

## **Bonding**

# Capital investment law amends appropriation language but not dollar amounts

A new law that took effect April 27, 2024, makes technical changes to prior capital investment appropriations.

It changes language to better describe the scope of a project or the administering agency while keeping the appropriation amount the same. Examples include adding “acquire property” to an appropriation for a construction project or changing a named grantee from a city to a school district in the same community.

The law also extends the duration of some appropriations and changes the due date for a cancellation report from Minnesota Management and Budget to the Legislature from Jan. 1 to Feb. 1 each year.

Rep. Fue Lee (DFL-Mpls) and Sen. Sandra Pappas (DFL-St. Paul) are the sponsors.

HF3631\*/SF4307/CH88

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## **Business and Commerce**

# Uniform Commercial Code modified to accommodate emerging technologies

The Uniform Commercial Code is a way for all 50 states to adopt similar statutes to simplify, clarify, and modernize the laws governing commercial transactions across the United States.

A new law will adopt into state statute amendments to the code to accommodate emerging technologies, such as electronic signatures of documents, electronic promissory notes, and “controllable digital assets” such as cryptocurrencies and non-fungible assets.

The law also specifies how these digital assets and other controllable electronic records are securely traded and how they can be used in other financial transactions.

Sponsored by Rep. Brion Curran (DFL-White Bear Lake) and Sen. Michael Kreun (R-Blaine), the law takes effect Aug. 1, 2024.

HF3868\*/SF4691/CH93

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## **Business and Commerce**

# Commerce law modifies insurance, financial institution, commercial, consumer and telecommunications statutes

A new law modifies statutes regulating various types of commerce, including insurance, financial institutions, telecommunications, and consumer protections. Among topics addressed are medical debt, gender-affirming care, and social media.

It also contains miscellaneous liquor provisions changing conditions of sale in several municipalities and extends the open enrollment period for Medicare supplement insurance from Aug. 1, 2025, to Aug. 1, 2026.

Sponsored by Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. Matt Klein (DFL-Mendota Heights), the law is effective Jan. 1, 2025, unless otherwise noted.

HF4077/SF4097\*/CH114

## Medical debt

Effective Oct. 1, 2024, “a health care provider must not deny medically necessary health treatment or services to a patient or any member of the patient’s family or household because of current or previous outstanding medical debt owed by the patient or any member of the patient’s family or household to the health care provider, regardless of whether the health treatment or service may be available from another health care provider.”

The health care provider may require the patient to enroll in a “reasonable” payment plan for the outstanding medical debt owed. The patient must communicate their situation to the health care provider and pay an amount they can afford.

Health care providers also have new rules regarding how they must handle billing errors, including a prohibition against billing the patient for any health treatment or service subject to review for potential billing errors until after the review is complete and any billing errors are corrected. (Art. 3, Secs. 25-29)

## Consumer protections

The “Prohibiting Social Media Manipulation Act” will take effect July 1, 2025, and require social media platforms to be transparent about how they use “algorithmic ranking systems” to determine the content it suggests to users.

Other transparency requirements will include “publicly and conspicuously posting” on the platform’s website explanations of how the social media platform limits excessive account interactions, how it assesses users’ expressed preferences regarding content, and explanations of how the platform determines whether a notification is time sensitive and how many time sensitive and non-time-sensitive notifications are sent to users.

The law establishes that a retailer must only sell an aerosol duster that contains 1,1-difluoroethane (DFE) from behind the counter, a purchaser must be at least age 21, and limits a single transaction to three cans of an aerosol duster that contains DFE. An aerosol duster manufactured after May 31, 2025, cannot be sold in Minnesota unless it clearly warns against the dangers of intentionally misusing duster aerosol products.

Changes to regulations for contracts subject to automatic renewal and continuous service are in the law.

Among the provisions: a person is permitted to cancel memberships in clubs unilaterally and at the person’s exclusive discretion, by giving notice of termination at any time. Clubs must include notices in contracts advising new members of their new rights of termination. The law also expands consumer rights regarding automatic renewal subscriptions and prohibits specific conduct by sellers related to indefinite subscriptions. It provides that a consumer has a right to terminate an indefinite subscription agreement at any time.

Further, a seller making an offer for an indefinite subscription agreement that includes a free trial lasting more than 30 days must, no fewer than five days and no more than 30 days before the end of any such free trial, notify the consumer of the consumer’s option to cancel the free trial before the end of the trial period.

Beginning Oct. 1, 2024, collection agencies will have new restrictions on how they collect medical debt. Several actions will be prohibited, including communicating with debtors in a misleading or deceptive manner by falsely using the stationery of a lawyer, or forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process. They will also be prohibited from communicating with a debtor about medical debt by use of an automatic telephone dialing system or an artificial or prerecorded voice after the debtor expressly informs the collecting party to cease such communication. (Art. 3, Secs. 47, 51, 53-67, 77-81)

Effective Aug. 1, 2024, the law also:

- prohibits deceptive marketing related to vapor products, including selling products imitating a food or brand of food commonly marketed to minors; school supplies commonly used by minors; and a character, personality, or symbol known to appeal to minors;

- prohibits the purchase, possession, importation, manufacturing, selling, holding for sale, or distributing a cellular telephone case, stand, or cover that is a likeness of or reasonably appears to be a firearm;
- establishes regulations affecting virtual currency kiosks, including that operators must disclose the material risks of virtual transactions, fees charged, and transaction limits. Cancellations and refunds of transactions will be permitted under certain circumstances;
- strengthens protections for students taking out student loans, including servicers must make several disclosures to borrowers on income-driven repayment programs;
- prohibits tree trimmers and restoration and mitigation services from charging excessive prices following severe weather;
- vehicle repair shops must conspicuously display a sign stating the shop is required to provide a written estimate for repairs costing more than \$100 and that the final price cannot exceed the written estimate by more than 10% without customer authorization;
- prohibits unfair real estate service agreements, such as those that are overly restrictive or deceptive;
- modifies the types of personal property exempt from court-ordered seizure, garnishment, or sale; and
- protects an independent contractor from being discharged or otherwise disciplined by an employer for having wages garnished (Art. 3, Secs. 1-24, 40-43, 48-49, 52, 82, 84-94, 102)

#### Gender-affirming care

A health plan must cover medically necessary gender-affirming care or require treatment of medically necessary care that is defined in the law as “health care services appropriate in terms of type, frequency, level, setting, and duration to the enrollee’s diagnosis or condition and diagnostic testing and preventative services. Medically necessary care must be consistent with generally accepted practice parameters as determined by health care providers in the same or similar general specialty as typically manages the condition, procedure, or treatment at issue and must: (1) help restore or maintain the enrollee’s health; or (2) prevent deterioration of the enrollee’s condition.”

A nonprofit or a closely held for-profit religious organization will be exempt from covering gender-affirming care based on religious objections. If the exempt organization provides partial coverage, requires the notice to specify services not covered. (Art. 1, Secs. 7-8)

#### Insurance

Effective Oct. 1, 2024, no contract or policy of long-term disability insurance limiting the duration of coverage for mental health or substance use disorders can be offered in Minnesota without a disclosure provided at the time of application that includes specific information about the limited duration of coverage.

An insurer can, effective Aug. 1, 2024, refuse to renew a policy of homeowner’s insurance if the insured had three or more covered losses each over \$10,000 resulting from lightning, wind, rain, or hail during a five-year period immediately preceding the refusal to renew. This section also specifies the obligations of an insurer that elects to not renew a policy of homeowner’s insurance.

Also effective Aug. 1, 2024, the law increases the number of counties a township municipal fire insurance company may be authorized to write business in and provides that property will continue to be insured for the duration of the policy after a merger. (Art. 1, Secs. 2, 9, 11-12)

#### Financial institutions

Effective Aug. 1, 2024, the law creates several requirements for financial institutions related to safeguarding customer information, including that it must develop, implement, and maintain a comprehensive information security program.

The law also makes various definition and technical changes to residential mortgage loans and residential real estate statutes. For example, it amends residential mortgage originator licensing requirements and residential mortgage

servicer licensing requirements and raises the surety bond amount that a residential mortgage originator license must file with the department and continuously maintain.

Related to bail bonds, the law, in part, provides certain premiums and requirements for collateral related to bail bonds, prohibits producers from soliciting outside of location where incarcerated persons are confined, and prohibits paying fees to a jailer, police officer, judge, or public official. (Art. 2, Secs. 1-11, 32-36)

## Telecommunications

A telephone company or telecommunications carrier cannot refuse to provide a prorated refund of payment made in advance by a customer upon cancellation of telecommunications service.

The new law specifies the conditions under which a municipality can acquire a telephone exchange through condemnation and deletes the requirement that such acquisitions must be approved by a vote of at least 65 percent of a city's voters.

"Net neutrality" rules are established, including prohibiting internet service providers from impairing or degrading traffic based on content, blocking lawful content, applications, services, or nonharmful devices, and favoring some internet traffic over other traffic in exchange for monetary or other consideration from a third party. (Art. 4, Secs. 1-3)

## Liquor

In addition to redefining the size of a hotel for statutory liquor definitions, the law permits a municipality to issue an on-sale malt liquor license to a resort notwithstanding any law, local ordinance, or charter provision. Sales will be permitted to people staying at the resort and their guests.

The law also contains local provisions that take effect upon local approval:

- permits Shakopee and Stillwater to issue social district licenses beginning Aug. 31, 2025;
- expands authority for the city of Minneapolis to issue on-sale intoxicating liquor licenses to all park board premises;
- allow the liquor license to be issued to a business holding a concessions contract with the Thai Cultural Council of Minnesota;
- allows the cities of Litchfield and Watkins to issue an on-sale wine or malt liquor license for town ball games played at ballparks on school grounds, notwithstanding a prohibition on possession of alcoholic beverages on those grounds, and with the approval of the local school board; and
- authorizes the city of Eagan to issue up to three on-sale intoxicating liquor licenses at the Viking Lakes development. (Art. 5, Secs. 1-9)

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## Business and Commerce

# Wagering on historical horse racing prohibited

Historical horse racing is an electronic gambling product that allows players to bet on random replays of previously run races, using terminals that typically resemble slot machines.

Identifying information, such as the location and date of the race and the names of the horses and jockeys, is not shown.

Effective May 25, 2024, a new law makes it illegal for Minnesota's two horse racing tracks, Canterbury Park in Shakopee and Running Aces in Columbus, to have these machines onsite.

The law also prohibits the racing commission from expanding gambling operations via rulemaking or other authority to include any forms of gambling other than horse racing and authorized card games.

Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. Matt Klein (DFL-Mendota Heights) sponsor the law.

HF2300/SF2219\*/CH119

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## Business and Commerce

# Commerce finance and policy law focuses on cannabis, consumer data privacy protections

The 2023 law legalizing adult-use recreational cannabis in Minnesota has been updated.

Changes in a 2024 law fine-tune the legal and inter-governmental relationships among medicinal cannabis (legalized in 2014), hemp-derived THC edibles and other products (legalized in 2022), adult recreational cannabis (legalized in 2023) and the different regulatory structures governing each substance.

It also appropriates \$5.53 million in fiscal year 2025 to the Office of Cannabis Management, \$5.5 million to the Department of Health, and smaller amounts to other state agencies, offices, and departments with cannabis-related responsibilities.

The new law contains language establishing the Minnesota Consumer Data Privacy Act, which regulates businesses' use of personal data on individuals. It also gives Minnesotans various rights regarding their personal data.

Finally, the law has a few policy provisions in commerce and consumer protection law.

Sponsored by Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. Lindsey Port (DFL-Burnsville), the law takes effect July 1, 2024, unless otherwise noted.

HF4757\*/SF4782/CH121

## Appropriations

Among funding called for in the law is \$5.5 million to the Department of Health for substance use treatment, recovery, and prevention grants; \$2.8 million to operate the state's medical cannabis program; and \$2.73 million to the Office of Cannabis Management for enforcement purposes and operating a product testing lab and a reference lab. These appropriations are offset by reductions in appropriations made in the law that passed in 2023 so that there is no increase in the total amount being appropriated.

The Department of Commerce will receive \$28,000 in fiscal year 2025 and \$75,000 annually beginning in fiscal year 2026 to oversee the licensing of a scrap metal license sales, a new mandate for the department established in the law.

The attorney general's office gets \$941,000 in fiscal year 2026 and \$701,000 in fiscal year 2027 to enforce provisions in the Minnesota Consumer Data Privacy Act. (Art. 2, Secs. 1, 3-5)

## Cannabis policy

The 2023 recreational cannabis law allows up to eight cannabis plants in a single residence without a license. That has been increased to 16 plants for medical cannabis patients by allowing a designated caregiver registered with the Office of Cannabis Management to cultivate up to eight cannabis plants on behalf of a patient.

Many of the cannabis policy provisions outline how the Office of Cannabis Management will carry out its duties to regulate retail cannabis sales and cannabis cultivation, including issuing business licenses for these operations.

The 2023 law specifies that "social equity applicants" — people harmed by over-prosecution of cannabis laws in the past — receive preferential treatment in licensing, including receiving preapproval for various types of cannabis licenses. The 2024 law amends the definition of "social equity applicants" to: include all military veterans, not just those who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana; adjust

the definition of “emerging farmers ”; and add clarity on how to identify high-poverty areas . This section took effect May 25, 2024.

The new law establishes the maximum number of preapproval licenses that are available to social equity applicants: cannabis microbusiness, 100; cannabis testing facility, 50; cannabis retailer, 38; cannabis mezzobusiness, 25; cannabis wholesaler, 20, cannabis transporter, 20; cannabis cultivator, 13; cannabis delivery service, 10; and cannabis manufacturer, 6.

The law requires the Office of Cannabis Management to begin accepting applications for a pre-approval license lottery for social equity applicants no later than July 24. Others will have to wait until 2025. A second set of caps on cultivator, manufacturer, retailer, and mezzobusiness licenses applies when licenses become available to all applicants. Those caps will be in place until July 1, 2026. Applicants are not required to identify or have acquired any property on which a cannabis business will operate as part of the initial application stage.

A lottery system replaces a merit-based application system that was in the 2023 law and will be implemented if there are too many applicants for licenses. It will not apply to cities or counties seeking to establish, own, or operate a single municipal cannabis store; these must be given retail licenses by Office of Cannabis Management.

Other policy changes include:

- making medicinal cannabis available for any medical condition approved by a patient’s licensed health care practitioner;
- making changes in testing procedures to measure THC levels in employees;
- prohibiting the sale of lower-potency hemp edibles to an obviously intoxicated person;
- permitting products having only hemp-derived cannabinoids to be sent out of state for testing; and
- prohibiting selling cannabis products in packaging with images that appeal to minors, such as toys or candy. (Art. 2, Secs. 13, 26-31, 71, 97, 108, 122, 125, 148)

Commerce and consumer policy

Among the commerce and consumer policy provisions, the law will increase the amount of money insurers doing business in Minnesota must annually contribute to the state’s insurance fraud prevention account; require lenders wanting to offer student loans to Minnesota residents to first register with the Department of Commerce; prohibit a manufacturer from directly or indirectly restricting, prohibiting, or otherwise interfering with the delivery of a covered outpatient drug to a pharmacy; give patients more rights when health insurance coverage is denied and require licenses for scrap metal license sales. (Art. 4, Secs. 1-6)

Minnesota Consumer Data Privacy Act

The law regulates businesses’ use of personal data on individuals and gives Minnesotans various rights regarding their personal data. Additionally, covered businesses must comply with new data privacy and information security requirements.

It includes definitions of both “consumer” and “controller,” and specifies the legal entities affected by the act, while excluding government entities and American Indian tribes. Processing of personal data already subject to heightened privacy regulation at the federal level is excluded.

Minnesota consumers will be given seven rights regarding their personal data:

- to know and access personal data processed by a controller;
- to correct inaccurate personal data;
- to delete personal data;
- to obtain a copy of the consumer’s personal data;

- to opt out of the processing of personal data for purposes of targeted advertising, the sale of personal data, or profiling that has certain significant consequences;
- a right to review, understand, question, and correct how personal data has been profiled; and
- a right to obtain a list of the specific third parties to which a controller has disclosed the consumer's personal data.

The law requires controllers to limit the collection of personal data to what is adequate, relevant, and reasonably necessary in relation to the purposes for which the data are processed, which must be disclosed to the consumer. A controller must document and maintain a description of the policies and procedures the controller has adopted to comply with the act.

The attorney general is empowered to enforce the act and may bring a civil action against a controller or processor for alleged violations.

Any controller or processor found to have violated this act is subject to an injunction and liable for a civil penalty of not more than \$7,500 for each violation.

Minnesota Consumer Data Privacy Act provisions take effect July 31, 2025, except postsecondary institutions regulated by the Office of Higher Education are not required to comply until July 31, 2029. (Art. 5, Secs. 4, 8, 10, 12)

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## Civil Law

# New law clarifies trust law jurisdictions

In court cases for a trust the court can now hear the case based on both in rem jurisdiction, based on the trust itself, or in persona jurisdiction, the court's jurisdiction over a person.

A new law, retroactive to Jan. 1, 2016, clarifies an ambiguity in trust law jurisdictions in the Minnesota Trust Code, Minnesota Statutes 2015, Chapter 501C, that updated the trust laws for the state.

Rep. Esther Agbaje (DFL-Mpls) and Sen. Michael Kreun (R-Blaine) are the sponsors.

HF3589\*/SF3579/CH87

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## Civil Law

# Protections clarified in Minnesota Human Rights Act

A new law clarifies protections within the Minnesota Human Rights Act, including:

- ensuring people with episodic disabilities are covered by disability protections;
- allowing parties to a claim of discrimination filed with the Department of Human Rights to use alternative dispute resolution, including mediation, to try and resolve the matter;
- extend from six months to one year how long the department has to decide on a discrimination claim;
- extending credit discrimination protections to include familial status;
- clarifying exemptions for religious organizations; and
- requiring district courts hearing discrimination lawsuits brought by the department to order a civil penalty against a party guilty of discrimination and require them to pay a party who has suffered from the discrimination damages.

Sponsored by Rep. Luke Frederick (DFL-Mankato) and Sen. Bonnie Westlin (DFL-Plymouth), the law takes effect Aug. 1, 2024.

HF4109\*/SF4201/CH105

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## Civil Law

# Transfer on death deed law modified

A transfer on death deed can avoid probate on the real estate transferred when someone passes away.

Effective April 27, 2024, a new law updates and clarifies the transfer on death deed law and creates a requirement that insurers provide 30 days of coverage for properties with a transfer on death deed if they have been notified that the deed exists to allow the beneficiary to obtain insurance.

Some of the changes include:

- clarifying there is no effect on the title when a transfer on death deed is executed before the death of the owner, except that there is an insurable interest in favor of the designee;
- specifying what happens if a joint tenant is the designee and dies before the owner/grantor;
- allowing transfer on death deeds to be valid or revoked when the deed or revocation was recorded incorrectly or incompletely for registered properties;
- clarifying what happens when there are competing transfer on death deeds that describe some of the same property;
- clarifying jurisdiction for cases related to transfer on death deeds is with the probate court, including medical assistance liens or the death of a beneficiary; and
- clarifying that a descendant of the beneficiary only takes the place of a deceased beneficiary when there is not a successor beneficiary named in the transfer on death deed, and provides when a court order following probate law must be used when a beneficiary cannot take the property.

## Property insurance for grantee beneficiaries of transfer on death deeds

The new law specifies that when an insurance company is notified of a transfer on death deed executed for a property, it must allow for extended coverage for the transfer after the death of the homeowner and must cover the beneficiary until they obtain insurance or 30 days, whichever comes earlier.

