing that the commissioner stop payment or that, in three consecutive
 165.6 years, the Minnesota Housing Finance Agency has reported, pursuant to paragraph (b), to
 165.7 have failed to use funds, misused funds, or failed to report on its use of funds.

165.8 (e) The commissioner may resume distributing funds to a tier I city or county to which
 165.9 the commissioner has stopped payments in the year following the August 1 after the
 165.10 Minnesota Housing Finance Agency certifies that the city or county has submitted
 165.11 documentation of plans for a qualifying project. The commissioner may resume distributing
 165.12 funds to a tier I city or county to which the commissioner has stopped payments at the
 165.13 request of the city or county in the year following the August 1 after the Minnesota Housing
 165.14 Finance Agency certifies that the city or county has submitted documentation of plans for
 165.15 a qualifying project.

165.16 (f) By June 1, any funds paid to the Minnesota Housing Finance Agency under paragraph
 165.17 (c) must be deposited in the housing development fund. Funds deposited under this paragraph
 165.18 are appropriated to the commissioner of the Minnesota Housing Finance Agency for use
 165.19 on the family homeless prevention and assistance program under section 462A.204, the
 165.20 economic development and housing challenge program under section 462A.33, and the
 165.21 workforce and affordable homeownership development program under section 462A.38.

165.22 Sec. 39. Laws 2023, chapter 37, article 1, section 2, subdivision 2, is amended to read:

| | | |
|------------------------------------------|------------|------------|
| 165.23 Subd. 2. Challenge Program | 60,425,000 | 60,425,000 |
|------------------------------------------|------------|------------|

165.24 (a) This appropriation is for the economic
 165.25 development and housing challenge program
 165.26 under Minnesota Statutes, sections 462A.33
 165.27 and 462A.07, subdivision 14.

165.28 (b) Of this amount, \$6,425,000 each year shall
 165.29 be made available during the first 11 months
 165.30 of the fiscal year exclusively for housing
 165.31 projects for American Indians. Any funds not
 165.32 committed to housing projects for American
 165.33 Indians within the annual consolidated request

166.1 for funding processes may be available for
166.2 any eligible activity under Minnesota Statutes,
166.3 sections 462A.33 and 462A.07, subdivision
166.4 14.

166.5 (c) Of the amount in the first year, \$5,000,000
166.6 is for a grant to Urban Homeworks to expand
166.7 initiatives pertaining to deeply affordable
166.8 homeownership in Minneapolis neighborhoods
166.9 with over 40 percent of residents identifying
166.10 as Black, Indigenous, or People of Color and
166.11 at least 40 percent of residents making less
166.12 than 50 percent of the area median income.

166.13 The grant is to be used for acquisition,
166.14 rehabilitation, gap financing as defined in
166.15 section 462A.33, subdivision 1, and
166.16 construction of homes to be sold to households
166.17 with incomes ~~of 50 to~~ at or below 60 percent
166.18 of the area median income. This is a onetime
166.19 appropriation, ~~and is available until June 30,~~
166.20 ~~2027.~~ By December 15 each year ~~until 2027,~~
166.21 Urban Homeworks must submit a report to
166.22 the chairs and ranking minority members of
166.23 the legislative committees having jurisdiction
166.24 over housing finance and policy. The report
166.25 must include the amount used for (1)
166.26 acquisition, (2) rehabilitation, and (3)
166.27 construction of housing units, along with the
166.28 number of housing units acquired,
166.29 rehabilitated, or constructed, and the amount
166.30 of the appropriation that has been spent. If any
166.31 home was sold or transferred within the year
166.32 covered by the report, Urban Homeworks must
166.33 include the price at which the home was sold,
166.34 as well as how much was spent to complete
166.35 the project before sale.

167.1 (d) Of the amount in the first year, \$2,000,000
 167.2 is for a grant to Rondo Community Land
 167.3 Trust. This is a onetime appropriation.

167.4 (e) The base for this program in fiscal year
 167.5 2026 and beyond is \$12,925,000.

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

167.7 Sec. 40. Laws 2023, chapter 37, article 1, section 2, subdivision 32, is amended to read:

| | | | |
|-------|---------------------------------------|-----------|-----|
| 167.8 | Subd. 32. Northland Foundation | 1,000,000 | -0- |
|-------|---------------------------------------|-----------|-----|

167.9 This appropriation is for a grant to Northland
 167.10 Foundation for use on expenditures authorized
 167.11 under Minnesota Statutes, section 462C.16,
 167.12 subdivision 3, to assist and support
 167.13 communities in providing housing locally, and
 167.14 ~~on~~ for assisting local governments to establish
 167.15 local or regional housing trust funds.
 167.16 Northland Foundation may award grants and
 167.17 loans to other entities to expend on authorized
 167.18 expenditures under this section. This
 167.19 appropriation is onetime and available until
 167.20 June 30, 2025.