A beneficiary does not have any right to the insurance unless the homeowner has died, and a new warning must be included in transfer on death deeds after Aug. 1, 2024, informing the beneficiary of issues related to the insurance of the property.

Rep. Sandra Feist (DFL-New Brighton) and Sen. Warren Limmer (R-Maple Grove) are the sponsors.

HF3925\*/SF3846/CH91

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## Civil Law

# Custody and parenting time, spousal maintenance, antenuptial and postnuptial agreements, and assisted



# reproduction statutes modified

A new law updates statutes related to custody and parenting time, spousal maintenance, antenuptial and postnuptial agreements, and assisted reproduction.

Sponsored by Rep. Kelly Moller (DFL-Shoreview) and Sen. Bonnie Westlin (DFL-Plymouth), the law takes effect Aug. 1, 2024.

HF3204\*/SF2759/CH101

## Custody and parenting time

A family law court considering temporary custody and parenting time regarding minor children must consider the parenting time prior to an action and to determine custody and parenting time with an opportunity to develop a relationship with each parent.

While a proceeding for temporary relief is pending, the court must give priority to scheduling and holding an expedited hearing when a party credibly alleges they have been denied parenting time with a child for at least 14 consecutive days, or the party has been unreasonably denied access to necessary financial resources or support during a pending marital dissolution.

A court must consider credible allegations of domestic abuse, substance abuse, maltreatment findings, or neglect as a reasonable basis for a party who has denied parenting time to the other party. The mental health and safety of the child is added to the list of considerations for the court when determining parenting time.

In determining custody, the court must consider the best interests of the child and must not prefer one parent over the other solely based on the parent's gender.

A court must order compensatory parenting time when the child was intentionally kept from visits by the other party and impose a sanction of up to \$500 on a parent who repeatedly and intentionally denies or interferes with parenting time.

The new law allows a parent who sues for relief when they have been denied parenting time to receive attorney fees and costs. (Art. 1, Secs. 3-6, 8-9)

## Spousal maintenance

In considering a spousal maintenance order, also known as alimony, the court must consider the earnings, seniority, benefits, and other employment opportunities forgone by the spouse seeking maintenance to support the other spouse or children. Also to be considered is the need and ability of each spouse to prepare for retirement and the anticipated time of retirement.

The law specifies a maintenance order may be transitional or indefinite, determined by the length of marriage. If less than five years, the courts must rebuttably presume no maintenance should be awarded. For marriages of at least five years and less than 20 years, it is rebuttably presumed that transitional maintenance should be awarded with a duration of no longer than one-half the length of the marriage. For marriages of at least 20 years, it is rebuttably presumed that indefinite maintenance should be awarded.

The law specifies conditions that make the terms of an existing maintenance order unreasonable and unfair and therefore subject to court modification. If a party retires, spousal maintenance may be modified. (Art. 2, Secs. 2-5, 7)

## Antenuptial and postnuptial agreements

Terms related to antenuptial, or prenuptial, contracts will become gender neutral. Contracts signed at any time between two people are valid, regardless of the existing statutory language on gender.

The law specifies procedural and substantive fairness requirements of an antenuptial agreement that make it valid and enforceable, including that each party provides a reasonably accurate description of all material facts of their income and good faith estimates of the value of their property and the basis for these disclosures.

A postnuptial agreement made at the time of a marriage dissolution will be valid and enforceable if it meets the same procedural and substantive fairness requirements of an antenuptial agreement.

And a postnuptial agreement will be valid and enforceable only if at the time of its execution each spouse is represented by separate legal counsel. (Art. 3, Secs. 1-2)

### Assisted reproduction

Rights and responsibilities relating to assisted reproduction are updated.

“Assisted reproduction” is defined as a method of causing pregnancy other than sexual intercourse, but not including a pregnancy under a surrogacy agreement.

The law establishes a number of definitions, rules, regulations, rights and obligations regarding assisted reproduction, including orders of parentage, parental status of donors, ensuring an intended parent has the same rights and responsibilities as a parent who gave birth to a child using assisted reproduction, consent to assisted reproduction, spouse’s dispute of parentage, effect of dissolution, withdrawal of consent, and specifies the legal parenthood status of an individual who dies during the period between the transfer of a gamete or embryo and the birth of the child. (Art. 4, Secs. 1-9)

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## Consumers

# Law adds protections for online ticket buyers

Individual ticket buyers will have additional consumer protections when buying concert and other event tickets online under provisions in a new law dubbed the “The Ticketing Fairness Act.”

Effective Jan. 1, 2025, restrictions will be put in place on how online ticket sellers, bulk ticket buyers and resellers operate, including:

- requiring “all-in pricing” to ensure ticket buyers know the total cost of a ticket up front;
- ensuring ticket purchasers receive proof of purchase and refund policy details within 24 hours;
- banning deceptive advertising;
- banning speculative pricing; and
- requiring an online ticket marketplace to disclose on its website that it is a ticket reseller.

If a reseller uses a “bot” or other technology to buy more tickets than allowed, the law gives the Department of Commerce power to demand the reseller disclose how it was able to accomplish the deception. That information could then be shared with the attorney general’s office for possible prosecution.

Rep. Kelly Moller (DFL-Shoreview) and Sen. Matt Klein (DFL-Mendota Heights) are the sponsors.

HF1989\*/SF2003/CH94

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## Consumers

# ‘Junk fees’ law requires advertised prices to include all mandatory fees or surcharges

When the calendar turns to 2025, a person or business will be prohibited from advertising, displaying, or offering a price for goods or services that does not include all mandatory fees or surcharges.

This includes, but is not limited to, a fee or surcharge that must be paid to purchase the goods or services being advertised, is not reasonably avoidable by the consumer, or a reasonable person would expect to be included in the purchase of the goods or services being advertised.

Government-imposed taxes, such as sales taxes, are not subject to the mandated disclosure requirements.

For online retail, when a consumer views and selects either a vendor or items for purchase, a delivery platform must, prior to checkout, display in a clear and conspicuous manner that an additional flat fee or percentage will be charged.

A person or business offering services where the total cost is determined by consumer selections and preferences, or where the total cost of the service relates to distance or time, must clearly disclose all factors that determine the total price, mandatory fees associated with the transaction, and a statement that the total cost of the services may vary.

The law permits a person or business to charge a reasonable postage or shipping fee and to offer goods or services at a discounted price.

Exemptions to the law include fees authorized by law related to the purchase or lease of a motor vehicle that are charged by a motor vehicle dealer, fees added by a business or the business' affiliate where either the business or the affiliate is regulated by the Minnesota Public Utilities Commission, or any fees, surcharges, or other costs associated with real estate settlement services, except for real estate broker commissions and fees.

Rep. Emma Greenman (DFL-Mpls) and Sen. Lindsey Port (DFL-Burnsville) sponsor the law that mostly takes effect Jan. 1, 2025. Provisions affecting industries where the prices are regulated by the Metropolitan Airports Commission take effect June 1, 2025.

HF3438\*/SF3537/CH111

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## Economic Development

# Law spends \$23.85 million to fund job training, economic development programs

The Department of Employment and Economic Development has an extra \$23.85 million to spend on job training and economic development programs in fiscal year 2025.

A new law appropriates \$12.16 million from the Workforce Development Fund for employment and training programs and \$11.69 million from the General Fund for business and community development programs.

All appropriation provisions give varying degrees of direction to organizations specifying how they must spend their fiscal year 2025 money.

A \$5 million fiscal year 2024 appropriation was returned to the General Fund. A 2023 law provided Bloomington to host the World Exposition in 2027; however, Serbia won the bid to host the event.

It also makes policy changes, some aimed at modifying how the department manages programs it operates, including grants it distributes to organizations.

Sponsored by Rep. Hodan Hassan (DFL-Mpls) and Senate President Bobby Joe Champion (DFL-Mpls), the law takes effect July 1, 2024, unless otherwise noted.

HF5205/SF5289\*/CH120

Workforce Development Fund spending

The Workforce Development Fund is a special revenue account funded by levies on employers on all taxable wages to provide for employment and training programs throughout the state.

The 10 highest employment and training appropriations called for in the law are:

- \$1 million to African Immigrants Community Services for workforce development for new Americans;
- \$1 million to Change Starts with Community for a violence prevention program;
- \$1 million to the city of Brooklyn Park to develop a biotech innovation district;
- \$1 million to the Minnesota Black Chamber of Commerce for technical support to Black-owned small businesses;
- \$1 million to WomenVenture for supporting child care providers by providing business training, mentorship, services, and educational materials;
- \$700,000 for the Shakopee Chamber Foundation for the Shakopee area workforce development scholarship pilot program;
- \$597,000 for infrastructure and associated costs for the Taste of Minnesota;
- \$500,000 for the Arrowhead Economic Opportunity Agency to expand workforce development opportunities in the region;
- \$500,000 for the Metro Youth Diversion Center to enhance workforce development opportunities for youth with a focus on underrepresented East African students; and
- \$500,000 for the Riverside Plaza Tenant Association to address employment, economic, and technology access disparities for low-income unemployed or underemployed individuals through training in health care, technology, and construction or skilled trades industries. (Art. 1, Sec. 2)

A Center for Nursing Equity and Excellence is created at the University of Minnesota to address nursing workforce needs. It is funded with a one-time \$250,000 fiscal year 2025 appropriation from the Workforce Development Fund. (Art. 2, Sec. 10)

#### General Fund spending

Appropriations from the General Fund are earmarked for grants to business and community development programs. The largest in the law are:

- \$2.5 million for Launch Minnesota for innovation grants to assist eligible Minnesota entrepreneurs or start-up businesses with their operating needs;
- \$1 million to the Entrepreneur Fund to capitalize its revolving loan funds to address unmet financing needs in northeast Minnesota of for-profit business startups, expansions, and ownership transitions;
- \$1 million to the New American Development Center to provide small businesses and entrepreneurs with technical assistance, financial education, training, and lending;
- \$500,000 to the Asian Economic Development Association for asset building and financial empowerment for entrepreneurs and small-business owners, small-business development and technical assistance, and cultural placemaking;
- \$489,000 to the Center for Community Resources for a financial literacy program;
- \$400,000 to the Somali Museum of Minnesota for capacity building;
- \$300,000 to Fortis Capital for a revolving loan fund to provide risk-mitigating capital for commercial development activities in underserved communities and entrepreneurs from disadvantaged groups statewide;

- \$200,000 to the Coalition of Asian American Leaders to support outreach, training, technical assistance, peer network development, and direct financial assistance for Asian Minnesotan women entrepreneurs and Asian-owned businesses; and
- \$200,000 to community butcher shops for relocation of such shops.

The law also appropriates General Fund money to support programs through Explore Minnesota Tourism: \$2 million to the 2026 Special Olympics USA Games to provide food and housing to athletes; \$1.25 million to the Minneapolis Downtown Council for infrastructure and associated costs for the Taste of Minnesota; \$825,000 for Explore Minnesota Film; and \$400,000 to Ka Joog for Somali community and cultural festivals and events.

#### Policy provisions

Effective July 1, 2025, a person applying for an individual license to practice as a cosmetologist, hair technician, manager, or instructor must successfully complete training on the properties of the hair and all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair; and have experience providing services to individuals with hair of all types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair.

Among the 600 total hours of training for hair technicians in hair cutting and styling and chemical hair services must, beginning Aug. 1, 2025, include training in services to individuals who have all hair types and textures, including coil, curl, or wave patterns, hair strand thicknesses, and volumes of hair. (Art. 3, Secs. 1-2, 4)

The law also:

- transfers the duties of the Minnesota Film and TV to Explore Minnesota Film, which is established by the law as an office within Explore Minnesota;
- modifies the definition of “dislocated worker” is modified for purposes of access to dislocated worker services in the state’s dislocated worker program. One change is to expand services to the spouse of a member of the U.S. armed forces who is on active duty and who meets certain conditions;
- permits the Department of Employment and Economic Development to transfer up to \$5 million (up from \$2 million) of a fiscal year’s appropriation between the Minnesota Job Creation Fund program and Minnesota Investment Fund to meet business demand;
- modifies the uses and grant amounts for grants under the Innovative Business Development Public Infrastructure Grant Program;
- adds a representative of a school district facing revenue loss due to energy transition to the Energy Transition Advisory Committee;
- modifies duties, responsibilities, and scope of the Expanding Opportunity Fund and the Minnesota Emerging Entrepreneur programs;
- requires the Small Business Assistance Partnerships program to submit an annual report to the Legislature; and
- clarifies that the state’s independent living services are administered by the Vocational Rehabilitation Services Program. (Art. 2, Sec. 2; Art. 4, Sec. 1; Art. 5, Secs. 1-5; Art. 6, Secs. 1-3; Art. 7, Sec. 1; Art. 9, Secs. 3-4, 6; Art. 10, Sec. 1)

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#### Education

## School resource officer use of force law clarified

More clarity has been put into law regarding the use of reasonable force by school resource officers.

Sponsored by Rep. Cedrick Frazier (DFL-New Hope) and Sen. Bonnie Westlin (DFL-Plymouth), and effective March 15, 2024, the law clarifies a 2023 law around the use of certain choke holds and face-down prone restraints resource officers can place on students and updates use-of-force standards for those officers.

School district employees can only place students in these types of holds “to prevent bodily harm or death to the child, pupil, or another.” School resource officers are subject to the limitations on using force that apply to any other peace officer – including the ban on using choke holds that applies to all officers.

It also removes previous language specific to contracted security and school resource officers placing restraining holds on students.

The law will also:

- create and fund new school resource officer training standards;
- direct the Peace Officer Standards and Training Board to develop a model school resource officer policy; and
- appropriate \$150,000 in fiscal year 2024 and \$490,000 in fiscal year 2025 from the General Fund to the Department of Public Safety to increase staffing in its school safety center. Base funding is \$490,000 in fiscal years 2026 and 2027.

HF3489\*/SF3534/CH78

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## Education

# Annual education forecast adjustments

A new law adjusts fiscal years 2024 and 2025 preK12 education appropriations enacted in 2023 to match the February 2024 forecasted data.

Generally, a change in estimated pupil counts, or a program participation is the most likely reason for an adjustment.

The law adjusts funds allocated to general education aid, enrollment options transportation, abatement aid, consolidation transition aid, nonpublic pupil education aid, nonpublic pupil transportation, career and technical aid, achievement and integration aid, charter school building lease aid, interdistrict desegregation or integration transportation grants, literacy incentive aid, American Indian education aid, tribal contract school aid, alternative teacher compensation aid, student support personnel aid, aid for children with disabilities, court-placed special education revenue, special education, special education separate sites and programs, travel for home-based services, debt service equalization aid, long-term facilities maintenance equalized aid, school lunch, school breakfast, kindergarten milk, school library aid, early childhood family education aid, developmental screening aid, home visiting aid, adult basic education aid, adults with disabilities program aid, community education aid and school-age care aid.

Sponsored by Rep. Cheryl Youakim (DFL-Hopkins) and Sen. Mary Kunesh (DFL-New Brighton), the law took effect March 26, 2024.

HF4518\*/SF4588/CH81

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## Education

# No book bans, cell phone changes, Read Act part of education policy law

A few weeks before summer vacation starts for students throughout the state, some changes that will affect them in future years have become law.

Rep. Laurie Pryor (DFL-Minnetonka) and Sen. Steve Cwudzinski (DFL-Eden Prairie) sponsor the law that takes effect July 1, 2024, unless otherwise noted.

HF3782/SF3567\*/CH109

## Cell phones

Like many folks, students are addicted to their cellphone; however, district policies across the state vary if they exist at all.

The law requires a school district or charter school to adopt a policy on students' possession and use of cell phones in school by March 15, 2025.

The provision, effective May 18, 2024, also requires the Minnesota Elementary School Principals Association and the Minnesota Association of Secondary School Principals to collaborate and make best practices available on a range of different strategies to minimize the impact of cell phones on student behavior, mental health, and academic attainment. (Art. 1, Sec. 1)

## Book bans banned

Also effective May 18, 2024, a public library cannot ban, remove or restrict access to books or other materials based solely on its viewpoint or the messages, ideas, or opinions it conveys. A library governing body must adopt a library materials policy, require certain policy components and prohibit employee discipline for complying with the requirement.

A library governing body is required to adopt a library materials policy and requires certain policy components, such as an employee cannot be disciplined for complying with the law.

A parent or guardian can still request a content challenge to library books. (Art. 7, Sec. 2)

## READ Act

Enacted in a 2023 law, Minnesota's Reading to Ensure Academic Development Act — or READ Act — aims to have every child, beginning in kindergarten, read at or above grade level every year and to support multilingual learners and students receiving special education services in achieving their individualized reading goals.

The new law makes largely clarifying and technical changes to the program, including language that:

- makes the purpose of the state literacy goal to “meet grade level proficiency”;
- increases the number of screenings for kindergarten through grade 3 students from two times to three times each school year;
- requires a school district to use only evidence-based literacy interventions in the 2025-26 school year;
- requires a district to include information about structured literacy training for teachers and other staff and Read Act funding uses in its local literacy plan;
- clarifies the types of teachers and staff who must receive training from the district;
- authorizes the Education Department to partner with one or more higher education institutions to conduct reviews of curriculum and intervention materials; and
- requires the Professional Educator Licensing and Standards Board to conduct an audit of approved teacher training programs to evaluate whether they meet subject matter standards for reading. A report is due to the Legislature by Aug. 1, 2026 (Art. 4, Secs. 5-8, 10-11, 13, 16, 19).

## General education, educational excellence

Among other changes in the law will:

- require the Department of Education to establish clear criteria for evaluating a district's application to use a four-day school week plan, at least annually accept district applications to use a four-day school week plan and determine whether each application meets the criteria. Approval of a four-day school week plan may not be revoked for six years from the date it is granted;
- allow school districts to share personal student contact information and directory information for students served in special education with the Department of Employment and Economic Development to coordinate services to students with disabilities;
- add American Indian cultural practice, observance, or ceremonies to be added to the list of excused religious absences from school;
- move the government and citizenship course requirement for graduation from the 2024-25 school year to the 2025-26 school year;
- require an annual review and revision of a personal learning plan to ensure the student is on track for graduation;
- allow a school, district, or charter school to provide a student's parent access to the student's individual student performance data and achievement report when it is made available to the school, district, or charter school;
- move the school performance data reporting date to no later than Oct. 1 in years with new performance standards and no later than Nov. 1 with new performance standards for English language proficiency assessments;
- give a school district with an American Indian mascot, nickname, logo, letterhead, or team name until Sept. 1, 2026, to comply with the prohibition on American Indian mascots;
- allow American Indian students or staff to use tobacco, sage, sweetgrass, and cedar to conduct individual or group smudging in a public school;
- allow a student journalist the right to exercise freedom of speech and freedom of the press in school-sponsored media, and require a school district or charter school to adopt and publish a student journalist policy;
- require a school district to adopt a language access plan that specifies procedures to render effective language assistance to students and adults who communicate in a language other than English;
- allow the Shakopee, Jordan, Prior Lake-Savage and Eastern Carver County school districts to publish their official proceedings on their websites instead a newspaper. It expires Aug. 1, 2026;
- establish a state council for the Military Interstate Children's Compact;
- provide certain rights and protections for children of Minnesota Army National Guard and Air National Guard members when transferring between public schools;
- provide rules for a school to achieve a Purple Star School designation; and
- makes programmatic changes to merge the voluntary prekindergarten (VPK) and school readiness plus (SRP) programs. (Art. 1, Sec. 5; Art. 2, Secs. 1-2, 6, 8, 14, 16-19, 21-22, 30; Art. 9, Sec. 4; Art. 10, Secs. 2-4)

Teachers, coaches

The law establishes requirements for the Professional Educator Licensing and Standards Board to approve an application for a Tier 1 special education license, clarifies that a Tier 1 license applicant must have a bachelor's degree unless they meet a certain exemption, and establishes requirements for the board to approve an application for a Tier 2 special education license.

The law also:

- encourages a teacher preparation program to include instruction for teacher candidates on ableism and disability justice; a school district is encouraged to offer this instruction by someone with a disability and expertise;



- authorizes the Professional Educator Licensing and Standards Board to collect and retain nonlicensed staff data on behalf of the Department of Education;
- requires a school district or charter school to place a teacher in a noninstructional assignment if a teacher is criminally charged with certain offenses;
- requires a school board to provide written notice to a coach whose contract will not be renewed the following school year no more than 60 days after the regular season ends. (Art. 3, Secs. 3-7, 12, 13, 16)

### Special education

Among special education changes, the law adds children ages 3-6 to the definition of developmental delay for early childhood special education, allows a school district to conduct an assessment for developmental adapted physical education as a stand-alone evaluation, and calls for a working group on special education licensure reciprocity with a report due to the Legislature by Feb. 1, 2025. (Art. 5, Secs. 1-2, 5).

### Charter schools

The law will require a charter school to identify its purposes in the charter contract and to document its implementation of those purposes in its annual report. Such documentation must be a component of the authorizer's performance review of the school.

Other parts of the law include:

- a charter school is to adopt a language access plan as though the charter school were a school district;
- requiring a staff member be employed for at least 480 hours in a school year for their children to receive enrollment preference;
- a charter school board of directors must establish qualifications for all persons who hold administrative, academic supervision, or instructional leadership positions;
- a charter school employee or board member cannot serve on the board of the school's authorizer; and
- requiring a charter school to adopt a procurement policy and that all purchases using state funds be made consistent with that policy. (Art. 6, Secs. 1, 5, 15, 17-18, 21)

### Health and safety

Beginning with the 2026-27 school year, requires districts and charter schools to provide mental health instruction for students in grades 4 to 12.

Effective at the start of the 2024-25 school year, a student can be excused from school for instruction conducted by a tribal spiritual or cultural advisor and specifies that child medical appointments include those conducted through telehealth. A district must also provide high school students access to private space to receive mental health care via telehealth.

The law clarifies when drugs or medicine may be administered in emergency school situations, including in the judgement of a licensed nurse. Additionally, a school can consult with a licensed nurse to develop a policy relating to administration of drugs or medicine.

A public school is encouraged, beginning with the 2024-25 school year, to adopt a policy on parental notification for unscheduled student removal from class. Child abuse prevention experts must be consulted to incorporate best practices into the school policy.

The Minnesota State High School League must provide school coaches with eating disorder prevention education resources. (Secs. 1-2, 4-6, 9-10)

# Additional K-12 funding; early childhood, some HHS also included

Education in Minnesota will get a \$43 million boost in funding for the fiscal year 2025, with much of the new spending going to increasing student literacy in Minnesota.

Sponsored by Rep. Cheryl Youakim (DFL-Hopkins) and Sen. Mary Kunesh (DFL-New Brighton), a new law increases education spending by more than \$43 million in fiscal year 2025.

In addition to K-12 provisions, language related to children and families and health and human services are in the law that takes effect July 1, 2024, unless otherwise noted.

HF5237\*/SF5252/CH115

## READ Act

The bulk of the new one-time spending — \$37.22 million in fiscal year 2025 — is directed to the Minnesota Reading to Ensure Academic Development (READ) Act.

According to the Department of Education, “The goal of the Minnesota READ Act is to have every child reading at or above grade level every year, beginning in kindergarten, and to support multilingual learners and students receiving special education services in achieving their individualized reading goals.”

The total breaks down as:

- \$31.37 million to complete teacher training;
- \$4 million for professional development (effective May 20, 2024);
- \$1 million to develop supplemental culturally responsive materials for approved curricula;
- \$375,000 for the regional literacy networks to develop training for paraprofessionals and volunteers;
- \$375,000 for the Center for Applied Research and Educational Improvement at the University of Minnesota to develop training for paraprofessionals and volunteers; and
- \$100,000 for a Read Act Deaf, Deafblind, and Hard of Hearing Working Group that is charged to “make recommendations on literacy training, screeners, and curriculum for students who cannot fully access sound-based approaches such as phonics.” (Art. 3, Secs. 1-2, 6, 8).

The law also expands uses of literacy incentive aid to include employing an intervention specialist, screeners, and stipends for teachers completing training required under the Read Act; and modifies distribution of 2024 appropriation for curriculum and intervention materials and requires funding to be distributed as aid to districts at the greater of \$2,000 or \$39.91 times the number of students served (Art. 3, Secs. 3-5).

## Voluntary pre-kindergarten

Effective May 20, 2025, the law increases the number of voluntary prekindergarten and school readiness plus seats from 7,160 to 12,360 for fiscal year 2025. It also increases funding in fiscal year 2025 in across many education areas to pay the costs attributable to additional voluntary prekindergarten seats.

The increase was funded with \$50 million in a 2023 law and a repealer makes those funds available on July 1, 2024, for implementation of the expansion.

Beginning Jan. 1, 2026: scholarship payments for early care and learning programs are to be made prior to or at the beginning of the delivery of services, rather than after services have been provided; and a process must be implemented for transferring scholarship awards between programs when initiated by a scholarship recipient. (Art. 11, Secs. 1-2, 7)

## Educational excellence

Per the law, the Department of Education will be required to adopt statewide standards in health education; beginning in fiscal year 2026, the maximum Pathways in Technology Early College High Schools support grant will be capped at \$500,000 and start-up grant for a new applicant or a technical and assistance grant cannot exceed \$50,000; and student eligibility standards for members of the Minnesota Youth Council will change from between the ages of 13 and 19 to students in grades 8 through 12.

Effective Jan. 1, 2025, a school board or a charter school will be permitted to adopt a model cardiac emergency response plan created by the department.

Until Aug. 1, 2026, a school district will be permitted to publish official notices online and at the local public library if the community's newspaper closes. If a qualified newspaper begins operation before then, the exemption shall not apply if "the qualified newspaper's legal rate is not more than ten percent above the rate charged by the school district's previous official newspaper and the qualified newspaper provides some coverage of the activities of the school district that is publishing the notice."

A task force is established to "analyze how public schools use English learner revenue at the site level and administrative level, consider how microcredentials or other certifications may be used to improve collaboration between teachers working with English learners, and make recommendations on how English learner revenue can be used more effectively to help students become proficient in English and participate meaningfully and equally in education programs."

Effective May 20, 2024, a pilot program is established in 12 Minnesota school districts to support developing and implementing innovative strategies to improve student attendance, and help policymakers determine how to effectively support district efforts to improve student attendance and engagement. The pilot program is effective for the 2024-25, 2025-26, and 2026-27 school years, and a report is due the Legislature Dec. 31, 2024; July 1, 2025; July 1, 2026; and Sept 1, 2027.

Also effective May 20, 2024, a legislative study group is established to study issues related to student attendance and truancy. A final report is due Dec. 31, 2024.

Other fiscal year 2025 educational funding includes:

- almost \$4.69 million for attendance pilot program aid;
- \$2.76 million to the Professional Educator Licensing and Standards Board for information technology costs. The onetime appropriation can be spent over three years;
- \$627,000 for rulemaking associated with the health education standards;
- \$625,000 to the Minnesota Alliance with youth for the Promise Fellow program
- \$375,000 for activities of the Minnesota Youth Council;
- a \$250,000 grant to the St. Cloud School District for an emergency medical services education facility suitable for coursework in emergency medical services (effective May 20, 2024);
- \$150,000 for the YMCA Youth in Government program and YMCA Center for Youth Voice program to support civic education;
- \$117,000 for the English learner program task force; and
- \$64,000 for the student attendance and truancy legislative study group.

Further, the law Increases equalization aid in fiscal year 2025 in the local optional revenue program, thereby reducing the local optional levy to offset other statewide increases in market value levies attributable to additional voluntary prekindergarten seats authorized in the law. It also, effective for revenue in fiscal year 2025 and later, modifies the compensatory education revenue program and extends the statewide compensatory revenue hold harmless beyond fiscal year 2027; and Includes a district's area learning center transportation aid in the calculation

of the pupil transportation adjustment. (Art. 1, Secs. 8, 13, 15, 19-22; Art. 2, Secs. 1-7, 10-11, 13, 19-22; Art. 10, Sec. 5)

## Teachers

Effective May 20, 2024, a school district or charter school that alters its calendar due to a weather event, public health emergency, or any other circumstance, is required to pay full wages and benefits to all school employees for their scheduled work hours if that day is counted as an instructional day. Employees may be allowed to work from home to the extent practicable.

To benefit students looking to become teachers, a student teaching stipend pilot program is created at seven public and one private postsecondary institution. Requires each qualifying postsecondary institution to provide a stipend to each student teacher placed in a Minnesota public school for a 12-week student teaching experience. Stipend income does not count toward a recipients' definition of income for purposes of eligibility for certain income assistance programs. A final report is due to the Legislature by July 1, 2025.

A Teacher and Paraprofessional Compensation Working Group is established, effective May 20, 2024, to advise the Legislature on strategies and recommendations to provide competitive compensation to teachers and paraprofessionals in Minnesota elementary, middle, and secondary schools. A report is due by Feb. 14, 2025.

For the 2024-25 school year, the annual required minimum hours of training for paraprofessionals from is reduced from eight to six hours, and schools must pay the training and testing fees.

The Department of Education and Professional Educator Licensing and Standards Board must work with school administrators and groups representing paraprofessionals, to examine and revise the test cut scores and competency grid used to qualify paraprofessionals.

Effective May 20, 2024, tribal contract schools can apply for a teacher preparation program grant that meets the requirements to establish a Grow Your Own pathway for adults to obtain their first professional teaching license. A tribal contract school can also participate in the special education teacher pipeline program.

Other fiscal year 2025 provisions in the law include:

- \$6.54 million for paid student teacher pilot program;
- \$1.03 million for grants to the four intermediate school districts for their special education registered apprenticeship program;
- \$1 million for the aspiring teachers of color scholarship program;
- \$150,000 for the Teacher and Paraprofessional Compensation Working Group. (Art. 5, Secs. 1, 4-9, 11, 19-24)

## New positions

The Office of the Inspector General, established and funded by the 2023 Legislature, is statutorily charged with protecting the integrity of the department and the state by detecting and preventing fraud, waste, and abuse in department programs. Its statutory charges were significantly beefed up this year.

The inspector general must report directly to the commissioner.

Per the law, "For the purpose of an investigation, the inspector general or a designee may administer oaths and affirmations, subpoena witnesses, compel attendance, take evidence, and issue subpoenas duces tecum to require the production of books, papers, correspondence, memoranda, agreements, financial records, or other documents or records relevant to the investigation."

An employee who discloses information to the office about fraud, waste, or abuse in department programs is protected under the state's whistleblower statute. (Art. 10, Secs. 1-2)

A state school librarian position is added at the Department of Education effective July 1, 2024, to, in part, "provide advice and guidance in academic standards development and statewide library data collection from district and charter schools, and related activities ... (and) support district and charter schools on issues of intellectual freedom,

media and digital literacy, and growing lifelong readers.” Beginning in fiscal year 2026, \$130,000 from the amount appropriated for school library aid will fund the position; (Art. 9, Secs. 2, 6; Art. 10, Sec. 3)

## Child protection and welfare

Each county shall establish a multidisciplinary local child mortality review team and shall participate in local critical incident reviews that are based on safety science principles to support a culture of learning.

A child mortality review panel is to be established by the Department of Human Services to review critical incidents attributed to child maltreatment. Its purpose is to identify systemic changes to improve child safety and well-being and recommend modifications in statute, rule, policy, and procedure.

Effective July 1, 2025, the chief justice is permitted to establish a Supreme Court Council on Child Protection to “develop a comprehensive blueprint for improvement that addresses all aspects of the child protection system, including prevention and early intervention.” A final report is due the Legislature and governor by Jan. 15, 2026. The law appropriates \$1 million to establish the council.

Effective May 20, 2024, “the commissioner of children, youth, and families must review current child maltreatment reporting processes and systems in various states and evaluate the costs and benefits of each reviewed state's system. ... The commissioner must develop recommendations on implementing a statewide child abuse and neglect reporting system in Minnesota and outline the benefits, challenges, and costs of such a transition.” A report is due the Legislature by June 1, 2025. The review will be conducted with a \$200,000 fiscal year 2025 appropriation. (Art. 12, Secs. 27, 30-31; Art. 22, Sec. 2)

## Housing and Homelessness

The law requires the state to identify emergency shelter needs for transgender adults experiencing homelessness, conduct a site analysis, and develop a shelter plan. Propel Nonprofits, who will perform the study for \$150,000, must submit a report by March 1, 2025.

The Wilder Foundation is provided \$150,000 to study “the statewide numbers and unique needs of pregnant and parenting youth experiencing homelessness; and best practices in supporting pregnant and parenting homeless youth within programming, emergency shelter, and housing settings.” A report is due the Department of Human Services by Dec. 31, 2025. (Art. 14, Sec. 1; Art. 22, Sec. 2)

## Child care

A licensed child care center or a licensed family child care program can adopt an immunization policy that prohibits a child over 2 months of age from enrolling in or remaining enrolled in the center or program if the child is not immunized and is not exempt from immunization.

Provisions in this article include a requirement that the Department of Children, Youth and Families implement a new weighted risk system that creates a tiered enforcement framework for all child care centers and providers to reflect the level of risk a violation poses to children. Once that system is in place, the current child care “fix-it tickets” would expire.

First aid and CPR training requirements for people who work in licensed family child care settings are also modified.

A licensed child care center can provide water to children in reusable water bottles or reusable cups if the water bottle or cup is taken home to be cleaned and sanitized each day it is used.

The name of a person who reports suspected fraudulent activity in the child care assistance program must be kept confidential. The subject of the report may compel disclosure of the reporter’s name only in specified circumstances.

Effective Oct. 1, 2024, staff in certified, license-exempt child care centers must complete first aid and CPR training within 90 days after the first date of direct contact with a child.

The Department of Human Services must develop a continuous license process for family child foster care licenses. (Art. 15, Secs. 1-3; Art. 18, Sec. 6; Art. 19, Secs. 5, 14, 24, 29)

## Parents with disabilities

Effective Aug. 1, 2024, a court cannot deny a prospective adoptive parent the ability to proceed with an adoption due to the prospective parent's disability; nor can a petition be filed alleging that a child needs protection or services on the basis of a parent's disability.

Additionally, a court should not deny a parent parenting time with their children because a parent has a disability unless the parent has specific behaviors that would endanger the health or safety of the child. The parent should be given an opportunity to use supportive services to alleviate concerns. (Art. 18, Secs. 24-25, 32, 47)

#### More policy in the law

- effective May 20, 2024, psychotherapy for crisis is included as an eligible for medical assistance when the recipient needs an immediate response due to specific mental illness symptoms;
- a task force is created to examine the distribution of earnings from the permanent school fund. It is funded with \$64,000. A report is due to the Legislature by Jan. 15, 2026; and
- elimination of a requirement that Minnesota Management and Budget prepare an annual report outlining the federal fiscal effects that could occur if the state were to opt out of federal education accountability standard requirements;
- an intergovernmental advisory committee is established to provide advice, consultation, and recommendations to the Department of Children, Youth and Families on the planning, design, administration, funding, and evaluation of services to children, youth, and families;
- makes technical and conforming changes to the Minnesota Indian Family Preservation Act , and modifies definitions, requirements for appointment of counsel, and child placement case procedures involving American Indian children; and
- an adoption disclosure must include a statement regarding the right of an adopted person to request and obtain a copy of the person's original birth record and the right of the birth parent to file a contact preference form with the state registrar. (Art. 7, Sec. 3; Art. 10, Secs. 4, 6-7; Art. 16, Sec. 2; Art. 17, Secs. 1-56)

#### Children and families appropriations

The law makes a number of appropriations in fiscal year 2025 to various agencies for purposes related to children and families, some of which include:

- \$9.66 million for information technology improvements to the outdated Social Services Information System used by more than 6,000 workers around the state each day to track and manage child welfare case work;
- \$3.39 million for emergency services grants;
- \$2.39 million for Minnesota's regional food banks contracted with for the purposes of the emergency food assistance program;
- \$2 million for the Minnesota food shelf program;
- \$1.13 million for the child care improvement grant program;
- \$1 million for the American Indian food sovereignty funding program;
- \$550,000 for the supporting relative caregiver grants program;
- \$500,000 from the federal child care and development block grant for professional development for child care providers. (Art. 22, Sec. 2)

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## Elections

# Elections policy, finance changes include Minnesota Voting Rights Act, funding help

Goals of the 2024 elections law include improved voter access and increasing election transparency. It also provides additional funding to help local elections officials with continuing administration and infrastructure costs.

Included in the package are implementation of the Minnesota Voting Rights Act, additional voting on college campuses, making voter registration easier, enhanced disclosure for who aims to influence elections, changes to the census/redistricting process and better ensuring AI-generated deep fakes do not interfere with elections.

Rep. Mike Freiberg (DFL-Golden Valley) and Sen. Jim Carlson (DFL-Eagan) sponsor the law that has myriad effective dates.

HF4772\*/SF4729/CH112

## Money

Not a budget year, the law nonetheless contains an additional \$500,000 in net General Fund spending in the 2024-25 biennium. However, some internal transfers and modification of 2021 and 2023 laws provided more funds used for other purposes.

The voting operations, technology, and election resources account that assists local governments with certain election-related expenses is the largest beneficiary, receiving an additional \$3 million in fiscal year 2024 and nearly \$3.09 million in fiscal year 2025.

Other financial provisions include \$200,000 for college campus polling location reimbursement, \$144,000 from the General Fund to the Voting Rights Act cost sharing account in the special revenue fund — money to be used by local governments for the Minnesota Voting Rights Act created by the law — and \$70,000 in one-time funds would go to the Campaign Finance and Public Disclosure Board: \$50,000 for campaign treasurer training and \$20,000 to notify local governments and update their systems to accept disclosures in local spending by political committees and funds. (Art. 1, Secs. 1-5)

## Minnesota Voting Rights Act

The Minnesota Voting Rights Act, effective May 18, 2024, aims to ensure no one is denied an equal opportunity to vote by codifying, streamlining, and strengthening protections against voter suppression and vote dilution.

It will do so, in part, by prohibiting state voting standards that deny or limit any citizen's right to vote based on their race, color or language. Examples could include closing or shifting polling places, inadequate voter registration efforts, non-standard election days, redistricting plans that "pack" persons of color to weaken their voting strength, and lack of language assistance for voters whose first language is not English.

The law ensures a private right of action and allows both sides a way to work together to rectify a problem without going to court.

Passed in 1965, the Federal Voting Rights Act prohibited racial discrimination in voting. However, the Eighth Circuit Court of Appeals ruled in November 2023 that voters themselves in the court's district can no longer challenge racially discriminatory laws or restricting plans under federal law. (Art. 3, Secs. 1-12)

## College campus voting, student IDs

Effective Jan. 1, 2025, the law will require designation of an additional polling place for the state general election or off-year city general election for at least one day on the campus of a postsecondary institution that provides on-campus housing for at least 100 students if requested by the institution or the student government organization. The location can be within one-half mile of the campus provided it is "reasonably accessible" to the institution's students.

The secretary of state's office will reimburse local election officials for costs to operate the location at the rate of \$5,000 for one polling place in the first year, \$3,000 for each additional place in year one, and \$3,000 per location in

subsequent years.