167.21 Sec. 41. Laws 2023, chapter 37, article 2, section 12, subdivision 2, is amended to read:

167.22 Subd. 2. **Eligible homebuyer.** For the purposes of this section, an "eligible homebuyer"
 167.23 means an individual:

167.24 (1) whose income is at or below 130 percent of area median income;

167.25 ~~(2) who resides in a census tract where at least 60 percent of occupied housing units are~~
 167.26 ~~renter-occupied, based on the most recent estimates or experimental estimates provided by~~
 167.27 ~~the American Community Survey of the United States Census Bureau;~~

167.28 ~~(3)~~ (2) who is financing the purchase of an eligible property with an interest-free,
 167.29 fee-based mortgage; and

167.30 ~~(4)~~ (3) who is a first-time homebuyer as defined by Code of Federal Regulations, title
 167.31 24, section 92.2.

168.1 Sec. 42. **TASK FORCE ON LONG-TERM SUSTAINABILITY OF AFFORDABLE**
168.2 **HOUSING.**

168.3 Subdivision 1. Establishment. A task force is established to study the financial health
168.4 and stability of affordable housing providers and to provide recommendations to the
168.5 Minnesota legislature to promote long-term sustainability of affordable housing providers,
168.6 prevent loss of affordable units, and promote housing security for renters.

168.7 Subd. 2. Duties. (a) The task force must assess underlying financial challenges for
168.8 affordable housing providers in their pursuit of developing and preserving safe, affordable,
168.9 and dignified housing, including examining:

168.10 (1) factors that are leading to increasing costs, including but not limited to insurance
168.11 rates, security costs, and rehabilitation needs;

168.12 (2) factors that are leading to declining revenues for affordable housing providers,
168.13 including but not limited to loss of rent and vacancy issues;

168.14 (3) the significant financial needs across the entire sector of affordable housing providers;
168.15 and

168.16 (4) the potential impact of loss of housing units under current conditions.

168.17 (b) The task force must evaluate the current financing and administrative tools that are
168.18 being deployed to support housing providers and their effectiveness, including examining:

168.19 (1) current funding needs, financing programs, and the availability of funding to assess
168.20 the level of funding as it relates to overall needs;

168.21 (2) administrative tools utilized by the Minnesota Housing Finance Agency to support
168.22 affordable housing providers; and

168.23 (3) the effectiveness of current funding programs and tools.

168.24 (c) The task force must evaluate potential solutions to address identified financial
168.25 challenges for affordable housing providers, including:

168.26 (1) additional funding for existing programs and tools;

168.27 (2) new financial tools, including new uses of housing infrastructure bonds;

168.28 (3) mechanisms to fund supportive services in the development process for new affordable
168.29 housing projects;

168.30 (4) underwriting practices at the Minnesota Housing Finance Agency; and

169.1 (5) recommendations for changes to financial or management practices for affordable
169.2 housing providers.

169.3 Subd. 3. **Meetings and report.** The Minnesota Housing Finance Agency shall convene
169.4 the first meeting of the task force no later than August 31, 2024, and shall provide accessible
169.5 physical or virtual meeting space as necessary for the task force to conduct its work. The
169.6 task force must submit final recommendations to the house of representatives and senate
169.7 housing committees and for the commissioner of the Minnesota Housing Finance Agency
169.8 no later than February 1, 2025.

169.9 Subd. 4. **Membership.** The task force shall consist of 13 members representing a cross
169.10 section of the affordable housing industry and relevant agency staff. The chair of the house
169.11 of representatives committee with jurisdiction over housing finance shall appoint four
169.12 members. The chair of the senate committee with jurisdiction over housing finance shall
169.13 appoint four members. The commissioner of the Minnesota Housing Finance Agency shall
169.14 appoint five members. Members must be appointed no later than July 1, 2024.

169.15 Subd. 5. **Expiration.** The task force expires upon submission of the final
169.16 recommendations required under subdivision 4.

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

169.18 Sec. 43. **DIRECTION TO COMMISSIONERS OF HUMAN SERVICES AND THE**
169.19 **MINNESOTA HOUSING FINANCE AGENCY; EMERGENCY ASSISTANCE**
169.20 **PROGRAM MODIFICATIONS.**

169.21 (a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
169.22 the commissioner of human services, shall develop program recommendations for emergency
169.23 rental assistance that have the flexibility to provide relief for crises within a time frame that
169.24 corresponds to the emergency and that are simple enough for applicants to understand across
169.25 all emergency rental assistance programs. In the development of these recommendations,
169.26 the commissioners must:

169.27 (1) recognize differences between administrative and legislative authority and propose
169.28 legislative changes to the definition of emergency general assistance;

169.29 (2) adopt policies and practices that prioritize easy-to-understand eligibility criteria and
169.30 definitions that prioritize accessible, culturally responsive, and trauma-informed approaches
169.31 when assisting persons through a crisis; and

169.32 (3) develop guidance to emergency rental assistance program administrators that
169.33 encourage the program administrators to be flexible with the required forms of documentation

170.1 for the program and to avoid establishing documentation requirements that are likely to be
170.2 barriers to participation in emergency rental assistance for eligible households.