Effective June 1, 2024, the law expands the permissible types of identification a student can show to prove their identity during Election Day registration when the student is using a postsecondary institution residential housing list to prove their residency. A valid student photo identification card could already be used, but added to the law are a driver's license or a document approved by the secretary of state as proper ID or a tribal ID card (Art. 2, Secs. 4-5, 13-14)

#### School board vacancies

Effective July 1, 2024, if a school board vacancy occurs less than two years prior to the term's expiration no special election is required. The law further provides that a school board may, but is not required to, fill a vacancy that occurs less than 90 days prior to the expiration of the term via appointment at a regular or special meeting.

However, if a board member is removed for proper cause, a special election must be held to fill the vacancy as soon as possible on a uniform election date.

Under current law, a vacancy can be filled by a board appointment until a special election is held; however, a special election is not required if the vacancy occurs less than 90 days prior to Election Day in the third year of the member's term. (Art. 2, Sec. 2)

#### Candidate safety

Current law prohibits someone from making personal information about an official or their family or household member publicly available without consent if the information's availability poses an imminent and serious threat to the safety of the official, their family or household member and the person making the information available knows of any imminent or serious threat.

Effective Aug. 1, 2024, the law expands the definition of "personal information" to include the official's home telephone number, cell phone number, personal email address, minor children's names, and pictures of the official's minor children. (Art. 2, Secs. 74-75)

#### Deep fake technology

To reduce the spread of misinformation that could threaten the electoral process, Minnesota enacted a 2023 law to criminalize the use of deep fakes to influence an election.

Effective July 1, 2024, an update to that law declares that a candidate has forfeited the nomination or office if they are found guilty of using deep fake technology to influence an election.

The law also amends the time frame in which a person can commit the offense of using a deep fake to influence an election to include 90 days before a political party nominating convention, or after the absentee voting period has begun prior to a presidential primary, state primary, local primary, special primary, or special election. The provision does not apply to a cable television system or broadcaster who disseminates a deep fake produced by a candidate if the dissemination is required by federal law. (Art. 2, Secs. 76-78)

#### Lobbying, campaign finance

Effective May 18, 2024, the Campaign Finance and Public Disclosure Board is ordered to study and make recommendations related to lobbying of state government officials versus local government officials.

Per the law: "The study and recommendations must focus on whether the law does or should distinguish between activities that constitute lobbying of a public official and activities that constitute lobbying of a local official. If the study determines that a distinction between these activities is appropriate and is not adequately articulated within current law, then the board must recommend options for the legislature to consider in adopting that distinction by law." A report is due the Legislature by Jan. 15, 2025.

The law also enhances disclosure requirements for people wanting to influence elections including adding certain digital advertisements to the current law requiring disclosure of electioneering communications, a candidate's principal campaign committee cannot accept a loan from the candidate if the loan must be repaid with interest (both



effective Jan. 1, 2025), and, effective July 1, 2024, amends the board's authority to impose late filing fees. (Art. 4, Secs. 8, 14-15, 27)

### Redistricting/census changes

Beginning with the 2030 census, state and federal prisoners will be counted based on their last known address immediately prior to incarceration, rather than the location of the correctional facility.

Additionally, census workers will have access to multi-unit housing facilities at any time in the course of their duties, not just Jan. 1 to July 1 the year a census is conducted. (Art. 5, Secs. 1-4)

### Other elections administration

In addition to largely technical election administration and policy changes, the law includes provisions that will:

- allow a statutory city to elect city council members by ward in certain circumstances;
- require a candidate, when filing an affidavit of candidacy, to present to the filing officer a valid driver's license or state identification card containing their current address or documentation of proof of residence authorized for Election Day registration. This takes effect Jan. 1, 2025;
- beginning June 1, 2024, require a paper voter registration application to provide space for a voter to provide a physical description of the location of their residence if the voter resides in an area without a specific physical address;
- prohibit a recipient of the public voter information list, beginning May 18, 2024, from publishing any information on an internet list, database, or other similar searchable format. Nor can they sell, loan, provide access to, or otherwise surrender any information from the list to any other person or entity unless under certain circumstances;
- require every county and municipality that administers absentee voting to use a .gov domain for their website address by June 1, 2026;
- amend the definition of "major political party" by striking the 5% threshold that applied to general elections held on or before Nov. 8, 2022, and strikes a reference to the 8% threshold applying at general elections held on or after Nov. 7, 2024. This section is effective Aug. 1, 2024;
- require school districts to make paper or electronic voter registration applications available each May and September to district students eligible to register or preregister to vote;
- effective for elections for which the absentee ballot period begins on or after Jan. 1, 2025, state that witness requirements for an absentee ballot return signature envelope must provide the witness is a United States citizen and at least 18 years of age on or before the day of the election;
- require the State Canvassing Board to meet on the 16th day following the state general election. Current law requires the meeting to occur on the third Tuesday after the state general election;
- give a county board the option of appointment or a special election to fill a county sheriff or attorney opening;
- require the secretary of state's office use the Social Security Death Index for updating voter registrations; and
- repeal a statute related to filling vacancies on the Hennepin County Board of Commissioners. (Art. 2, Secs. 1, 3, 6-10, 12, 16, 31, 70-71, 73, 81; Art. 3, Secs. 13-14)

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### Employment

## Workers' Compensation Advisory Council recommendations

A technical and policy new law for the Workers' Compensation Advisory Council contains changes to workers' compensation provisions.

Based on council recommendations, the changes include:

- revising the calculation of short-term agricultural workers' average weekly wage;
- updating the maximum dollar limit on workers' compensation attorney fees;
- updating the percentage calculation for maximum weekly compensation for temporary total disability benefits;
- creating a penalty for failure to follow statutory allowances for electronic medical records fees;
- raising the penalty amount for failing to follow benefit discontinuation process timelines; and
- raising allowable costs for remodeling awards for permanently disabled employees.

Sponsored by Rep. Dan Wolgamott (DFL-St. Cloud) and Sen. Jennifer McEwen (DFL-Duluth), the law takes effect Aug. 1, 2024, unless otherwise noted .

HF4661\*/SF4745/CH97

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## Employment

# Law adds protections for minors appearing in online media

A new law establishes regulations, compensation requirements, and enforcement provisions related to minor children appearing on internet platforms where the content generates compensation.

Sponsored by Rep. Zack Stephenson (DFL-Coon Rapids) and Sen. Erin Maye Quade (DFL-Apple Valley), the law takes effect July 1, 2025.

The law defines "content creator" as a person who creates and posts videos online for compensation, on their own or with a company, but excludes minors creating content. Content creators showing minors appearing incidentally in a video that depicts a public event are not subject to the law.

The law will apply when at least 30% of the content creator's compensated video content produced within a 30-day period included the likeness, name, or photograph of any minor.

A trust account and payment for the content created using the minor's likeness will be required and the trust must be maintained until the minor reaches age 18.

Records must be kept on minors who appear in at least 30% of the content creator's videos, when the content creator's videos generate income. The records must include the minor's name, the amount of compensation generated, and how much was paid into the minor's trust account. Records must be readily accessible to the minor and the minor may request the content with their likeness be deleted any time after they turn 13.

Children under 14 will be prohibited from working in content creation, so they cannot appear in more than 30% of the videos, but, if they do appear, they are entitled to 100% of the profits.

The law specifies that minors aged 14 to 18 can produce their own content and are entitled to the profits.

The minor, or an adult previously depicted as a minor, can sue for damages if the law is violated.

HF3488\*/SF3496/CH103

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## Employment

# Saliva drug tests, restrictive employment covenants, surgical smoke evacuation among provisions in labor and industry policy law

Provisions that address issues ranging from drug testing and surgical smoke to job postings and credit card tipping are all included in the 2024 labor and industry policy law.

Sponsored by Rep. Michael Nelson (DFL-Brooklyn Park) and Sen. Jennifer McEwen (DFL-Duluth), the law takes effect Aug. 1, 2024, unless otherwise noted.

HF3947/SF3852\*/CH110

## Employment

Effective Jan. 1, 2025, employers must disclose in each job posting the starting salary range or fixed pay rate and a general description of all benefits and other compensation, which can include health or retirement benefits.

Also taking effect at the start of 2025, the law moves the definition of large and small employers from inclusion in the minimum wage statute to the general definitions section contained in the Minnesota Fair Labor Standards Act. It also modifies several minimum wage provisions by removing the distinctions between large and small employers, for hotels and resorts with summer work travel exchange employees, and minor employees of large employers.

And effective Aug. 1, 2024, it will allow the Department of Labor and Industry to adjust the minimum wage rates by the lesser of the inflation-based percentage or 5%. As result of these changes, the large employer minimum wage rate, currently set at \$10.85, as adjusted annually, will become the minimum wage rate applicable to most employers starting Jan. 1, 2025, unless the training wage rate for employees under age 20 or another specific statutory rate applies.

A health care employer will be required beginning Jan. 1, 2025, to adopt and implement policies to prevent exposure to surgical smoke by requiring the use of a smoke evacuation system during any surgical procedure that is likely to generate surgical smoke. (Art. 6, Secs. 1-3; Art. 7, Secs. 9, 42 )

The following provisions take effect Aug. 1, 2024:

- gratuities received by an employee through a debit, charge, credit card, or electronic payment must be credited to the pay period in which they are received by the employee and paid out in the next scheduled pay period;
- an employer can use oral fluid testing procedures as an alternative way to test when drug and alcohol or cannabis testing is requested for employees and job applicants . (Art. 7, Secs. 1, 52)

Effective July 1, 2024, the use of restrictive employment covenants will be prohibited and such covenants will be void and unenforceable. Service providers — defined as “any partnership, association, corporation, business, trust, or group of persons acting directly or indirectly as an employer or manager for work contracted or requested by a customer” — must give notice to employees about this law if their contracts contain this type of restrictive provision. Per the law, “This section does not apply to workers providing professional business consulting for computer software development and related services who are seeking employment through a service provider with the knowledge and intention of being considered for a permanent position of employment with the customer as their employer at a later date.” (Art. 2, Sec. 53 )

## Construction codes and licensing

Effect May 18, 2024, changes include:

- clarifying that licensing under Chapter 326 does not apply to planning and supervision of construction and installation work by a licensed well contractor;

- an individual who physically performs electrical work on a residential dwelling that the individual owns and occupies as a residence or owns and will occupy as a residence upon completion of construction is not required to hold or obtain a license; and
- a licensed well contractor is exempt from licensing as a plumber to do work designing and installing water service lines. (Art. 1, Secs. 1, 6, 9)

#### Labor standards

Taking effect Aug. 1, 2024 , unless otherwise noted, changes include:

- making the identity of labor standards violations complainants protected data, but allows the Department of Labor and Industry to disclose this data to other government agencies with the consent of the complainant;
- employers and persons requested by the commissioner to produce records must respond within the time and in the manner specified by the commissioner;
- adding employee earnings statements to records that must be retained by an employer for three years;
- any measure passed by the Nursing Home Workforce Standards Board must have the support of at least two commissioner members or the commissioner's appointees and one member representing nursing home employers ;
- an employer must continue group insurance and health care benefits for the employee and any dependents while on pregnancy or parental leave. The length of pregnancy and parental leave cannot be reduced by any period of paid or unpaid leave taken for prenatal care medical appointments;
- updating compliance order authority, employer liability, and the amount of time an employer has to object to a compliance order (15 days) within the child labor laws. Clarifies the penalty structure for violations of child labor laws by an employer, adds liquidated damages for violations by employers for employing minors in hazardous occupations and adds retaliation protections applicable to the child protection laws; and
- prohibits restrictive employment covenants by saying that no service provider may restrict, restrain, or prohibit in any way a customer from directly or indirectly soliciting or hiring an employee of a service provider. Workers providing professional business consulting for computer software development and related services are exempt (Art. 2, Secs. 1-2, 5, 7, 9-11, 13-15, 53).

#### Apprenticeship policy

Among changes to the apprenticeship policy are:

- clarifying the definition of "journeyworker";
- changing the ratio requirements of apprentices to journeyworkers to one-to-one for industries outside of the building and construction trades or any hazardous occupation;
- making an apprentice's probationary period not more than one year or 25% of the length of the program, whichever is shorter;
- an apprenticeship agreement must be prepared by the sponsor on a form provided by the Department of Labor and Industry;
- apprentice data is private, but it may be shared with a state agency for certain purposes or the U.S. Department of Labor;
- increasing the time allowed to file an appeal regarding a violation of the terms of an apprenticeship agreement from 10 to 15 days; and
- allowing a person aggrieved by an order of deregistration to appeal to the department. If no appeal is filed within 15 days of the date of service, the order of deregistration shall become the final order. It also lays out rules for an appeal. (Art. 4, Secs. 3, 11, 13, 15, 17-18, 23)

## Other areas

The law also makes open meeting requirements exempt when the Occupational Safety and Health Review Board is deliberating to decide an appeal or petition under its jurisdiction; allows the commissioner to share active and inactive civil investigative data with a city or county attorney for purposes of enforcing OSHA provisions; and makes many technical language changes to the Bureau of Mediation Services. (Art. 3, Secs. 2, 6; Art. 5, Secs. 1-34)

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## Energy

# Cleaning up power sources, drinking water key to energy and agriculture law

The energy and agriculture policy and supplemental budget law includes \$17 million in fiscal year 2025 energy appropriations designed to get the state closer to its goal of 100% clean energy by 2040, and \$4.5 million for such agriculture-related programs as assisting communities in southeastern Minnesota affected by nitrate contamination in their drinking water.

Sponsored by Rep. Patty Acomb (DFL-Minnetonka) and Sen. Nick Frentz (DFL-North Mankato), the law's climate and energy provisions took effect May 25, 2024, except where indicated. The same is true of the law's supplemental budget and policy provisions impacting agriculture and broadband, which were included in bills sponsored by Rep. Samantha Vang (DFL-Brooklyn Center) and Sen. Aric Putnam (DFL-St. Cloud).

HF4975/SF4942\*/CH126

## Agriculture appropriations

Among the outlays for agriculture that take effect July 1, 2024, is \$2.8 million to provide nitrate home water treatment, including reverse osmosis systems, for households in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha and Winona counties with wells that have been contaminated. Priority is given to households at or below 300% of the federal poverty guidelines and those with infants or pregnant people. (Art. 1, Sec. 2)

## Elk damage

The law modifies the process to compensate farmers when crops or fences are damaged by elk. Farmers must promptly report the damage but can submit a claim for crop damage upon discovery or at harvest. There is an upper limit of \$1,800 per year for fence damage. (Art. 2, Secs. 1-5)

## Beginning farmers

The law adjusts some grant programs aimed at helping farmers who have historically faced barriers entering the field. It gives preference to farmers with limited access to land (renters with leases shorter than three years) and markets (less than \$100,000 in gross sales).

Producers of industrial hemp or cannabis — or one who grows specialty crops such as fruits, vegetables, nuts, herbs or flowers — are often entry-level farmers, and they may receive preference for some grant programs. (Art. 1, Sec. 2; Art. 2, Secs. 6-9)

## Pesticides

The law places in statute many of the Department of Agriculture's practices surrounding commercial pesticide licensing, certification and record keeping. It also bars those younger than age 18 from being licensed.

Additionally, the Department of Agriculture must consult with outside experts, including the Department of Health, Department of Natural Resources, Pollution Control Agency and University of Minnesota, before approving an experimental pesticide. And commercial applicator license exams are required to be available in Spanish by Jan. 1, 2025. (Art. 2, Secs. 13-30, 71)

## Agricultural Fertilizer Research and Education Council

The law extends a 40-cent-per-ton fee on fertilizer purchases until June 30, 2029. The fee will continue to be used to fund the Agricultural Fertilizer Research and Education Council, which is extended to June 30, 2030.

The council will grow from 12 to 15 members, with one member from the Minnesota Crop Production Retailers, rather than two. Of the new members, one will come from the Minnesota Institute for Sustainable Agriculture, one from the Minnesota Soil Health Coalition, one will be an expert in public health, and one an expert in water quality.

The council's priorities must now include research and guidance on best practices in areas with karst geology, where groundwater is susceptible to nitrate contamination.

The law also adds regenerative agriculture and protection of clean water to the list of research projects that can be funded. (Art. 2, Secs. 36-43)

## Other farm and rural development provisions

Recipients of soil health equipment grants must certify they won't sell the equipment for at least 10 years. The sunset of the Food Safety and Defense Task Force is extended by 10 years to June 30, 2037, while the sunset of the Minnesota Organic Advisory Task Force is extended by 10 years to June 30, 2034. Consistent with federal labeling laws, honey that is mixed with another sweetener must be labeled as such. And the law modifies the Dairy Development and Profitability Enhancement program for better flexibility. (Art. 2, Secs. 11, 51, 53-55)

Additionally, the law:

- increases by \$100,000 the maximum state participation in some Rural Finance Authority loans;
- states that disaster recovery loans can be used to buy animal feed if drought is the reason for the purchase;
- establishes that known owners of stray animals shall be notified within seven days, with the owner paying any transportation costs to recover the stray;
- establishes that, for strays with unknown owners, notice must be given to the town or city clerk within 10 days or the animal must be given to animal control or a kennel within seven days;
- requires a report by Feb. 1, 2025, that examines whether the state should set up a carbon credit market; and
- allows the Office of Broadband to move up to \$5 million among its border-to-border broadband, low-density population and broadband line extension programs. (Art. 2, Secs. 56-61, 67, 72; Art. 3, Sec. 1)

## Climate and energy appropriations

The law allocates \$1.1 million from the General Fund to the Department of Commerce and \$267,000 to the Public Utilities Commission in fiscal year 2025.

The Department of Commerce appropriations include \$500,000 each for a thermal energy network site suitability study and to award incentives to local units of government to adopt the Solar Automated Permit Processing+ software program designed to help municipalities transition to solar energy. (Art. 4, Sec. 2)

## Renewable Development Account appropriations

This account is designed to fund projects that employ renewable energy sources, its monies coming from fees paid by Xcel Energy in order to store nuclear waste at its Monticello and Prairie Island nuclear plants.

The law distributes \$15.4 million from the account in fiscal year 2025. Of that funding, the largest total is \$6 million toward a geothermal energy system for Minneapolis' Sabathani Community Center. The law also appropriates \$5 million for an anaerobic digester energy system for Ramsey and Washington counties that will be located in Louisville Township.

Allocations from the Renewable Development Account for fiscal year 2025 also include:

- \$1.5 million to promote the Solar APP+ software program;
- \$1.2 million for geothermal energy system planning grants;
- \$1 million for a suitability review of carbon pipelines;
- \$500,000 to Dakota County for energy efficiency projects; and
- \$250,000 for ultra-efficient vehicle development grants. (Art. 5, Secs. 2-3)

#### Energy policy

The law extends the state's solar energy production incentive program (Solar Rewards) through 2035, and allocates \$5 million per year toward the program from 2026 through 2035. The law also:

- requires that utilities must allow new customers to use individual taxpayer identification numbers in lieu of Social Security numbers;
- adds efficient fuel-switching improvements to incentive plans for energy conservation and programs for electric and natural gas utilities;
- adds energy savings goals for consumer-owned natural gas facilities;
- sets requirements for utilities' innovation plans to include thermal energy networks;
- creates a geothermal planning grant account for grants of up to \$150,000;
- establishes a program to provide technical assistance and financial assistance to local units of government to streamline the review and permitting process for residential solar and energy storage system projects;
- establishes a grant program to provide financial assistance to developers and producers of ultra-efficient vehicles;
- creates a thermal energy network deployment work group;
- requires the Public Utilities Commission to conduct studies regarding carbon dioxide pipelines and thermal energy network site suitability;
- orders the Public Utilities Commission to assemble a report on grid-enhancing technologies and initiate a proceeding to establish cost-sharing standards necessary to upgrade a utility's distribution system; and
- establishes an interconnection ombudsperson position in the Public Utilities Commission's consumer affairs office. (Art. 6, Secs. 4-6, 11-12, 14-18, 23, 45-46, 48-54)

#### Minnesota Energy Infrastructure Permitting Act

This section of the law was the product of a work group of 31 stakeholders assembled by the Public Utilities Commission, and includes that group's top 12 recommendations for streamlining the permitting process for electricity-generating projects to be hooked up to the transmission grid.

It shortens the deadlines for transmission line owners and streamlines the process for designating sites and routes, lays out procedures for determining what review processes are applicable for a project, and contains measures designed to streamline the processes for environmental assessment and amending permits with minor alterations. It also provides permitting exemptions for projects below a certain size involving solar, wind or battery storage.

The provisions in this article are effective July 1, 2025. (Art. 7, Secs. 5-6, 9-10).

#### Certificates of need

The law exempts certain projects from the requirement to obtain a certificate of need from the Public Utilities Commission including certain high-voltage transmission lines, based on their capacity and length, and wind and solar energy projects contributing to the state's renewable or carbon-free energy standards. (Art. 8, Secs. 1, 6)

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## Environment and Natural Resources

# Nearly \$80 million in lottery proceeds going to protect, enhance state resources

The \$79.64 million fiscal year 2025 appropriations from the Environmental and Natural Resources Trust Fund cover more than 100 projects as recommended by the Legislative-Citizen Commission on Minnesota Resources.

The fund was established in 1988 via constitutional amendment to “provide a long-term, consistent, and stable source of funding for activities that protect, conserve, preserve, and enhance Minnesota’s ‘air, water, land, fish, wildlife, and other natural resources’ for the benefit of current citizens and future generations.” Money is generated by the state lottery.

Rep. Rick Hansen (DFL-South St. Paul) and Sen. Fong Hawj (DFL-St. Paul) sponsor the law that mostly takes effect July 1, 2024.

Funding in the law includes:

- \$20.3 million for land acquisition and recreation projects, including more than \$5.0 million to develop state trails and \$4.7 million for local parks, trails and natural areas;
- \$15.0 million for 28 foundational information and data projects. Grants range from \$3.2 million to \$88,000 and include money to update field guides, track movement of white-tailed deer and prepare geologic atlases;
- \$11.3 million for 22 environmental education projects such as \$410,000 to support a naturalist and intern at a nature center in Austin and \$459,000 to create a mobile earth science education lab for northwest Minnesota;
- \$10.9 million for 16 projects exploring methods to protect land, water and habit. Among the projects are studying how microbes can degrade microplastics and if LIDAR can save birds from wind turbines;
- \$8.3 million to address invasive species with most going to the University of Minnesota Invasive Terrestrial Plants and Pests Center;
- \$6.9 million directed toward water resources research projects such as state flood and drought modeling and nutrient recovery from wastewater treatment plants research;
- \$4.8 million for five projects addressing air quality, climate change and renewable energy such as one to develop and test low-cost biofilters; and
- \$2.1 million for administrative costs with \$1.1 million going to the emerging issues account and \$750,000 for the LCCMR administrative budget.

More information on the LCCMR and its project recommendations can be found [here](#).

HF3377\*/SF3507/CH83

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## Environment and Natural Resources

# Environment, natural resources policy law prepares way for digital licenses, protects native rough fish



A new law impacting the Department of Natural Resources and the Board of Water and Soil Resources helps set the stage for digital licenses, protects native fish, and updates the process for protecting state waterways.

Sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Founj Hawj (DFL-St. Paul) the law takes effect Aug. 1, 2024, unless noted.

HF2774/SF2904\*/CH90

## Electronic license system

Minnesota statutes are being updated to allow for digital licenses. The law modifies language surrounding fishing and hunting licenses, snowmobile registrations and state park passes to ensure they apply to electronic documents.

Among the changes are using the word “pass” instead of “sticker,” deleting requirements that unused tags be physically returned, using the phrase “seizure or invalidation of licenses,” and removing the need for a physical signature in many cases.

Law enforcement officers are protected should a device be damaged during an inspection if due care is taken. It also specifies that handing over a device for license inspection does not mean consent to access any other content.

The Legislature approved a move to digital licenses in 2023 legislation and the full roll out is expected in 2025. The provisions are effective upon full implementation of the license system. (Art. 1, Secs. 1-52)

## Native rough fish

The new law provides additional protections for native rough fish similar to more popular game fish like walleye.

Additionally, the law distinguishes native rough fish from common carp, listing the species of native rough fish as: “Amiidae (bowfin), Catostomidae (bigmouth, smallmouth, and black buffalo; white, blue, spotted, and longnose sucker; northern hogsucker; quillback; river and highfin carpsucker; and black, river, shorthead, golden, silver, and greater redhorse), Hiodontidae (goldeye and mooneye), Ictaluridae (black, brown, and yellow bullhead), Lepisosteidae (longnose and shortnose gar), and Sciaenidae (freshwater drum).” (Art. 2, Secs. 1-44)

## Board of Water and Soil Resources

In addition to moving many Reinvest in Minnesota processes from rules to statute, the law updates the watershed law to better reflect current conditions. For example, the law specifies watershed districts have the authority to protect water quality, improve climate resilience and mitigate flooding.

Other sections come on the heels of the U.S. Supreme Court ruling in Sacket vs. the Environmental Protection Agency that limited some federal jurisdiction over wetlands.

Provisions in the new law modify definitions and regulations about wetlands to address potential gaps while also making language more consistent with federal requirements.

The law also:

- specifies that the Board of Water and Soil Resources is responsible for maintaining soil health, not just soil productivity;
- authorizes soil and water conservation districts to implement practices on any public land, not just state land, in cooperation with the agency in authority;
- requires a public hearing before a soil and water conservation district adopts a comprehensive plan;
- changes some procedures for modifying the boundaries of a watershed district, including allowing the smaller of 50 people or 50% of the property owners to petition for a change; and
- allows for removal of a watershed district manager for “violation of a code of ethics of the watershed district or appointing authority or for malfeasance, nonfeasance, or misfeasance.” (Art. 3, Secs. 2, 6, 11, 20, 22, 41, 75-85)

## Miscellaneous provisions

The law also:

- increases the payment rate for native prairie bank easements;
  - creates the Fish and Wildlife Advisory Committee out of two separate oversight committees;
  - defines domestic hogs, feral swine and release; and
  - requires a person who applies manure in a level drinking water supply management area (one with higher nitrogen/nitrate levels) to follow a manure management plan, which must include best practices as recommended by the Department of Agriculture. (Art. 4, Secs. 1-6)
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## Environment and Natural Resources

# Legacy dollars will fund improvements to habitat, arts and parks

A new law appropriates millions of dollars from the Legacy Fund for the protection of drinking water sources; the protection, enhancement, or restoration of wetlands, prairies, lakes, rivers, streams, forests, and habitat for fish, game, and wildlife habitat; arts and cultural heritage; and parks and trails.

Funding is provided under the Clean Water, Land, and Legacy Amendment that raises money from a 0.375% sales tax, approved by voters in late 2008. The money collected is distributed as follows: 33% to the Clean Water Fund; 33% to the Outdoor Heritage Fund; 19.75% to the Arts and Cultural Heritage Fund; and 14.25% to the Parks and Trails Fund.

Rep. Leon Lillie (DFL-North St. Paul) and Sen. Fong Hawj (DFL-St. Paul) sponsor the law that took effect May 18, 2024.

The Outdoor Heritage Fund will receive \$192.71 million for projects in fiscal year 2025, as follows:

- \$101.29 million for habitats;
- \$38.41 million for wetlands;
- \$32.16 million for forests;
- \$19.44 million for prairies; and
- \$1.4 million for contract administration.

Protecting the upper Mississippi River from invasive carp is included in the habitat appropriations. In fiscal year 2025, \$12 million is provided for the state to work with the United States Fish and Wildlife Service and other federal agencies to design, construct, and begin operating and maintaining a structural deterrent for invasive carp at Lock and Dam No. 5. Deterrent installation must be completed by June 30, 2029.

The Clean Water Fund will receive almost \$25.43 million for fiscal year 2025 projects, as follows:

- \$11.43 million for the Board of Water and Soil Resources;
- \$5.33 million for the Pollution Control Agency;
- \$4.4 million for the Department of Agriculture;
- \$3.17 million for the Department of Health; and

- \$90,000 for the Department of Natural Resources.

The Arts and Cultural Heritage will receive \$12.21 million for projects in fiscal year 2025, as follows:

- \$5.74 million to the Minnesota State Arts Board;
- \$3.55 million for the Minnesota Humanities Center;
- \$1.72 million for the Department of Administration; and
- \$1.2 million for the Minnesota Historical Society.

The Parks and Trails Fund appropriations are almost \$9.11 million in additional fiscal year 2025 appropriations over funding from a 2023 law: \$3.64 million for metropolitan area regional parks; \$3.64 million for state parks, recreation areas and trails; and \$1.82 million for grants for parks and trails outside the metropolitan area.

- The Metropolitan Council funding language states that agencies that charge a fee for activities or rental equipment such as watercraft, skis, bicycles, golf clubs, and green fees must report to the council the opportunities they provide for free and reduced-cost activities and programs, including sports equipment.

HF4124\*/SF5116/CH106

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## Environment and Natural Resources

# Spending priorities, policy provisions in new law aim to protect state's natural resources

Money to plant trees, programs to reduce waste, plans to monitor water and air quality are a few of the provisions included in the environment and natural resources supplemental budget and policy law.

It also provides additional funding for enforcement actions to protect the state's natural resources and adjusts the inventory of state-owned land.

Sponsored by Rep. Rick Hansen (DFL-South St. Paul) and Sen. Founq Hawj (DFL-St. Paul), the law takes effect July 1, 2024, unless noted otherwise.

HF3911\*/SF3887/CH116

## Packaging waste reduction

A key component of the new law is the "Packaging Waste and Cost Reduction Act," a statewide extended producer responsibility program.

It's estimated 40% of the waste stream comes from packaging. By shifting more responsibility to producers, the law aims to encourage waste reduction through redesign, reuse, recycling and composting.

The law requires producers, with some exceptions, to be assessed an annual fee on a per unit basis to reimburse local waste management providers for their costs. The reimbursement would be phased in starting with 50% by 2029, 75% by 2030 and 90% by 2031. (Art. 2, Sec. 10; Art. 5, Secs. 1-25)

## Pollution Control Agency

For eight years starting in fiscal year 2025, \$1 million each year will be appropriated from the General Fund to update the public water inventory. Additionally, public waters will be defined by statute rather than their placement on the inventory. (Art. 3, Sec. 48)

The law calls for \$14.9 million to support the work of the Pollution Control Agency, as well as authorizing the agency to use \$5 million from a 2023 appropriation for a climate resiliency and water infrastructure grant program to leverage federal climate pollution reduction grant money.

Other PCA appropriations include:

- \$6.03 million for legal costs;
- \$2.98 million to address air pollution in environmental justice areas;
- \$1.1 million to monitor air pollution in Hennepin, Ramsey, Washington and Olmsted counties;
- \$1 million to build and operate a mobile emissions monitor;
- \$1 million from the environmental fund for a pilot program offering rebates to buy electric lawnmowers and snowblowers with priority going to residents of environmental justice areas;
- \$593,000 to fund composting pilot projects at multi-unit residences; and
- \$550,000 to clean up 12 acres of tax-forfeited land in Olmsted County that has become a dumping ground for old tires and other waste. (Art. 1, Sec. 2)

There is also \$1.19 million to fund studies researching climate adaptation costs, per- and polyfluoroalkyl-substances in sewage sludge, and state salt and nitrogen fertilizer purchases.

Beginning annually by Feb. 1, 2025, a PCA report is due to the Legislature that details the purchase of deicing salt by state agencies, excluding the Department of Transportation, and strategies to meet a reduction goal that no later than Jan. 1, 2030, state agencies will reduce the purchase of deicing salt by 25% from the level first reported in 2025. (Art. 1, Sec. 2; Art. 2, Secs. 8, 19-20).

The law beefs up the PCA's enforcement authority, allows the agency to recoup oversight costs under a negotiated settlement, and increases penalties for repeated violations. (Art. 2, Secs. 13-16)

To help achieve the state's waste management goals, effective May 22, 2024, the law sets a priority list to manage food waste, going from reducing the amount generated, to donations, animal feed, composting and then anaerobic digestion. (Art. 2, Sec. 7)

A boat wrap stewardship program must be implemented by Sept. 1, 2025, that requires sellers of the plastic protective wrap to collect and recycle it. (Art. 2, Secs. 9)

Other PCA policy provisions include:

- requiring the PCA to encourage recovery of waste heat from wastewater treatment;
- requiring a waste composition study of the state's landfills, recycling centers and transfer stations. The study is due every three years and rotates facilities that are participating;
- allowing the executive branch to create a community resilience award, recognizing excellence in climate adaptation;
- effective Jan. 1, 2025, banning the sale of most lightbulbs containing mercury, except bulbs used for photocopying, holography or sterilization; and
- creating a critical materials recovery task force to develop ways to "mine" materials like cobalt, copper, lithium, nickel or platinum from discarded products. (Art. 2, Secs. 1, 10, 21-23, 28)

## Department of Natural Resources

There is also a \$22.2 million appropriation to the DNR, which includes \$9.3 million from the natural resources fund, \$8.2 million from the game and fish fund, \$4.4 million from the General Fund, and \$417,000 from the permanent school fund.

Among the appropriations is \$5 million for community tree planting grants, including carve outs of \$300,000 each to Northfield and St. Peter. There is also \$2 million to plant trees in state parks.

Other appropriations include:

- \$2.6 million to implement a digital licensing system;
- \$1.5 million for an all-terrain vehicle grant-in-aid program;
- \$1.3 million to make improvements at the International Wolf Center in Ely;
- \$1.3 million to develop a plan to address increasing litigation costs;
- \$1.2 million to build and maintain the Prospector Loop ATV trail in St. Louis County;
- \$200,000 to reimburse local law enforcement for unsafe ice search and rescue operations; and
- \$200,000 to prepare a report on reopening the General C.C. Andrews State Nursery in Pine County. The law also removes a prohibition on state nurseries providing more than 10 million units of planting stock annually. (Art. 1, Sec. 3)

Among the policy provisions in the law is one that establishes a framework to regulate and receive royalties from possible helium and hydrogen production. (Art. 3, Secs. 21-25, 55)

Other provisions will:

- make some forestry industry data private;
- allow the DNR to donate or sell bison for herd management;
- require aftermarket snowmobile mufflers to be stamped certifying they meet DNR requirements;
- restrict the use of nitrogen fertilizer for farming state land in the karst regions of southeast Minnesota;
- eliminate a special season for hunting Canada goose;
- permit out-of-state imports of deer and elk heads if they are delivered to a licensed taxidermist within 48 hours;
- allow the sale of fat from bear and other lawfully taken game;
- expand an apprentice hunting program to include trappers;
- give landowners the option to keep a nuisance beaver legally killed on their land;
- require water-quality monitoring at some state fish hatcheries;
- make all trout fishing seasons the same;
- allow the taking of lake sturgeon, shovelnose sturgeon and paddlefish beyond the Boundary Waters and St. Croix River;
- allow the importation of bait until 2027;
- require a report on recreational uses of the approximately 2.5 million acres of public school trust fund lands to be used to determine the amount of money to be allocated to the permanent school fund from recreational use fees; and
- designate the state bee, the rusty patched bumblebee, as a state endangered species. (Art. 3, Secs. 2, 4, 6, 12-13, 32-38, 40, 43-45, 51-52, 54)

Board of Water and Soil Resources

The law calls for \$1.95 million to the Board of Water and Soil Resources for manure management programs, adaptive phosphorus management in the Red River, and the Lawns to Legumes program, which is designed to increase pollinator habitat.

The law creates a pollinator account and makes Lawns to Legumes data private. (Art. 1, Sec. 4; Art. 4, Secs. 3-4)

#### Metropolitan Council

Of the \$5.53 million designated to the Metropolitan Council. \$3.2 million is for community tree planting grants, including a \$688,000 set aside for South St. Paul, and \$1.4 million to plant trees in metro area parks and trails.

There is also money to replace a pedestrian bridge in St. Paul Park's Lions Levee Park and to fund new fishing piers in the metropolitan area parks. (Art. 1, Sec. 5)

#### State-owned lands

The law will require, when divesting of land within bands of an American Indian reservation, the DNR to first offer the parcels to affected bands at the appraised value.

The law makes additions to Banning State Park in Pine County, Feather Hennepin State Park in Mille Lacs County, and Lake Louise State Park in Mower County.

It abolishes the Hill-Anex Mine State Park in Itasca County, closing the site while mineral extraction leases are in place. It also abolishes Upper Sioux Agency State Park according to state law passed in 2023.

The law authorizes the sale of tax forfeited or surplus land in Aitkin, Chisago, Crow Wing, Hubbard, Mille Lacs, Redwood, Roseau, and St. Louis counties.

Additionally, the Minnesota Historical Society will convey portions of the Lower Sioux Agency Historic Site to the Lower Sioux Indian Community.

Each of these state land sections took effect May 22, 2024. (Art. 8, Secs. 4-18)

The law also:

- clarifies responsibility of the DNR, Department of Agriculture and Board of Animal Health for managing feral swine and fur farms and creates a new fur farm license;
- maintains that it is a state goal to “maximize the coordination, effectiveness, transparency, and accountability of environmental review, associated environmental permitting, and other regulatory actions for facilities in Minnesota,” and provides some direction for coordination among agencies; and
- modifies conflict of interest policies for the Legislative-Citizen Commission on Minnesota Resources. (Art. 6 Sec. 3; Art. 7, Sec. 1; Art. 9, Secs. 1-2)

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#### Family

## African American Family Preservation and Child Welfare Disproportionality Act established

A new law establishes the “Minnesota African American Family Preservation and Child Welfare Disproportionality Act” that is intended to provide protections to keep more Minnesota families together.

Sponsored by Rep. Esther Agbaje (DFL-Mpls) and Senate President Bobby Joe Champion (DFL-Mpls), the law is mostly effective Jan. 1, 2027.

It sets new requirements for how social services agencies and courts are to serve African American and other children disproportionately represented in the child protection system.

Among those, it will require responsible social services agencies to undertake “active efforts” to try to prevent out-of-home placements, such as working to locate the child’s noncustodial or non-adjudicated parent or relatives before a removal, continuously involving a child’s family in all services, and considering an African American or a disproportionately represented child’s family’s social and cultural values at all times.

Other provisions include:

- declaring a preference for transfer of permanent legal and physical custody to a relative or noncustodial parent;
- limiting the court’s ability to terminate parental rights for African American or other disproportionately represented children;
- modifying circumstances and timelines for petitions for reestablishment of the legal parent and child relationship;
- promoting stability and security by establishing minimum standards to prevent arbitrary and unnecessary removal of children from their families;
- giving training in cultural competency to people working in the child welfare system; and
- establishing a number of reporting, compliance and oversight requirements.

The new requirements are to be implemented initially through a phase-in program in Hennepin and Ramsey counties, developed by the Department of Human Services, effective Jan. 1, 2025. A working group would provide guidance and oversight for the phase-in program, and provide an interim report and implementation plan.

The two counties will split a \$5 million General Fund appropriation to pay for those efforts. Best practices learned during the phase-in implementation could then help guide the statewide rollout beginning in 2027.

Other appropriations include \$2.37 million in fiscal year 2025 for the department to implement the act, followed by a base appropriation of \$3.25 million in 2026 and \$3.11 million in 2027; and \$1 million to the department for a grant program.