170.3 (b) For the purposes of this section, the following terms have the meanings given:

170.4 (1) "culturally responsive" means agencies, programs, and providers of services respond
170.5 respectfully and effectively to people of all cultures, languages, classes, races, ethnic
170.6 backgrounds, disabilities, religions, genders, sexual orientations, and other identities in a
170.7 manner that recognizes, values, and affirms differences and eliminates barriers to access;
170.8 and

170.9 (2) "trauma-informed" means to recognize that many people have experienced trauma
170.10 in their lifetime and that programs must be designed to respond to people with respect and
170.11 accommodate the needs of people who have or are currently experiencing trauma.

170.12 **Sec. 44. E-SIGNATURE OPTIONS FOR RENTAL ASSISTANCE.**

170.13 The commissioner of the Minnesota Housing Finance Agency and the commissioner of
170.14 human services are encouraged to develop uniform e-signature options to be used in
170.15 applications for emergency general assistance, emergency assistance, and family homeless
170.16 prevention and assistance program assistance. The commissioner must notify the chairs and
170.17 ranking minority members of the legislative committees with jurisdiction over housing and
170.18 human services when the e-signature options are implemented. A copy of this notification
170.19 must also be filed with the Legislative Reference Library in compliance with Minnesota
170.20 Statutes, section 3.195.

170.21 **Sec. 45. LANGUAGE ACCESS IN APPLICATIONS FOR RENTAL ASSISTANCE.**

170.22 The commissioner of the Minnesota Housing Finance Agency and the commissioner of
170.23 human services shall research state and federal laws and regulations to determine language
170.24 access standards applying to the organizations' emergency general assistance, emergency
170.25 assistance, and family homelessness prevention and assistance programs and shall ensure
170.26 compliance with all applicable language access requirements. The commissioners are
170.27 encouraged to identify specific languages into which program materials could be translated
170.28 to improve access to emergency general assistance, emergency assistance, and family
170.29 homeless prevention and assistance program assistance and shall translate the materials into
170.30 the identified languages. The commissioners are encouraged to develop and implement a
170.31 plan to translate any website applications for emergency general assistance, emergency
170.32 assistance, and family homeless prevention and assistance program assistance into
170.33 multilingual website applications.

171.1 **Sec. 46. VERIFICATION PROCEDURES FOR RENTAL ASSISTANCE.**

171.2 (a) The commissioner of the Minnesota Housing Finance Agency, in consultation with
171.3 the commissioner of human services, is encouraged to consult with local officials to develop
171.4 recommendations aimed at simplifying the process of verifying the information in
171.5 applications for emergency general assistance, emergency assistance, and family homeless
171.6 prevention and assistance program assistance. In developing recommendations, the
171.7 commissioners must consider:

171.8 (1) allowing self-attestation of emergencies, assets, and income;

171.9 (2) allowing verbal authorization by applicants to allow emergency rental assistance
171.10 administrators to communicate with landlords and utility providers regarding applications
171.11 for assistance; and

171.12 (3) allowing landlords to apply for emergency rental assistance on tenants' behalf.

171.13 (b) The commissioners are encouraged to:

171.14 (1) prepare recommendations by January 1, 2025; and

171.15 (2) report those recommendations to the chairs and ranking minority members of the
171.16 legislative committees having jurisdiction over housing.

171.17 (c) If recommendations are developed, the commissioners must report by January 13,
171.18 2025, to the chairs and ranking minority members of the legislative committees with
171.19 jurisdiction over housing and human services detailing the proposed recommendations
171.20 developed pursuant to this section. If recommendations are implemented, the commissioners
171.21 must report by July 7, 2025, to the chairs and ranking minority members of the legislative
171.22 committees with jurisdiction over housing and human services detailing the recommendations
171.23 adopted pursuant to this section.

171.24 **Sec. 47. HOUSING AFFORDABILITY PRESERVATION INVESTMENT.**

171.25 Subdivision 1. **Establishment.** The commissioner of the Minnesota Housing Finance
171.26 Agency must establish and administer a grant program to support recapitalization of distressed
171.27 buildings.

171.28 Subd. 2. **Definitions.** For purposes of this section:

171.29 (1) "distressed building" means an existing rental housing building in which the units
171.30 are restricted to households at or below 60 percent of the area median income, and that:

171.31 (i) is in foreclosure proceedings;

172.1 (ii) has two or more years of negative net operating income;

172.2 (iii) has two or more years with a debt service coverage ratio of less than one; or

172.3 (iv) has necessary costs of repair, replacement, or maintenance that exceed the project
172.4 reserves available for those purposes; and

172.5 (2) "recapitalization" means financing for the physical and financial needs of a distressed
172.6 building, including restructuring and forgiveness of amortizing and deferred debt, principal
172.7 and interest paydown, interest rate write-down, deferral of debt payments, mortgage payment
172.8 forbearance, deferred maintenance, security services, property insurance, capital
172.9 improvements, funding of reserves for supportive services, and property operations.

172.10 Subd. 3. **Grant program.** The commissioner must use a request for proposal process
172.11 to consider funding requests and award grants to finance recapitalization of distressed
172.12 buildings. In awarding grants, the commissioner must give priority to distressed buildings
172.13 most at risk of losing affordable housing.

172.14 Subd. 4. **Report.** By February 1, 2025, and November 30, 2025, the commissioner shall
172.15 submit a report to the chairs and ranking minority members of the legislative committees
172.16 having jurisdiction over housing and homelessness. The report must detail the number of
172.17 applications received, the amount of funding requested, the grants awarded, and the number
172.18 of affordable housing units preserved through awards under this section.

172.19 **Sec. 48. REPORT TO THE LEGISLATURE.**

172.20 (a) By January 15 each year, the commissioner must submit a report to the chairs and
172.21 ranking minority members of the legislative committees having jurisdiction over housing
172.22 finance and policy containing the following information:

172.23 (1) the total number of applications for funding;

172.24 (2) the amount of funding requested;

172.25 (3) the amounts of funding awarded; and

172.26 (4) the number of housing units that are affected by funding awards, including the number
172.27 of:

172.28 (i) newly constructed owner-occupied units;

172.29 (ii) renovated owner-occupied units;

172.30 (iii) newly constructed rental units; and

172.31 (iv) renovated rental units.

173.1 (b) This reporting requirement applies to appropriations to the Minnesota Housing
173.2 Finance Agency under this act, to appropriations to the Minnesota Housing Finance Agency
173.3 in Laws 2023, and to future appropriations to the Minnesota Housing Finance Agency.

173.4 Sec. 49. **REVISOR INSTRUCTION.**

173.5 (a) If H.F. 3800 or another substantively similar bill that establishes a new cooperative
173.6 chapter coded as Minnesota Statutes, chapter 308C, is enacted during the 2024 legislative
173.7 session, the revisor of statutes must add "308C" to the list of chapters referenced in Minnesota
173.8 Statutes, section 462A.37, subdivision 2, paragraph (a), clause (10), as amended in this act.

173.9 (b) The revisor of statutes shall renumber Minnesota Statutes, section 462A.37,
173.10 subdivision 2i, as Minnesota Statutes, section 462A.37, subdivision 3a. The revisor shall
173.11 also make necessary cross-reference changes in Minnesota Statutes.

173.12

ARTICLE 14

173.13

DISCRIMINATION; CIC; WORKING GROUP

173.14 Section 1. **[504B.505] DISCRIMINATION; HOUSING ASSISTANCE.**

173.15 (a) A landlord must not discriminate against a tenant based on the tenant's use of federal,
173.16 state, or local government rental assistance; a housing choice voucher program; or another
173.17 form of public assistance that helps a tenant pay rent; or refuse to rent to a tenant because
173.18 the landlord may be responsible for meeting the terms and conditions of a public assistance
173.19 program. A landlord must not deny a tenant or prospective tenant a viewing or application
173.20 for a rental unit, deny them the opportunity to rent a unit, or discriminate against a tenant
173.21 or prospective tenant who uses rental assistance or a housing choice voucher. A landlord
173.22 cannot advertise that they will not rent to a tenant who uses rental assistance or a housing
173.23 choice voucher program.

173.24 (b) A violation of this section is an unfair discriminatory practice under section 363A.09,
173.25 and an individual has all the rights and remedies available under chapter 363A.

173.26 Sec. 2. Laws 2023, chapter 52, article 19, section 120, is amended to read:

173.27 Sec. 120. **EFFECTIVE DATE.**

173.28 Sections 117 ~~to~~ and 119 are effective January 1, 2024. Section 118 is effective January
173.29 1, 2024, and applies to cases filed before, on, or after that date.

173.30 **EFFECTIVE DATE.** This section is effective retroactively from January 1, 2024.

174.1 **Sec. 3. WORKING GROUP ON COMMON INTEREST COMMUNITIES AND**
174.2 **HOMEOWNERS ASSOCIATIONS.**

174.3 Subdivision 1. **Creation; duties.** (a) A working group is created to study the prevalence
174.4 and impact of common interest communities (CICs) and homeowners associations (HOAs)
174.5 in Minnesota and how the existing laws regulating CICs and HOAs help homeowners and
174.6 tenants access safe and affordable housing. The working group shall study:

174.7 (1) how many CICs and HOAs exist, how many people may reside in those housing
174.8 units, and where they are located in the state;

174.9 (2) the governing documents commonly used by CICs and HOAs and whether the
174.10 governing documents or common practices create barriers for participation by homeowners
174.11 in the board of directors for CICs or HOAs;

174.12 (3) the fees and costs commonly associated with CICs and HOAs and how those fees
174.13 have increased, including the cost of outside management, accounting, and attorney fees
174.14 that are assessed to owners and residents;

174.15 (4) whether there should be uniform, statutory standards regarding fees, fines, and costs
174.16 assessed to residents;

174.17 (5) how the organization and management of CICs and HOAs, including boards and
174.18 management companies, impact the affordability of CICs and HOAs;

174.19 (6) the impact of CICs and HOAs on the housing market and housing costs;

174.20 (7) the racial disparity in homeownership as it relates to CICs and HOAs;

174.21 (8) the accessibility and affordability of CICs and HOAs for Minnesotans with disabilities;

174.22 (9) how other states regulate CICs and HOAs and best practices related to board
174.23 transparency, dispute resolution, and foreclosures; and

174.24 (10) how the current laws governing CICs and HOAs may be consolidated and reformed
174.25 for clarity and to improve the experience of homeowners and residents in CICs and HOAs.