HF912/SF716\*/CH117

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## Health and Human Services

# Traditional midwives can purchase needed medications, supplies

Effective March 14, 2024, licensed traditional midwives can purchase medications and supplies needed within the scope of their practice.

Under previous statute, licensed traditional midwives were allowed to administer vitamin K, Rh immunoglobulin, postpartum antihemorrhagic drugs, local anesthetic, oxygen, and a prophylactic eye agent for newborn infants. However, because the statute failed to note that practitioners could also obtain and possess these supplies and drugs, suppliers began refusing to sell them to midwives.

That is clarified in the bill sponsored by Rep. Kaohly Vang Her (DFL-St. Paul) and Sen. Sandra Pappas (DFL-St. Paul).

HF3387/SF3546\*/CH77

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# Human services policy changes

The 2024 human services policy law modifies existing statutes and ushers in new legislation related to disability services; deaf, deafblind, and hard-of-hearing services; aging services; and substance use disorder services.

It also guarantees people with disabilities get to stay in their communities while they live in group homes, provides for increased transparency in nursing home-related party transactions, modifies behavioral health licensing and eligibility, ensures opioid treatment programs are responsive to workforce shortages and availability of counselors, modifies sober home requirements, and prohibits the classification or treatment of recovery peers as independent contractors.

Sponsored by Rep. Peter Fischer (DFL-Maplewood) and Sen. John Hoffman (DFL-Champlin), the law takes effect Aug. 1, 2024, unless otherwise noted.

HF4392/SF4399\*/CH108

## Disability services

For individuals enrolled in the Medical Assistance for Employed Persons with Disabilities program, the law will require self-employed people to file and pay all applicable taxes and to report income or household size changes within 30 days. It also changes the eligibility review period by which the state determines premium amounts from every six months to every 12 months, and states increased premiums will not take effect until the subsequent 12-month review.

Provisions for assisted living facilities and residential homes for individuals with disabilities include:

- eliminating rental fees charged by any town, municipality, or county if the facility has six or fewer residents (effective May 18, 2024);
- changing the timeline by which the facility must complete client assessments, the type of planning meeting a facility must have with a new client to determine their daily needs and desired outcomes, the timeline by which the facility must develop that service plan, and the education and training requirements for designated coordinators who care for patients, and
- allowing staff under the age of 18 to administer medication.

Provisions for personal care assistants and Community First Services and Support providers include:

- prohibiting the enhanced reimbursement rate of 107.5% to be used for anything other than wages and wage-related costs, which may include any corresponding increase in the employer's share of taxes and workers' compensation premiums;
- allowing remote reassessments of clients/patients for two consecutive reassessments if followed by an in-person assessment;
- prohibiting the implementation of additional requirements that could delay a decision on, or implementation of, technology for individuals with developmental disabilities;
- allowing financial management service providers working with Community First Services and Support providers to forgo 30-day written notice before a proposed service termination when the participant's conduct significantly alters the terms of the service delivery plan or creates an imminent harm risk to support workers and staff; and
- allowing support worker training and development services to be delivered to recipients with chronic health conditions or severely compromised immune systems via interactive telecommunications, except for start-of-services or new support worker training.

## Deaf, deafblind, and hard-of-hearing services



The law will modernize the language of the Deaf and Hard-of-Hearing Services Act to rename it the Deaf, DeafBlind, and Hard-of-Hearing Services Act. Other changes include:

- changing the definitions of culturally affirmative, linguistically affirmative, deaf, hard-of-hearing, deafblind, interpreting services, and family and community intervener;
- requiring the Department of Human Services to provide grants for programs, services, and support for individuals who are deaf, deafblind, or hard-of-hearing in deafblind services, family services, interpreting services, and mental health services. Grants to organizations can be used for services and trainings, to develop and administer consumer-directed services, and to develop and provide trainings to counties and service providers on how to meet the needs of individuals who are deafblind;
- changing responsibilities of the Deaf, DeafBlind, and Hard-of-Hearing Services division in the Department of Human Services, to include employing qualified staff to work with individuals who are deaf, deafblind, or hard-of-hearing, and to provide individual culturally and linguistically affirmative assistance with service supports and solutions to individuals who are deaf, deafblind, or hard-of-hearing if adequate or accessible services are unavailable in the region;
- including parents of children who are deafblind on the deaf, deafblind, and hard-of-hearing state advisory committees, and defining that no committee member shall serve more than three consecutive terms and more than nine years;
- changing membership of the Commission of the Deaf, DeafBlind, and Hard-of-Hearing to 10 at-large members, with one member each from up to five advisory committees, further stating that at least 50% of the voting members must be deaf or deafblind or hard-of-hearing and at least one parent or guardian of a person who is deaf, deafblind, or hard-of-hearing must be included;
- defining ex-officio, nonvoting members of the Commission of the Deaf, DeafBlind, and Hard-of-Hearing and stating that the commission may appoint additional ex-officio members; and
- voting members of the commission are governor-appointed for a four-year term and until successors are appointed and qualified.

#### Aging services

The law will amend provisions for assisted living facilities, including:

- requiring any qualified, eligible person who wishes to be licensed as an assisted living director to apply within 30 days of hire, to have met standards set by the Board of Executives for Long Term Services and Supports, and to be licensed in Minnesota as a nursing home administrator or validated as a qualified health services executive by the National Association of Long-Term Care Administrator Board;
- requiring any assisted living director to receive 30 hours of continuing education every two years on relevant topics; and
- mandating that facilities make available to residents and others any plan of correction issued by the state, including actions taken to comply with correction orders. A paper version of the plan must be provided upon request to residents and others within 30 days.

The availability of long-term care counseling offered by Senior LinkAge Line will be broadened to include any person at a critical care transition, and hospitals will be required to refer older adults to such counseling.

Nursing facilities must provide to the state, no later than Feb. 1 of each year, their working trial balance, audited financial statements, and information if the licensee or general partner, director, or officer controls or owns 5% minimum in an organization that provides services, facilities, or supplies to the nursing facility.

Nursing homes will be mandated to report their lease, rent, land use, or other real property expenses annually to the state.

#### Substance use disorder services

New substance use disorder service provisions include:

- new recovery peers must be hired and treated as employees, not contractors, as of July 1, 2024, and existing recovery peers must not be classified or treated as independent contractors after Jan. 1, 2025;
- recovery community organizations must be certified or accredited by the Alliance for Recovery Centered Organizations, the Council on Accreditation of Peer Recovery Centered Organizations, or a relevant Minnesota organization identified by the state, by June 30, 2025;
- opioid treatment clients may receive take-home medicine on days the clinic is closed; and
- licensed facilities must ensure one full-time equivalent counselor for every 60 clients.

The law also specifies substance use disorder service base rates according to various service levels. For services offering opioid use disorder medication, rates will increase 20% over the rates in effect on Dec. 31, 2020, until the federal government approves rates established by state law in 2023.

Licensed treatment facilities will be required to provide opioid educational materials to their clients upon client enrollment, as opposed to when a client experiences a substance use disorder.

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## Health and Human Services

# Duties transferred from Department of Human Services to Direct Care and Treatment

A new law aims to improve programs and services for people with mental illness, substance use disorders, and intellectual disabilities.

Sponsored by Rep. Peter Fischer (DFL-Maplewood) and Sen. John Hoffman (DFL-Champlin), the law breaks off the behavioral health care system from the Department of Human Services to create Direct Care and Treatment, a new state agency.

The system serves individuals whose conditions are complex and challenging to treat, such that other health care providers cannot or will not serve them. The system includes psychiatric hospitals and other inpatient mental health treatment facilities, inpatient substance abuse treatment facilities, dental clinics, group homes, vocational sites, and sex offender treatment facilities. Services are delivered at about 200 sites throughout the state.

An executive board will be charged with establishing and maintaining a system of state-operated, community-based programs for individuals with developmental disabilities. This includes community group homes, foster care, supportive living services, day training and habilitation programs, and respite care arrangements.

The portion of the law to establish the new agency's executive board and lays out its powers and duties take effect July 1, 2024. All other portions of the law relating to the creation of the department are effective Jan. 1, 2025.

In 2023, the Legislature appropriated \$7.8 million for the agency's creation.

HF3987\*/SF3936/CH79

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## Health and Human Services

# New law transfers duties and responsibilities to Department of Children, Youth and Families

A new law reorganizes statutes to transfer duties and responsibilities from existing state agencies to the Department of Children, Youth, and Families that was created by a 2023 law and will begin operating in 2024.

Sponsored by Rep. Dave Pinto (DFL-St. Paul) and Sen. Melissa Wiklund (DFL-Bloomington), the law, effective July 1, 2024, transfers oversight of certain areas currently overseen by the Human Services, Education and Public Safety departments.

Some programs and services that will become the responsibility of the new agency include child care assistance, early learning programs, licensing functions, fraud protection, food support programs, child protection and welfare activities, juvenile justice and adoptions.

In a description of the law when it was proposed, the nonpartisan House Research Department summed up the transfer as follows: "Given the complexity and volume of the affected statutes, staff decided to accomplish the recodification by moving, or, in some cases, duplicating the affected statutes into seven new chapters of statute organized topically. Nonpartisan staff have reorganized the affected language for clarity and ease of use and removed obsolete language. This recodification is not intended to change existing policy or to have a fiscal impact beyond the reorganization of executive branch functions and the establishment of a new state agency."

HF3646\*/SF3770/CH80

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## Health and Human Services

# Incarceration and mental health services receive boost through human services supplemental budget law

People leaving jail and prison face a higher risk of overdosing and dying than the general population. The human services supplemental budget aims to help eligible individuals who are about to exit incarceration apply for Medicaid.

Sponsored by Rep. Mohamud Noor (DFL-Mpls) and Sen. John Hoffman (DFL-Champlin), the provision is part of a new law that takes effect July 1, 2024, unless otherwise noted.

HF5280/SF5335\*/CH125

## Reentry demonstration waiver

Per the law, the Department of Human Services must submit a waiver application to the Centers for Medicare & Medicaid Services "to implement a medical assistance demonstration project to provide health care and coordination services that bridge to community-based services for individuals confined in state, local, or Tribal correctional facilities, or facilities located outside of the seven-county metropolitan area that have an inmate census with a significant proportion of Tribal members or American Indians, prior to community reentry."

The application will be limited to three state correctional facilities, of which one must be the Shakopee women's prison, four other correctional facilities for adults, two facilities for delinquent children and youth, and one facility owned and managed by a tribal government or a facility outside of the metro area that has an outsize proportion of tribal members or American Indians.

Services will generally be provided 90 days prior to release date and include case management activities to address physical and behavioral health needs, drug coverage including a 30-day supply upon release, substance use disorder assessments, treatment coordination services, and peer recovery support services. Service providers must meet certain conditions. A reentry services working group is to be established.

The re-entry demonstration waiver takes effect the latter of Jan. 1, 2026, or federal approval, except the working group takes effect July 1, 2024. (Art. 3, Secs. 12 and 13, 17-18)

Other working groups, task forces

Effective Jan. 1, 2025, the law establishes requirements that must be met when providing peer recovery support services. Too that end the Department of Human Services is directed to convene a working group to develop recommendations on topics related to peer recovery support services and recovery community organizations, including billing rates and practices, acceptable activities to bill for peer recovery support services, improving recovery peer supervision, and certification or other regulation of recovery community organizations and recovery peers. A report is due the Legislature by Aug. 1, 2025.

Effective May 25, 2024, the law establishes the Mentally Ill and Dangerous Civil Commitment Reform Task Force to evaluate relevant statutes and develop recommendations to optimize the use of state mental health resources and increase equitable access and outcomes for patients. A report is due the Legislature by Aug. 1, 2025. (Art. 3, Secs. 9, 16; Art. 4, Sec. 9)

#### Priority admissions

Admissions to direct care and treatment facilities for civilly committed people in a correctional institution or hospital receive attention in the law following work by the Task Force on Priority Admissions of State-Operated Treatment Programs. The Department of Human Services must immediately add 10 civilly committed individuals in the hospital to the waiting list. This is effective May 25, 2024.

Subsequently, the state will use a priority admissions framework to prioritize placements to medically appropriate state-operated direct care and treatment beds. The framework will account for the person's time on a waiting list, the intensity of treatment needed, safety considerations, and the negative impacts of delayed admissions to the referring facility. Additionally, a review panel will be formed to evaluate the 48-hour priority admissions timeline and develop ideas to minimize litigation costs, maximize capacity in and access to state treatment programs, and address related issues. (Art. 4, Secs. 7, 11)

#### Aging services

The law addresses services for the elderly through several provisions.

Effective March 15, 2025, an assisted living facility with a licensed capacity of five or fewer residents will be permitted to operate under its current license if the facility is relocated with the approval of the Health Department during the period the current license is valid. Additionally, a limited exemption from the custom living setting moratorium and age limitation is provided when a facility is relocated.

Minimum requirements for required food service and other required services are spelled out in statute, staff orientation rules are clarified for someone who transfers from one licensed assisted living facility to another facility operated by the same licensee or by a licensee affiliated with the same corporate organization, effective July 1, 2025, updates employee training requirements for dementia care, mental illness and de-escalation.

A loan program previously reserved for financially distressed nursing facilities will now be open to any long-term services and support providers and facilities. It adjusts the per-resident, per-day rate for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility for rate year 2025, and sunsets the disproportionate share rate adjustment on January 1, 2026.

The Department of Human Services "must study Minnesota's existing home and community-based services system for older adults and evaluate options to meet the needs of older adults with high support needs that cannot be addressed by services or individual participant budgets available under the elderly waiver." A report is due the Legislature by Dec. 31, 2025. (Art. 2, Secs. 1-7, 15, 16, 18-21)

#### Other policy

The Department of Human Services must start a pilot program with county jails to administer long-acting injectable antipsychotic medications to prisoners for mental health treatment.

The law also establishes a Direct Care and Treatment executive board and an advisory committee for the agency. (Art. 4, Sec. 12; Art. 5, Secs. 22, 40-41)

#### Appropriations:

The law's fiscal year 2025 spending provisions include:

- \$5 million to construct a new Cedar Riverside Recreation Center;
- \$4.5 million for a caregiver support program and caregiver respite services grants;
- \$2.61 million for Minnesota's regional food bank for purposes of the Emergency Food Assistance Program;
- \$2.39 million to create a pilot program to educate county correctional facilities on protocols and best practices for the provision of involuntary medications for mental health treatment;
- \$1.8 million to design a replacement facility for the Miller Building on the Anoka Metro Regional Treatment Center campus;
- \$1.37 million to provide free communication services until June 30, 2026, to patients and clients in psychiatric hospitals and inpatient mental health and substance use disorder treatment facilities, group homes, and sex offender treatment facilities; and
- \$1.32 million for mental health innovation grant programs for outpatient mental health services;
- \$1.04 million for a pediatric hospital-to-home transition pilot program;
- \$1 million for start-up funds to intensive residential treatment services providers to administer treatment in locked facilities for eligible patients;
- \$1 million for employee incentives for the transition of CARE St. Peter to a forensic mental health program;
- \$1 million for a county correctional facility mental health medication pilot program;
- \$500,000 for a Dakota County disabilities services workforce shortage pilot project;
- \$500,000 for Hennepin County to conduct a two-year pilot project to provide peer recovery support services to East African youth between ages 13 and 18;
- \$400,000 for accessibility capital improvements to the Anoka County Human Services building in Blaine;
- \$400,000 for a working group to streamline access, eligibility, and administration of state-funded supportive housing resources for people experiencing homelessness;
- \$354,000 for African Immigrant Community Services to provide culturally and linguistically appropriate services to new Americans with disabilities, mental health needs, and substance use disorders.

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## Health and Human Services

# Law creates new Office of Emergency Management Services to provide improved leadership

A new law creates the Office of Emergency Management Service and appropriates \$24 million in emergency aid to ambulance services and \$6 million for a pilot program in certain rural locations to improve response time and expand life-support services.

Sponsored by Rep. John Huot (DFL-Rosemount) and Sen. Judy Seeberger (DFL-Afton), the law is in response to 2022 state auditor's report that identified ineffective leadership at the Emergency Medical Services Regulatory Board, including insufficient oversight, outdated service areas, and sustainability challenges.

The new office will be led by a governor-appointed director who may license and regulate ambulance services in the state, establish and modify primary service areas, register and regulate medical response units, certify emergency medical technicians and paramedics of all levels, approve their education programs, and investigate complaints

about and impose disciplinary action on ambulance services and their personnel and emergency medical responders.

Effective Jan. 1, 2025, the law also creates divisions for medical services, ambulance services, and emergency medical service providers, each headed by a deputy director, and three advisory councils to provide recommendations on emergency medical services, physicians involved in such services, and providers of labor and ambulances.

The Emergency Medical Services Regulatory Board must establish and oversee a pilot program in Otter Tail and Grant counties and another in St. Louis County. In this “sprint medic” model, an equipped paramedic would roam the service area, ready to respond to emergency calls immediately, while the partnering primary ambulance service travels to the scene in an ambulance. The law appropriates \$6 million in fiscal year 2025 for the program. The pilot program will expire June 30, 2027.

Ambulance services must apply for emergency aid by Sept. 16, 2024, providing the number of emergency medical service responses in their service area in 2023, including those that were provided by a specialized life support service, and the square mileage of their service area on Jan. 1, 2024.

Eligible ambulance services may apply for financial aid for operational and capital expenses under the new law. Totaling \$24 million, the state will dispense the aid by Dec. 1, 2024.

HF4738\*/SF4835/CH122

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## Higher Education

# Higher education law shifts grant funding, creates protections for students

The 2024 higher education supplemental policy and finance law affects funding and policies for the Office of Higher Education, Minnesota State, University of Minnesota, and other postsecondary institutions in the state.

Sponsored by Rep. Gene Pelowski, Jr. (DFL-Winona) and Sen. Omar Fateh (DFL-Mpls), the law’s provisions are effective May 25, 2024, except where indicated.

HF4024\*/SF4003/CH124

## Appropriations

The law makes one new Office of Higher Education appropriation and alters others in existing law, including:

- extending the availability of competitive grants to fund research on amyotrophic lateral sclerosis to June 30, 2029, and allowing up to \$15 million to external organizations to award and administer the grants;
- clarifying that \$500,000 for equipment grants is available until June 30, 2026;
- shifting \$5.04 million in fiscal year 2025 from the North Star Promise program to the Fostering Independence Grant program;
- changing the specific purposes for which a 2023 University of Minnesota appropriation to the Medical School on the CentraCare Health System Campus in St. Cloud may be used; and
- appropriating \$500,000 in fiscal year 2025 to the Minnesota State system to participate in Head Start’s “Kids on Campus” initiative, with the funds available until June 30, 2026.

## Policy

The law creates a new section of statute regarding how postsecondary institutions may consider an applicant's prior criminal records. It also:

- adds an academic progress requirement for the American Indian Scholars program;
- makes permanent the state's transcript access law;
- makes various changes to existing statute requiring postsecondary institutions to adopt policies on sexual misconduct (effective Aug. 1, 2025);
- creates a new requirement for postsecondary institutions to designate an employee as a "navigator" to assist parenting students;
- creates new protections for pregnant and parenting students at public postsecondary institutions;
- adds tribal colleges to the list of eligible institutions for inclusive higher education grants;
- creates a new section of law regarding the rights of postsecondary students with disabilities and the obligations of postsecondary institutions towards those students (effective Jan. 1, 2025);
- regulates contracts between Minnesota State and University of Minnesota institutions and online program management companies (effective July 1, 2024);
- allows the Office of Higher Education to consolidate its mandated reporting for multiple financial aid programs it administers and to determine the order that students' financial aid awards may be calculated if students are eligible for more than one program;
- clarifies eligibility criteria regarding free and reduced-price school meals in summer academic enrichment programs;
- adds requirements to the Fostering Independence Grants program's eligibility criteria and allows the Office of Higher Education to establish a priority application deadline and create a waitlist for applications received after that deadline;
- provides technical clarifications to the North Star Promise scholarship program and changes to the SELF loan program; and
- increases the total value of outstanding bonds the Higher Education Facilities Authority may issue from \$1.3 billion to \$2 billion.