174.26 (b) The focus and duties of the working group shall be to recommend legislative reforms
174.27 or other methods to regulate CICs and HOAs, including the consolidation or recodification
174.28 of existing chapters regulating CICs and HOAs.

174.29 Subd. 2. **Membership.** The working group shall consist of the following:

174.30 (1) two members of the house of representatives, one appointed by the speaker of the
174.31 house and one appointed by the minority leader;

- 175.1 (2) two members of the senate, one appointed by the senate majority leader and one
175.2 appointed by the senate minority leader;
- 175.3 (3) one member from the Minnesota Homeownership Center;
- 175.4 (4) one member from the Community Associations Institute;
- 175.5 (5) one member from a business association that supports, educates, or provides services
175.6 to CICs and HOAs in Minnesota designated by the commissioner of commerce;
- 175.7 (6) one member from a legal aid association familiar with housing laws and representing
175.8 low-income clients;
- 175.9 (7) one member from the Minnesota Association of Realtors;
- 175.10 (8) one member who is an attorney who regularly works advising homeowners or
175.11 residents in CICs and HOAs and is familiar with the state foreclosure laws designed by the
175.12 State Bar Association;
- 175.13 (9) one member who is an attorney who regularly works advising CIC and HOA boards
175.14 designated by the State Bar Association;
- 175.15 (10) one member from a metropolitan area government who is familiar with issues
175.16 homeowners and tenants face while living in CICs and HOAs in the metropolitan area;
- 175.17 (11) the commissioner of the Minnesota Housing Finance Agency or the commissioner's
175.18 designee;
- 175.19 (12) one member from the attorney general's office designated by the attorney general;
- 175.20 (13) two members who are currently, or have within the last five years, served on a CIC
175.21 or HOA board and have knowledge about the management of CIC and HOA boards; and
- 175.22 (14) four members who are current or recent owners of a residence that is part of a CIC
175.23 or HOA.
- 175.24 Subd. 3. **Facilitation; organization; meetings.** (a) The Management Analysis Division
175.25 of Minnesota Management and Budget shall facilitate the working group, provide
175.26 administrative assistance, and convene the first meeting by July 15, 2024. Members of the
175.27 working group may receive compensation and reimbursement for expenses as authorized
175.28 by Minnesota Statutes, section 15.059, subdivision 3.
- 175.29 (b) The working group must meet at regular intervals as often as necessary to accomplish
175.30 the goals enumerated under subdivision 1. Meetings of the working group are subject to the
175.31 Minnesota Open Meeting Law under Minnesota Statutes, chapter 13D.

176.1 Subd. 4. **External consultation.** The working group shall consult with other individuals
176.2 and organizations that have expertise and experience that may assist the working group in
176.3 fulfilling its responsibilities, including entities engaging in additional external stakeholder
176.4 input from those with experience living in CICs and HOAs as well as working with the
176.5 board of directors for CICs and HOAs.

176.6 Subd. 5. **Report required.** The working group shall submit a final report by February
176.7 1, 2025, to the chairs and ranking minority members of the legislative committees with
176.8 jurisdiction over housing finance and policy, commerce, and real property. The report shall
176.9 include recommendations and draft legislation based on the duties and focus for the working
176.10 group provided in subdivision 1.

176.11 Subd. 6. **Expiration.** The working group expires upon submission of the final report in
176.12 subdivision 5, or February 28, 2025, whichever is later.

176.13 **EFFECTIVE DATE.** This section is effective the day following final enactment and
176.14 expires March 1, 2025.

116J.398 BROADBAND PREVAILING WAGE EXEMPTION.

Notwithstanding any other law to the contrary, section 116J.871 does not apply to a project receiving a grant under section 116J.395 for the construction, installation, remodeling, and repair of last-mile infrastructure, as defined under section 116J.394, paragraph (e).

168.1297 SPECIAL "ROTARY MEMBER" PLATES.

Subdivision 1. **General requirements and procedures.** The commissioner shall issue special "Rotary member" plates to an applicant who:

- (1) is a registered owner of a passenger automobile;
- (2) pays a fee in the amount specified for special plates under section 168.12, subdivision 5;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) submits proof to the commissioner that the applicant is a member of Rotary International; and
- (6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

Subd. 2. **Design.** A special plate under this section consists of a plate as described in section 168.1291 with a unique emblem that is the recognized emblem of Rotary International.

Subd. 3. **Compliance with other law.** The commissioner shall take no action under this section unless the commissioner determines that Rotary International, or one or more districts of Rotary International, has complied with section 168.1293, subdivision 2, paragraph (a). Issuance and renewal of plates under this section are subject to section 168.1293, subdivisions 3 to 6.

179.81 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of sections 179.81 to 179.85, the terms defined in this section have the meanings given them.

Subd. 2. **Area labor-management committee or committee.** "Area labor-management committee" or "committee" means a committee formed by and composed of multiple employers and multiple labor organizations within a geographic area or statewide employment sector, for the purpose of improving labor-management relations and enhancing economic development within a given geographic jurisdiction or sector through labor-management cooperation.

Subd. 3. **Bureau.** "Bureau" means the Bureau of Mediation Services.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Bureau of Mediation Services.

179.82 GRANT PROGRAM CREATED; APPLICATIONS.

Subdivision 1. **Creation.** An area labor-management committee grant program is created within the bureau to be administered by the commissioner.

Subd. 2. **Rules.** Applications for area/statewide industry labor-management committee grants must be submitted to the bureau under rules adopted by the commissioner.

179.83 ACTION ON APPLICATION.

Subdivision 1. **Standard for approval.** Following an established calendar, the commissioner shall review the applications. Grants must be awarded on a competitive basis based on the appropriateness of the proposal, the attainability of the goals, the evidence of interest in the proposal among representatives of labor and management in the area within the committee's jurisdiction, and the thoroughness of the financial plan presented. Successful applicants shall be notified of the award no later than December 1 of each year.

179.84 GENERAL CONDITIONS AND TERMS OF GRANTS.

Subdivision 1. **Requirements.** For each grant awarded the commissioner shall:

- (1) require an approved work plan that establishes measurable goals and objectives for the committee within the committee's area of responsibility and that prohibits the committee from becoming involved in contract disputes, labor negotiations, or grievance procedures; and

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Repealed Minnesota Statutes: H5242-3

(2) annually review the operating performance of each area labor-management committee receiving state money under this program.

179.85 FUNDING LIMITATIONS.

A new or existing area labor-management committee may apply for a maximum grant of \$75,000 per year. A new or existing area labor-management committee may be awarded state grant money, and must provide money from other nonstate sources, in the following ratio of state and nonstate money: in the first year, 90 percent state and ten percent nonstate; in the second year, 80 percent state and 20 percent nonstate; in the third year and beyond, 50 percent state and 50 percent nonstate.

5520.0100 APPLICATION.

Parts 5520.0100 to 5520.0800 apply to the preparation, submission, and approval of applications for grants under the Minnesota Area Labor-Management Committee Grant Program.

5520.0110 POLICY.

Parts 5520.0100 to 5520.0800 shall be liberally construed to accomplish the provisions and purposes of the Minnesota Area Labor-Management Committee Grant Program.

5520.0120 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 5520.0100 to 5520.0800, the terms defined in this part have the meanings given them.

Subp. 2. **Application.** "Application" means a written request for grant funds completed on a form developed by and available from the bureau.

Subp. 3. **Bureau.** "Bureau" means the Minnesota Bureau of Mediation Services.

Subp. 4. **Commissioner.** "Commissioner" means the commissioner of the bureau or an authorized agent.

Subp. 5. **Area Labor-Management Committee or committee.** "Area Labor-Management Committee" or "committee" means an organization of representatives from multiple labor organizations and multiple employer enterprises within a geographic area or statewide employment sector which has as its principle purpose the strengthening of union-management relations within the area or sector.

Subp. 6. **Grant program.** "Grant program" means the Minnesota Area Labor-Management Committee Grant Program, as created in Minnesota Statutes, sections 179.81 to 179.85.

Subp. 7. **Office of Cooperative Labor-Management Programs.** "Office of Cooperative Labor-Management Programs" means the office within the bureau created to administer the grant program.

Subp. 8. [Repealed, 15 SR 2267]

5520.0200 GRANT APPLICATIONS.

Subpart 1. **Scope.** The procedures in this part will be used by the commissioner in receiving and considering grant program applications.

Subp. 2. **Notice and deadline.** On or before September 1 of each calendar year, the commissioner shall publish a notice of the availability of funds under the grant program in the State Register. An application for a grant must be submitted to the bureau by October 15 of the previous year.

Subp. 3. **Application form and purpose.** Each application must be on forms available from the bureau and must include a statement of purpose and a description of the Area Labor-Management Committee requesting grant funds. All current committee members and officers must be identified in the application and a brief description of the committee's existing or proposed operating procedures must be included. A copy of the committee bylaws, if adopted, must also accompany the application.

Subp. 4. **Statement of goals.** The application must include a descriptive statement of the labor-management climate and major issues or problems existing in the committee's area of jurisdiction, as well as the major purpose or goal of the committee in the context of the problems. The goal statement must describe specific changes or outcomes the committee seeks to accomplish through use of grant program funds. Quantifiable, specific goal and problem statements are encouraged. Applicants should avoid broad, generic, overly-generalized statements.

Subp. 5. **Methodology.** The application must include a description of the approach and methodology to be used by the committee in solving the problems and achieving the goals identified in subpart 4. The application must include an implementation plan setting forth specific and measurable goals and objectives to be accomplished during the grant period, the major action steps to be taken, a timetable indicating when those action steps will be taken, and when goals and objectives will be accomplished.