The law also makes several changes to the Minnesota Private and Out-of-State Public Postsecondary Education Act and the Private Career School Act; adds "energy" to the list of programs of study or certification eligible for scholarships; and requests the University of Minnesota provide disabled veterans unlimited free access to its Landscape Arboretum.

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## Housing

# Establishment of housing cooperatives

A new law will govern the organization and operation of housing cooperatives, including powers of their board of directors.

Previously, the incorporation of housing cooperatives was governed by agricultural and utility cooperative statutes, and their daily operations by myriad other statutes. The Minnesota Cooperative Housing Act will consolidate all aspects under one statute.

The law also adds a new statutory chapter under which housing cooperatives can be formed, but they may still be formed under all the previously established chapters.

Housing cooperatives have become increasingly popular, particularly among the affordable and senior housing sectors. Proponents said the law will create a consistent and supportive framework for cooperative models to grow, providing unique entry points to home ownership and greater community connectivity.

The law, sponsored by Rep. Matt Norris (DFL-Blaine) and Sen. D. Scott Dibble (DFL-Mpls), takes effect Aug. 1, 2025.

HF3800\*/SF4053/CH96

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## Housing

# Renters get new rights regarding shared-meter utility billing

Protections will be provided for renters who receive utility billing through a landlord or third-party rebilling company and renters will have a recourse for disputes.

Largely effective Jan. 1, 2025, a new law will apply the cold weather rule to shared-meter utility billing, protecting residential utility customers from having electric or natural gas service shut off between Oct. 1 and April 30. It also provides for resolution by the Public Utilities Commission when tenants and landlords cannot reach an agreement in a dispute.

The law provides remedies for tenants when the submetering system is inaccurate and prevents charging the tenant when the device for measuring has to be replaced, or from billing them if they were undercharged by a defective meter. It also specifies information that must be provided to the tenant when a submetering device is used to measure the use of a utility.

It prohibits apportioning electricity to a tenant who is billed separately for electric service, and provides that a landlord who submeters must only charge the tenant for electricity used in the tenant's unit. It also includes details on administrative billing charges, natural gas billing, late payments, payment plans, and collecting payment when the tenant was undercharged for utilities.

The public utilities commissioner is authorized to resolve disputes between a landlord in a shared-utility building and a tenant, and to levy fines as allowed under statute.

The law provides that the landlord must be the named customer for utility billing in a building that has shared-meter utility billing for multiple tenants. It allows the attorney general's office to investigate any violations of the law as it:

- requires specific measurements to bill for natural gas and water and sewer use from a tenant in a shared-meter building;
- requires pro rata shares of fees, charges and taxes to be applied to tenants;
- provides specific requirements related to the application of rent paid and what remedies a landlord has when a tenant does not pay their utilities, which includes preventing an eviction for unpaid utilities, and preventing an eviction for unpaid utilities when the cold weather rule is in place, as well as when there is a heat emergency, or the tenant or their family has a medical emergency;
- requires a disconnect notice against the landlord be posted in the building and the tenants be notified that the utilities may be disconnected, with advice for tenants on how to get legal assistance; and
- allows tenants to pay when the landlord is not paying and for that payment for the utilities owed by the landlord to be deemed rent payments by the tenants.

Further, the law requires that by Sept. 30 of each year a landlord of a shared-metered residential building who bills for gas, electric utility charges or both, separate from rent, must inform tenants in writing of the possible availability of energy assistance from the low-income home energy assistance program.



It also provides that the court must make certain specific considerations in a case where a landlord tries to terminate a tenancy because the tenant is not paying for utilities in a shared-meter building.

Rep. Athena Hollins (DFL-St. Paul) and Sen. D. Scott Dibble (DFL-Mpls) sponsor the law.

HF4558/SF4579\*/CH107

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## Housing

# New law allows tenants to organize for improved living conditions

A new tenant-landlord law protects renters by amending housing lease provisions, allowing tenants to organize to improve living conditions, and providing further protection for victims of domestic and sexual violence.

Rep. Esther Agbaje (DFL-Mpls) and Sen. Zaynab Mohamed (DFL-Mpls) sponsor the law that takes effect Jan. 1, 2025, unless otherwise noted.

Victims of domestic abuse, criminal sexual conduct, sexual extortion, or harassment who are renters have previously been allowed to provide advance notice that they may need to terminate their lease if they fear further violence from a person who knows where they live. New provisions will allow tenants to state the advance date they will terminate their lease, to share this notice via any written communication method they regularly use with the landlord, and to confirm they are not terminating their lease until the date stated in their notice, even if they have vacated the property.

The new law will allow tenant associations to form an organization, whether incorporated or not, to improve housing conditions, amenities, or community life. It will further allow tenant organizers to assist tenants in establishing and operating an association provided they are not an employee or representative of the current or prospective landlord, property owner, manager, or landlord agent.

A landlord must not limit the organization's peaceful assembly, canvassing, leafleting, or free expression, require organizations to seek permission to engage in these activities, or enforce rules that unreasonably limit the time, place, and manner of the meetings or communication with building tenants.

The law will prohibit landlords from retaliating against tenant organizations if they report a code violation to a government entity, seek assistance from a community organizer, contact the media, testify in any court or an administrative proceeding concerning the condition of the premises. Landlords who violate this provision may be ordered to pay the tenant \$1,000 per occurrence and reasonable attorney fees. Forms of retaliation delineated in the law are increasing rent, decreasing services, altering existing agreements, filing legal action, or contacting law enforcement about a tenant's immigration status.

The attorney general has the authority to investigate and prosecute violations of this chapter of law.

Other provisions include:

- mandating a tenant's right to call for police or emergency assistance about domestic abuse or any other conduct, including mental health or health crises, and prohibiting landlords from imposing a penalty for the same, and further declaring that no local ordinance or rule shall apply if it requires a tenant to be evicted after a specified number of calls for police or emergency assistance in response to domestic abuse or any other conduct, including mental health or health crises;
- allowing tenants to ask a court to expunge eviction case records when they believe an eviction filed against them violates the law, when an eviction case is settled, and when the defendant has fulfilled the terms of the settlement;
- requiring landlords to obtain a prospective tenant's current status in Minnesota court records online no more than 24 hours prior to issuing a tenant screening report, allowing the prospective tenant to bring civil action against the landlord, and delineating how a tenant may serve a summons and complaint to a landlord;

- prohibiting a landlord from denying any rental application based on previous or pending eviction actions;
- requiring a landlord who assesses an additional charge for a service or support animal to state in the lease that no further charges may be assessed, and allowing a tenant to bring action to recover any fees paid if the landlord fails to act according to this provision;
- requiring a landlord to provide the option for a prospective tenant to submit an individual taxpayer identification number on a rental application, and prohibiting the landlord from denying a rental application solely because the prospective tenant provided a tax identification number as opposed to a Social Security number;
- prohibiting a landlord from requiring a tenant to renew a lease sooner than six months before the current lease's expiration;
- requiring a landlord to provide remedies if a move-in date changes due to construction delays;
- requiring a landlord to covenant in every lease that the communal areas will be in reasonable repair, inclusive of pest termination, in compliance with applicable safety laws, and be "reasonably" energy efficient by the installation of weatherstripping, caulking, storm windows, and doors;
- mandating that the landlord only calculate late fees on the portion of rent not covered by housing assistance payments, for those tenants who utilize government aid; and
- prohibiting a landlord from accepting rent if the property has received a vacation order due to code or rental licensing ordinance violations.

HF3591/SF3492\*/CH118

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## **Military and Veterans Affairs**

# Minnesota National Guard allowed to establish referral bonus program

Outfitting the Minnesota National Guard with tools needed to hit its enlistment targets is one of the main provisions of a new law.

Sponsored by Rep. Matt Norris (DFL-Blaine) and Sen. Nicole Mitchell (DFL-Woodbury), it will allow the guard to establish a bonus program to provide payments to members who refer someone who enlists or is commissioned. Bonuses would be paid for with funds that have already been appropriated.

Among other provisions, the law (which is mostly effective May 9, 2024) will also:

- provide increased access to investigatory data from civilian law enforcement agencies when the guard is conducting its own disciplinary proceedings for members, and add the guard to the list of criminal justice agencies under the state's government data practices act;
- allow unspent funds from a grant to the Metro Meals on Wheels program that delivers meals to veterans, to be available for an additional year;
- establish misdemeanor and felony crimes for intentional, unauthorized presence at a variety of locations and facilities owned by the state or federal government for a military purpose; and
- give the adjutant general authority to rent out any guard building or facility. Previously, that authority had been limited to Camp Ripley.

HF3454\*/SF4429/CH100

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## Public Safety

# Law funds public safety and judiciary, makes policy updates and changes

Supplemental biennial funding for the state's public safety, judiciary, and corrections departments and agencies adds up to \$53.9 million.

A new law has several big-ticket items, including \$9.47 million for organizations and programs providing services to crime victims, \$7.9 million to hire more staff at the state's 11 prisons and boost their salaries, and \$7 million from the 911 emergency telecommunications services account (e911 fund) to create a digital geographic information system mapping data of school facilities.

All appropriations are from the General Fund and are for fiscal year 2025, unless otherwise noted.

The law also contains dozens of policy updates and changes, including an increase in penalties for "swatting" and new rules for peace officers making traffic stops.

Rep. Kelly Moller (DFL-Shoreview) and Sen. Ron Latz (DFL-St. Louis Park) sponsor the law that takes effect July 1, 2024, unless otherwise noted.

HF5216\*/SF5337/CH123

### Judiciary appropriations

The grand total for judiciary items in the law is \$36 million.

District courts will receive \$30.34 million, mostly in fiscal year 2024, with \$22.34 million for hiring more courtroom forensic examiners and boosting their hourly pay from \$125 to \$136. They provide mental health examinations in civil commitment and criminal proceedings.

Other district court appropriations are \$5.57 million to hire more certified courtroom interpreters for non-English speakers, increase their hourly pay from \$65 to \$75, and reimburse them for travel time; \$2.38 million for increased costs of jury programs (\$20,000 of which is for fiscal year 2024); and \$25,000 each fiscal year to provide vicarious trauma services for jurors.

The Supreme Court will receive \$5.66 million: \$5.16 million to enhance cybersecurity in all state judiciary system courts; and \$500,000 to fund a competitive grant program for courthouse safety and security improvements. (Art. 1, Secs. 2-3)

### Public safety and corrections appropriations

The total appropriation to the Department of Public Safety and Department of Corrections items in the law is \$24.75 million. (Art. 1, Secs. 4-5)

Public safety and corrections appropriations include:

- \$9.47 million for the Office of Justice Programs within the Department of Public Safety to distribute to organizations and programs providing services to crime victims;
- \$5.9 million in fiscal year 2024 and \$2 million in fiscal year 2025 for the corrections department to hire more staff at the state's 11 prisons and boost their salaries;
- \$7 million in fiscal year 2024 from the 911 emergency telecommunications services account to create a digital geographic information system mapping data of school facilities;
- \$986,000 for the Clemency Review Commission, of which \$200,000 is for grants to support outreach and clemency application assistance;

- \$133,000 for a task force on traffic stops;
- \$100,000 for therapy dogs for first responders;
- \$50,000 for a mediation and restorative justice grant;
- \$50,000 for a task force domestic violence and firearms; and
- \$50,000 for a violence against Latina women report.

#### Board of Civil Legal Aid

Duties of the Supreme Court's legal services advisory committee will be transferred to a standalone 11-member Board of Civil Legal Aid that begins July 1, 2025, to serve clients financially unable to afford legal assistance.

The law states that the new board "is a part of but is not subject to the administrative control of the judicial branch of government."

The law appropriates \$34.17 million beginning in fiscal year 2026 and ongoing years for staffing and other costs needed to establish and perform the duties of the board. (Art. 1, Sec. 1; Art. 11, Secs. 1-8)

#### Up to \$50 million for disasters

Effective May 25, 2024, an appropriation of up to \$50 million is also included in the law; however, hopes are it is never used. It would only be spent to replenish the disaster assistance contingency account if that reserve fund dipped below \$50 million and there is enough of a budget surplus at end of a biennium to restore it to \$50 million. (Art. 1, Sec. 8)

#### Traffic stops and swatting

A peace officer making a traffic stop for a violation of the traffic code or failing to have a current vehicle registration will be prohibited from asking if the driver can identify the reason for the stop. Instead, an officer must first inform the driver of the reason for the stop before engaging in questioning related to the suspected violation. Failure of a peace officer to comply cannot serve as the basis for exclusion of evidence or dismissal of a charge or citation, and there is no penalty for noncompliance.

A peace officer will be prohibited from using the perception of the odor of cannabis as the sole basis to search a motor vehicle.

Effective Aug. 1, 2024, the charge for making a fictitious emergency call that a serious crime is underway will rise from a gross misdemeanor to a felony when a "swatting" call sends first responders to the home of an elected official, judge, prosecuting attorney, employee of a correctional facility or peace officer. (Art. 3, Secs. 1, 5; Art. 6, Sec. 17)

#### Other changes in the law include:

- railroads can employ licensed railroad peace officers;
- the Use of Force Investigations Unit within the Bureau of Criminal Apprehension will be required to investigate any officer-involved death unless the subject of the investigation is a peace officer employed by the bureau;
- law enforcement agencies will be prohibited from providing to a peace officer any course that includes training on the detection or use of excited delirium (Art. 3, Sec. 9);
- prohibit a biological specimen for the purpose of DNA analysis from being taken from a minor without the consent of the minor's parent or custodian, a court order, or a warrant;
- making it a misdemeanor to interfere with a mandatory reporter making a report on child abuse;
- effective Jan. 1, 2025, creating a presumption that any confession by a juvenile obtained using deception is inadmissible in court;

- a private company providing guards or other personnel to transport a person arrested on a warrant will be required to have a protective agent license and for the state to revoke the license of any employee who commits an act of criminal sexual conduct;
- effective Aug. 1, 2024, eliminating as a potential legal defense that a defendant's actions were based on the discovery of, knowledge about, or potential disclosure of the victim's actual or perceived sexual orientation, gender identity, or gender expression;
- prohibiting the sale of human remains for commercial purposes;
- effective May 25, 2024; restorative justice programs can access a grant to pay restitution on behalf of juveniles convicted of a crime if they participate in a local restorative process established by the Office of Restorative Practices;
- effective Aug. 1, 2024, making it a misdemeanor to knowingly publicly publish personal information of a judicial official with the intent to threaten, intimidate, harass, or physically injure. It'd be a felony if actions result in bodily harm;
- effective Aug. 1, 2024, a court-appointed guardian will be personally liable for acts or omissions made in a discharge that results in harm to the person subject to guardianship and that constitute reckless or willful misconduct, or gross negligence;
- an individual's health-related documents and data included in court files kept by the Office of Administrative Hearings, Tax Court, and Workers' Compensation Court of Appeals are private data;
- specifications for how the state must respond to cybersecurity incidents (Art. 17, Sec. 24); and
- effective May 25, 2024, the "Uniform Public Expression Protection Act" is enacted to prevent an abusive type of litigation called a "SLAPP," or "strategic lawsuit against public participation." (Art. 3, Secs. 3, 6, 9; Art. 4, Sec. 4, 6-7, 16; Art. 6, Secs. 5-6, 19; Art. 9, Secs. 1-2; Art. 12, Secs. 1-4; Art. 15, Sec. 11; Art. 17, Secs. 1, 24; Art. 18, Secs. 1-17)

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## Recreation and Tourism

# Digital photos of paper licenses acceptable until March 2025

Hunters and fishers can temporarily remember one less item when heading outdoors if they're bringing along a phone.

Effective May 7, 2024, a new law clarifies that conservation officers will accept a digital photo of paper fishing or hunting licenses, cross-country skiing passes and horse-riding passes. It expires March 5, 2025.

The Department of Natural Resources is moving toward a more comprehensive, online licensing system. The practice for most enforcement officers in the meantime is to accept photos of licenses, but the law makes this explicit.

Conservation officers are not responsible if the phone is damaged during inspection. Handing over the phone does not constitute permission to look at any other content it contains.

Rep. Emma Greenman (DFL-Mpls) and Sen. John Hoffman (DFL-Champlin) sponsor the law.

HF3376\*/SF3400/CH92

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## State Government

# Annual revisor's law makes needed technical changes

The annual revisor's law makes miscellaneous and technical corrections to laws and statutes, corrects erroneous, obsolete, and omitted text and references, corrects poor grammar, and removes redundant, conflicting, and superseded provisions.

Sponsored by Rep. Jamie Becker-Finn (DFL-Roseville) and Sen. Warren Limmer (R-Maple Grove), the effective dates are dependent on provisions needing clarification.

HF4483\*/SF4576/CH85

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## State Government

# Five unrepresented employee group compensation plans OK'd

Compensation packages for nearly 3,500 employees across five plans comprise a new law .

Approved by the bipartisan Subcommittee on Employee Relations in December 2023, each is for the 2024-25 biennium, and effective retroactively to July 1, 2023. Affected employees are not covered by collective bargaining agreements.

Rep. Leon Lillie (DFL-North St. Paul) and Sen. Zaynab Mohamed (DFL-Mpls) sponsor the law that took effect May 9, 2024.

Four plans negotiated through Minnesota Management and Budget — Commissioner's Plan, Managerial Plan, Office of Higher Education Unclassified Personnel Compensation Plan, and MNsured Compensation Plan — call for 5.5% salary increases effective July 1, 2023, and 4.5% on July 1, 2024. Among other provisions are performance-based increases in all, and employer match contribution to deferred compensation would increase for three of the four.

The Minnesota State Administrators Plan includes 2.5% increases each year of the current biennium, merit-based increase pool, and salary ranges would increase 5% each year.

[MORE: Summary of plans and costs]

The salary increases will be absorbed by the current agency operating budgets .

HF4310\*/SF4890/CH100

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## State Government

# PEIP changes aim to lower costs, provide stability

Per its website, "The Public Employees Insurance Program (PEIP) was created by special legislation to make a comprehensive package of medical, dental and life insurance benefits available to employees of Minnesota's cities, townships, counties, school districts and other units of local government. PEIP was designed exclusively to give public employees the comprehensive coverage they deserve; while giving public employers access to a high-quality benefits package that will attract and retain outstanding employees."

The voluntary plan covers about 17,000 employees and affects 35,000 lives.

Effective May 7, 2024, a new law increases from two to four years the commitment groups in the program must make to participate in the pool. Participation will be automatically renewed for an additional four-year term — previous law was two years — unless a notice of withdrawal is provided.

The law also lowers the threshold for groups to exit the pool when premiums increase 20% or more from one insurance year to the next. Current law is 50%.

The changes are based off a Minnesota Management and Budget analysis of the pool structure compared to other states with similar insurance programs for public employees. The office administers the program.

Rep. Liz Olson (DFL-Duluth) and Sen. Erin Maye Quade (DFL-Apple Valley) are the sponsors.

HF3182/SF3204\*/CH95

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## State Government

# Pension policy, budget modifications

Seventeen bills, along with substantive amendments, initially approved on a bipartisan vote by the Legislative Commission on Pensions and Retirement have become the 2024 pension and retirement law.