Subp. 6. **Financial plan.** The application must include a four-year financial plan detailing the revenues and expenditures anticipated over a four-year period, commencing with the year for which the grant is being requested. The plan must identify the total amount of state funding necessary to carry out the committee's goals and objectives and the money to be raised from other sources to meet the guidelines of the grant program. The plan must be accompanied by a proposed committee budget over the four-year period detailing how all money, including state grant money, is to be expended. Existing committees must also submit copies of actual financial statements for the four-year period preceding the proposed grant period.

5520.0250 GRANT RESTRICTIONS.

Subpart 1. **Labor negotiations, grievances, or disputes.** No committee funded, in whole or in part, through the grant program may engage in activities directly or indirectly related to labor negotiations, contract disputes, or grievance procedures. Violation of this subpart is grounds for termination of the grant.

Subp. 2. **Prior obligations.** No grant money may be used directly or indirectly to cover costs incurred before the effective date of the grant nor to cover costs that are not specifically related to the goals in the application. No finder's fee or other form of payment for successful application shall be permitted in conjunction with the grant program.

Subp. 3. [Repealed, 15 SR 2267]

Subp. 4. **Delegation or transfer.** A successful applicant may not, in whole or in part, delegate or transfer responsibility for the management of the grant or control and use of its funds to any other organization or entity.

5520.0300 GRANT PERIOD AND AMOUNT.

Subpart 1. **Grant period.** All grants are awarded for a 12-month period commencing January 1.

Subp. 2. **Amount.** The amount of each grant will be determined by the commissioner after considering the merits and reasonableness of each application, the total funds available in relationship to the total amounts requested, prior awards and experiences with individual applicants, the usual and customary costs of operating a committee, and the overall purposes and goals of the program.

Subp. 3. **Ratio of state and nonstate funds.** Regardless of the funds available, no grant will be awarded that would be inconsistent with the following ratio of state and nonstate revenues for the committee: (Year 1 is the first year state funds are received under this program, Year 2 is the second, etc.).

| | Percent Nonstate Revenues | Percent State Revenues |
|-----------------|---------------------------------|------------------------------|
| Year 1 | 10 | 90 |
| Year 2 | 20 | 80 |
| Year 3 & Beyond | 50 | 50 |

5520.0500 APPLICATION REVIEW PROCEDURES.

Subpart 1. **Competitive basis.** All timely and complete applications will be reviewed on a competitive basis. Grants will be awarded by the commissioner in amounts and to parties as deemed consistent with the overall purposes of the grant program. In evaluating applications and awarding grants, the factors described in this part will be considered.

Subp. 2. **Appropriateness.** The appropriateness of the proposal must be evaluated. Appropriateness includes:

- A. consistency of the proposal's purpose with the public policy objectives of the grant program;
- B. the extent and history of labor-management activity within the area to be served by the proposed grant;
- C. other past or present cooperative labor-management activities within the designated area;
- D. the need for public funding of the endeavor; and
- E. the reasonableness of proposed expenditures in relationship to benefits to be derived.

Subp. 3. **Attainability of goals.** The attainability of the goals in the proposal must be evaluated. Attainability includes:

- A. ability of the applicant to articulate quantifiable and meaningful goals and activities;
- B. evaluation of the applicant's ability and capacity to implement program activities necessary to achieve stated goals;
- C. prior success of the applicant in achieving previous program goals;
- D. other labor-management activities in the area; and
- E. the relationship of the proposed goals with the overall objectives of the grant program.

Subp. 4. **Support for the proposal.** Evidence of support for the proposal from multiple labor-management representatives within the area will be reviewed. The evidence may be submitted in the form of letters of endorsement, resolutions of support adopted by ad hoc groups, or other form that permits consultation and verification with individual representatives by the bureau. Established committees must attach a copy of the minutes of the meeting at which the proposal was approved and the minutes should reflect the names and organizations of all persons present for the meeting.

Subp. 5. **Financial plans.** The thoroughness of the four-year financial plan submitted as a part of the proposal, including an analysis of the overall reasonableness of revenue and expense projections; the detail and reasonableness of projected funding sources and amounts; and the detail and reasonableness of projected expenditures will be considered. Established committees must attach copies of actual financial operating statements that reflect annual revenue sources and amounts and expense categories and amounts for each year of the three-year period preceding the current year, as well as for the current year-to-date.

Subp. 6. **Work plans.** The thoroughness of detailed plans for achieving the major goals and objectives of the committee will be evaluated to determine the ability of the committee to identify key tasks and action steps necessary to the attainment of goals; the designation of appropriate time frames; relevance of work plans to objectives of the grant program; and the extent of planning undertaken by the applicant with regard to its goals.

Subp. 7. [Repealed, 15 SR 2267]

5520.0520 WORK PLAN.

Each grant application must include a work plan that describes the major work steps to be undertaken by the committee during the grant period in achieving its individual goals and objectives. Work plans should describe each area of substantial program activity contemplated by the committee, the key steps necessary to achieving each program activity, and a time frame for determining progress in each activity area. Grantees are responsible for compliance with their work plans and for advising the Office of Cooperative Labor-Management Programs of any significant alterations in the goals, objectives, or work plans of the committee. Written quarterly reports, describing the progress and problems in adhering to the work plan, must accompany financial reports in conformance to the provisions of part 5520.0560.

5520.0540 BUDGET ADJUSTMENTS.

Grant recipients must consult, in writing, with the Office of Cooperative Labor-Management Programs before making budget adjustments that:

- A. result in changes in the scope or objectives of the program in the approved application;
- B. result in more grant money available than is necessary to meet the needs of the program;
- C. result in a change in the percent of state funds available to the grantee that would be inconsistent with part 5520.0300, subpart 3, or Minnesota Statutes, section 179.85; or
- D. amount to ten percent or more of the total grant awarded.

5520.0560 QUARTERLY REPORTS.

Each grant recipient must file detailed financial and activity reports on a quarterly basis in accordance with the following schedule:

- A. Period covered: January 1 to March 31, date due: April 20;
- B. Period covered: April 1 to June 30, date due: July 20;
- C. Period covered: July 1 to September 30, date due: October 20; and
- D. Period covered: October 1 to December 31, date due: January 20.

5520.0600 ACCOUNTING SYSTEM.

Each grant recipient must establish and maintain a system of financial management of the grant that complies with accepted accounting practices. The system must provide accurate, current, and complete information on the financial status of each grant-supported activity and must include the generation of periodic reports indicating the allocation of funds by activity, the amount expended, and the amount obligated. Each dollar of Area Labor-Management Committee Grant Program money must be traceable through the accounting system.

All accounting documents must be supported by source documentation such as payroll records, invoices, and purchase vouchers. All employees paid in whole or in part from grant funds must prepare time sheets reflecting the number of hours worked on grant activities during the pay period and the payroll must be based on these time sheets. Any purchase of services agreement entered into by the committee must specify the amount and nature of services to be provided in a manner that facilitates determination of an hourly or per-unit rate for those services.

5520.0620 AUDITS.

Subpart 1. **Financial and compliance audits.** All grant recipients must arrange for and undergo a financial and compliance audit at least once every two years. The audits must be performed by qualified individuals who are independent of those persons who authorize, manage, and carry out the expenditure of funds to ensure unbiased opinions, conclusions, or judgments. Grant recipients are responsible for arranging and paying for these audits. The purpose of the audit is to report on whether:

- A. the financial operations have been conducted properly;
- B. financial and other reports submitted as a part of the program have been presented fairly and accurately;
- C. the grantee has complied with applicable laws, regulations, and policies;
- D. resources are used and managed in an economic and efficient manner; and
- E. program objectives and results are being effectively and economically achieved.

Normal accepted auditing methods and standards must be applied in the performance of this audit. Should an auditor become aware of irregularities in financial or programmatic performance, the auditor must promptly notify the commissioner of those irregularities and, if appropriate, higher grantee management officials than the level at which irregularities appear to lie.

Subp. 2. **Audit reports.** A written audit report shall be prepared and include:

- A. a statement of the standards used in the performance of the audit;
- B. financial statements and audit comments on the statements for the period;
- C. audit comments regarding compliance and internal control; and
- D. comments regarding the accuracy and completeness of financial and program reports filed by the grantee.

Three copies of the written audit report must be provided to the commissioner and a copy shall be made available to each member of the committee.

5520.0700 INITIAL PAYMENTS.

No grant payments will be issued until the grant application and required work plans have received final approval by the commissioner and a written grant contract has been executed and approved.

5520.0710 SUBSEQUENT PAYMENTS.

Subsequent grant payments will be made on a quarterly basis based on submission of a payment request form and other required reports. When computing requests for payment, the recipient should first apply any unused portions of a previous grant payment toward the next month's anticipated expenditures.

5520.0800 TERMINATION OF GRANTS.

Subpart 1. **General.** Grants shall be suspended, terminated, or withdrawn, in whole or in part, by the commissioner if funds provided are used in a manner inconsistent with the policies of parts 5520.0100 to 5520.0800, or if it appears that funds are being used in a manner inconsistent with the stated goals and purpose of the grant application or approved amendments. Grants shall also be suspended, terminated, or withdrawn if it appears that the applicant is unable or unwilling to fulfill responsibilities set forth in the application.

Subp. 2. **Notice.** In the event the commissioner believes that there is reason to suspend, terminate, or withdraw a grant, the commissioner shall provide written notice to the grant recipient stating the nature of the contemplated action, the anticipated effective date, and

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the reasons for the action. The grant recipient may submit a written response to the notice within five working days of receipt of the notice from the commissioner. After investigating the situation, including any information provided by the committee in response to the commissioner's notice, the commissioner shall determine final action with regard to suspension, termination, or withdrawal of the grant. The commissioner shall provide written notice of the final determination to all interested parties.

7410.6180 COMMERCIAL MOTOR VEHICLE TESTING PROGRAM.

A public, postsecondary educational institution or school as described in part 7410.6100 applying to be a third-party testing program for commercial motor vehicles shall offer a training course for commercial motor vehicle operation that consists of at least 180 hours of training.