The finished product includes changes to the Minnesota State Retirement System, Teachers Retirement Association, St. Paul Teachers Retirement Fund Association, Public Employees Retirement Association, and volunteer firefighter relief associations.

Rep. Kaohly Vang Her (DFL-St. Paul) and Sen. Nick Frentz (DFL-North Mankato) sponsored the law that took effect May 16, 2024, unless otherwise noted.

A one-time \$31.46 million appropriation is the law's spending.

Of that, \$28.46 million will fund the acceleration by one year — from July 1, 2025, to July 1, 2024 — of the effective date for changes made to lower the normal retirement age from 66 to 65 for Teachers Retirement Association members hired after June 30, 1989. Teachers who leave teaching service on or after May 24, 2023, are eligible for the earlier retirement age.

Effective July 1, 2024, the St. Paul Teachers Retirement Fund Association will receive a \$1.54 million one-time appropriation to fund an employee contribution decrease of 0.25% of salary for the next two years.

The remaining \$1.46 million will be directed to a newly established account, which will help participants in the Minnesota State Higher Education Individual Retirement Account Plan (IRAP) who elect to transfer retirement coverage to the Teachers Retirement Association and purchase service credit toward a TRA pension. An IRAP participant is eligible to transfer retirement coverage to TRA if the participant did not receive the notice of the right to elect a transfer when initially entitled to do so. This takes effect Jan. 1, 2025.

Among other changes, the law will:

- increase the multiplier used to calculate a retirement annuity for members of the Public Employees Retirement Association correctional plan from 1.9% to 2.2% for service earned after June 30, 2025, which matches the multiplier for the Minnesota State Retirement System correctional plan, allowing pensions for local correctional employees to compete with pensions for state correctional employees;
- fund the foregoing multiplier increase with a 1% of pay increase in the employee contribution rate for members of the Public Employees Retirement Association correctional plan and a 1.5% of pay increase in the employer contribution rate, effective July 1, 2025;
- extend a 2022 law that temporarily suspended the earnings limitation for retirees of TRA and St. Paul Teachers who return to teaching service through 2028.
- establish a work group to recommend legislation by Jan. 10, 2025, that will correct deficiencies in the process for adding positions for coverage by the Minnesota State Retirement System correctional plan;

- based on recommendations from the State Auditor's Fire Relief Association Working Group, provide largely noncontroversial updates and changes to volunteer firefighter relief associations, most of which are effective Jan. 1, 2025;
- add a defined contribution plan to the Public Employees Retirement Association statewide volunteer firefighter plan;
- make technical changes to plans administered by the Public Employees Retirement Association, the Minnesota State Retirement System, and the St. Paul Teachers Retirement Fund Association;
- codify and amend a program permitting members of the State Patrol Plan to separate from service, begin to receive a retirement annuity, and return to work for their unit until age 60 without being penalized by earning caps;
- permit home and community-based services employees to participate in the Minnesota Secure Choice Retirement Program;
- revise requirements for supplemental retirement plans available to public employees, including authorizing public employers who sponsor a deferred compensation plan to contribute a matching contribution based on an employee's student loan payments;
- revise and update statutes require compliance with applicable Internal Revenue Code requirements and expand the authority of the pension fund executive directors to correct operational errors as permitted by the IRS' self-correction program;
- establish a work group to recommend legislation by Jan. 10, 2025, that will update statutes dictating amortization periods, to "conform to actuarial best practices for amortizing liabilities;"
- revise the expiration date for state aid paid to pension plans;
- change the process for setting the salary of the executive directors of the Public Employees Retirement Association, the Teachers Retirement Association, and the Minnesota State Retirement System; and
- remove or revise obsolete statutory references and allow reports and investment disclosure forms to be delivered to the Commission electronically.

HF5040\*/SF4643/CH102

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## Taxes

# Standard deduction glitch remedied; two other changes made

An error in the 2023 state tax law that shrunk the amount of the individual income tax standard deduction to 2019 levels — omitting four years of inflation adjustments — has been corrected.

Sponsored by Rep. Aisha Gomez (DFL-Mpls) and Sen. Ann Rest (DFL-New Hope), a new law makes three changes to provisions enacted in 2023.

It amends the state standard deduction law to rebase the tax year 2023 standard deduction amounts. The 2023 tax act inadvertently reduced the standard deduction for tax year 2024 by undoing inflation adjustments since tax year 2019. The change is effective retroactively for tax years 2023 and later, and the amounts will be adjusted for inflation beginning in tax year 2024.

The law also aligns the definition of "Tribal Nation" in the statewide local housing aid statute with the definition used in the Tribal Nation aid program. The change will allow any of the 11 federally recognized tribes in Minnesota to apply for statewide local housing aid, effective for aids payable in 2024.



And it amends the local sales tax authorization for Beltrami County to allow a 0.625% tax approved by voters at an election held on Nov. 7, 2023, effective retroactively from that date.

HF2757\*/SF2405/CH76

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## Taxes

# Date corrected on corporate net operating loss limit

A new law corrects a drafting error and retroactively modifies the effective date for the corporate net operating loss limit change signed into law in 2023. A change that was inadvertently listed in the law as being for tax year 2023 has now been changed to tax year 2024.

The net operating loss deduction allows a corporation to use net operating losses from the previous 15 tax years to reduce its taxable income in the current tax year. Since 2019, the corporate net operating loss deduction has been limited to 80% of a corporation's taxable income. In 2023, the legislature changed the limit from 80% to 70%.

Sponsored by Rep. Dave Lislegard (DFL-Aurora) and Sen. Ann Rest (DFL-New Hope), the law is in effect retroactively to tax year 2023.

HF3769\*/SF3774/CH82

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## Taxes

# Tax law a vehicle for laws on health, human services, energy and elsewhere

In the waning hours of the 2024 legislative session, nine bills became one.

The conference committee that had been negotiating a synthesis of the House and Senate tax bills took the product of their discussions and added to it eight other bills ranging from a health and human services finance bill to legislation covering policy and appropriations for transportation, labor, housing, higher education, agriculture, and climate and energy.

It also included separate measures regarding rideshare driver rights and pay scales, firearms and paid leave. Technically, the law was sponsored by Rep. Aisha Gomez (DFL-Mpls) and Sen. Ann Rest (DFL-New Hope), but committee chairs in multiple subject areas sponsored the original legislation folded into the law.

Here are some changes in the law.

Except where indicated, sections involving appropriations take effect July 1, 2024, while Aug. 1, 2024 is the effective date if the language does not have appropriations

HF5247\*/SF5234/CH127

## Articles 1-3: Transportation

The law calls for \$30 million from the proceeds of bond sales to be spent on construction projects, with half going to the Corridors of Commerce program. (Art. 1, Secs. 1-4)

Other appropriations include:

- \$11.4 million for road projects in small cities;

- \$3.8 million to build a pedestrian bridge over U.S. Highways 10 and 169 in Ramsey;
- \$3 million to hire additional driver's license examiners; and
- \$1.2 million allowing police officers the opportunity to give drivers vouchers to make small vehicle repairs, such as fixing headlights. (Art. 1, Secs. 2, 4, 9)

A pilot program will allow Minneapolis and Mendota Heights to enforce speeding and red light laws using cameras, starting Aug. 1, 2025. Violations will generally carry a \$40 penalty, with limits on data collected, shared and saved. (Art. 3, Secs. 1-3, 9-10, 39, 42-44, 46-52, 69, 71, 98, 113, 115-117)

Beginning July 1, 2025, "lane splitting," in which motorcyclists can ride between cars, will be allowed. A practice that can make riding in stop-and-go traffic much safer, lane splitting will not be allowed at speeds over 25 mph or 15 mph faster than other vehicles. (Art. 3, Secs. 53, 58, 61, 122)

Among its various provisions, the law also:

- establishes the Minnesota Advisory Council on Infrastructure to coordinate across agencies and jurisdictions;
- requires that the Department of Transportation, during the next 10 years, install rumble strips at highway intersections, unless there is a residence within 750 feet;
- implements measures to reduce transportation-related greenhouse gas emissions or mitigate their effects;
- authorizes Minnesota United and Rotary International license plates;
- extends deadlines on title transfers, effective Oct. 1, 2024;
- revises e-bike requirements and tightens the regulations to disallow bicycles to be marketed as e-bikes if they can be readily modified to perform like motorcycles;
- limits locomotive yardmasters' hours of service;
- expands areas where cities may create pedestrian malls; and
- revises Metropolitan Council planning to transition to zero-emission transit vehicles. (Art. 3, Secs. 5-7, 12, 14-15, 30, 32, 36, 40-41, 55-58, 88, 95, 101, 106)

The law provides for studies identifying:

- transportation service gaps in rural areas;
- potential improvements for Metro Mobility;
- standards for committees to approve highway and bridge dedications and special license plates; and
- ways to beef up the commercial driver workforce. (Art. 3, Secs. 125-126, 130-131)

#### Articles 4-13: Labor and Industry

The labor and industry finance portion of the law increases the fiscal year 2025 appropriation for workers' compensation and workforce development by \$973,000. It also allocates \$9.7 million to the Department of Employment and Economic Development, with \$9 million for the Rise Up workforce center in Minneapolis and \$651,000 for implementation of broadband. (Art. 4, Secs. 3, 8)

Among other provisions, the law adds the unified rules of Muay Thai to the list of acceptable combative sports rules, and allows University of Minnesota employees — including student employees — more flexibility in organizing collective bargaining units. (Art. 5, Sec. 1; Art. 12, Secs. 1-3)

Effective July 1, 2024 (except where indicated), the law will also:

- require residential energy codes from 2026 to 2038 to incrementally move toward achieving a 70% reduction in annual net energy consumption;
- increase the maximum amount a homeowner can receive from the residential building contractor recovery fund from \$75,000 to \$100,000; and
- effective May 25, 2024, add air flight crews to employees who can earn sick and safe time, while excluding volunteer or paid on-call firefighters, ambulance service personnel, elected officials and farm laborers. (Art. 6, Secs. 1-2; Art. 11, Sec. 7)

The Department of Labor and Industry may penalize a business up to \$10,000 per violation plus compensatory damages if it classifies, represents, treats, reports, discloses or documents an employee as something other than an employee, such as an independent contractor. A business cannot require employees to agree to be misclassified or enter into an agreement to do so.

Enforcement of the provision will also allow the department to give a stop work order and require the cessation of all business operations across all of the employer's workplaces and places of business until the business comes into compliance. (Art. 10, Secs. 7, 21)

The law, effective July 1, 2024, also creates the Intergovernmental Misclassification Enforcement and Education Partnership to improve communication and collaboration between government entities to detect, investigate and deter employee misclassification; and establishes the Intergovernmental Misclassification Enforcement and Education Partnership Act for preventing employee misclassification and for coordination, collaboration, and information sharing between partnership entities. The law will fund the misclassification enforcement of the provision with \$1.4 million for the 2026-27 biennium. (Art. 10, Secs. 9-10)

#### Articles 14-16: Housing

The Housing Finance Agency is appropriated \$8.7 million in fiscal year 2025, \$8.1 million of which is for the family homeless prevention and assistance program. The law also increases the fiscal year 2025 appropriation for the community stabilization program by \$25 million and stipulates uses for the program's \$115 million in appropriations for fiscal years 2024 and 2025.

Seeing their fiscal year 2024 appropriations reduced are the supportive housing program (by \$15 million) and the workforce homeownership program (by \$3 million). For fiscal year 2025, appropriations for the economic development and housing challenge program are reduced by \$7 million, effective May 25, 2024. (Art. 14, Secs. 2, 7-9 and 11)

The law makes numerous changes that affect municipalities, housing assistance programs and private sector housing. Effective May 25, 2024 (except where indicated), they include provisions saying:

- comprehensive plans and amendments adopted by local government units in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties are not subject to the environmental policy law;
- financially distressed residential properties are eligible for statewide local housing aid, beginning with aid amounts payable in 2024, and the Housing Finance Agency's community stabilization loan and grant program may support recapitalization of distressed buildings, effective Aug. 1, 2024;
- the Department of Labor and Industry must develop code update recommendations for single-egress apartment buildings to determine life safety outcomes in comparison to other housing types, by Dec. 31, 2025; and
- the Legislative Coordinating Commission must facilitate two new groups: one to study how existing laws regulating common interest communities and homeowners' associations help home occupants access safe and affordable housing, and another to evaluate issues and provide recommendations on affordable housing sustainability. (Art. 15, Secs. 26, 33, 38, 46, 48-49).

Effective July 1, 2024, the law requires relevant state agencies to measure the timeliness of processing applications for rental assistance, particularly the family homelessness prevention and assistance program, with a goal of processing an application in two weeks and paying a landlord in 30 days. Agencies must also simplify verification processes and develop uniform e-signature options on applications. (Art. 16, Secs. 3-5)

## Article 17: Transportation Network Companies

The law will mandate that transportation network companies in Minnesota pay rideshare drivers \$1.28 per mile and 31 cents per minute with a \$5 minimum per ride. It will also grant drivers the right to appeal a deactivation and possibly reactivate their account on a rideshare app.

It will appropriate \$173,000 in fiscal year 2025 for enforcement, education and outreach, with an annual base of \$123,000 beginning in fiscal year 2026.

A transportation network company will be required to maintain auto insurance on a driver's behalf and provide a blanket accident and sickness insurance policy that provides at least \$1 million in benefits for personal injuries to drivers.

A transportation network company must maintain a written plain-language deactivation policy and keep it available online in several languages.

Transportation network companies also:

- are prohibited from discrimination against a driver due to race, national origin, color, creed, religion, sex, disability, sexual orientation, marital status, or gender identity;
- must provide a driver with the option to opt out of arbitration, although the driver must not seek remedies on the same alleged violation through district court if they choose arbitration;
- must give drivers compensation notice, assignment notice, a daily trip receipt, a weekly summary and keep these records for three years;
- pay drivers with wheelchair accessible vehicles an additional 91 cents per mile; and
- pay drivers 80% of a ride cancellation fee if the driver has already departed and the ride is cancelled.

The provisions take effect on Dec. 1, 2024, unless otherwise noted. (Art. 17, Secs. 1, 3-5, 7, 9, 12)

## Articles 34 and 35: Higher Education

The 2024 higher education supplemental policy and finance law affects funding and policies for the Office of Higher Education that oversees the state's financial aid programs, Minnesota State system of colleges and universities, University of Minnesota system, and other postsecondary institutions in the state.

The provisions in these articles also appear in Chapter 124. Please see that New Laws entry for details.

## Article 36: Firearms

By Feb. 1 of each year, the Department of Public Safety must report to the Legislature the following information regarding actions taken by the Bureau of Criminal Apprehension and Violent Crime Enforcement Teams: the number of firearms seized; the number of gun trafficking investigations conducted; and a summary of the types of investigations conducted. This section takes effect Aug. 1, 2024.

Effective Jan. 1, 2025, guns with "binary triggers" are added to the list of guns prohibited by state law. A binary trigger allows a firearm to shoot one shot on the pull of the trigger and a second shot on the trigger release.

A straw purchase occurs when an individual buys a firearm for someone ineligible to purchase or possess one. Effective Aug. 1, 2024, the penalty for a person knowingly making a straw purchase of a firearm increases to a felony, punishable by up to two years of imprisonment and a \$10,000 fine. Using an illegally transferred weapon in a felony crime of violence within a year will be an aggravated violation punishable by up to five years of imprisonment and a \$20,000 fine.

A defendant can make an "affirmative defense" in court if it's proven by clear and convincing evidence they were forced to make the straw purchase under threat of "substantial bodily harm or death." (Art. 36, Secs. 1-4)

## Articles 37-39: Agriculture

The law's agriculture provisions include providing home water treatment for nitrate contamination, compensating farmers for elk damage, adjusting grant programs for beginning farmers, and pesticides policy.

The provisions in these articles also appear in Chapter 126. Please see that New Laws entry for details.

#### Articles 40-45: Climate and Energy

The law includes \$15.4 million in allocations from the Renewable Development Account for such renewable energy projects as a geothermal energy system and an anaerobic digester, and streamlines the permitting process for electricity-generating projects to be hooked up to the transmission grid.

The provisions in these articles also appear in Chapter 126. Please see that New Laws entry for details.

#### Article 46: Disability Services

Effective Aug. 1, 2024, the law makes several changes to state-provided and governed disability services, including:

- eliminating parental fees for certain mental health and disability residential facilities;
- reimbursing parents and spouses for providing personal care assistant services;
- establishing a pediatric hospital-to-home transition pilot program; and
- establishing capacity building for “own home” services providers.

The Department of Human Services must award grants to eligible financially distressed organizations that provide early intensive developmental and behavioral intervention services to rural communities (Art. 46, Secs. 1, 6, 45-47).

#### Article 47: Aging Services

The law provides that assisted living facilities must offer three meals and snacks daily, including seasonal fresh fruit and fresh vegetables, and that no facility may require a resident to pay for meals in their contract. Facilities must also provide weekly cleaning and laundry service, assistance with transportation and accessing community resources and social services, culturally sensitive programs, and daily social and recreational activities.

It also expands a loan program to include long-term services, support providers and facilities, and lists circumstances under which a participant is eligible to request an elderly waiver budget and rate exception. The law also:

- retroactively sunsets submission of new applications for disproportionate share facilities, effective Sept. 30, 2023, and prohibits processing any further applications, effective Oct. 1, 2023;
- allows a facility that receives rate floor payments in 2024 to apply to maintain its designation as a disproportionate share facility for rate year 2025;
- sunsets the rate floor established for 24-hour customized living services provided to an elderly waiver participant in a designated disproportionate share facility, effective Dec. 31, 2025;
- sets the rate floor at \$141 per resident day for 24-hour customized living services for rate year 2025; and
- sets an expiration date for the elderly waiver disproportionate share rate adjustment statute of Jan. 1, 2026. (Art. 47, Secs. 3-4, 7, 16-18, 20-21)

#### Article 51: Miscellaneous Human Services Provisions

Effective May 25, 2024, the Department of Human Services must develop a strategy to implement interventions to address unmet health-related social needs, including nutrition, housing, case management and violence prevention. The law establishes a working group to streamline access, eligibility, and administration of supportive housing resources for people experiencing homelessness (Art. 51, Sec. 3).

#### Articles 52-53: Human Services Response Contingency Account

A human services response contingency account is created in the special revenue fund to respond to emerging and immediate needs related to supporting the health, welfare or safety of people for which no other funding or insufficient funding is available. This takes effect Aug.1, 2024.

Minnesota Management and Budget is permitted to transfer money from the Minnesota Forward Fund, the Minnesota climate innovation authority account, and the state competitiveness fund account to the human services response contingency account to respond to emergency state needs and to other state agencies to maximize federal funding opportunities, with the total transfer amount not to exceed \$100 million. (Art. 52, Sec. 1, Art, 53, Sec. 2)

#### Article 57: Health Insurance

Effective Jan. 1, 2025, the new law prohibits Minnesota Management and Budget from purchasing state-paid hospital, medical, and dental benefits for eligible employees from a health maintenance organization that is not a nonprofit corporation. (Art. 57, Sec.1)

#### Article 63: Office of Emergency Medical Services

An Office of Emergency Medical Services will be created, effective Jan. 1, 2025, to “promote the public health and welfare, protect the safety of the public, and effectively regulate and support the operation of the emergency medical services system in this state. (Art. 63, Secs. 1-23)

#### Article 67: Health and Human Services Appropriations

The law appropriates and (reallocates) money for fiscal year 2025 from the General Fund or special state revenue funds to:

- Human Services, \$23 million;
- MNsure, \$2.3 million;
- Rare Disease Advisory Council, \$342,000;
- Department of Commerce, \$149,000;
- Attorney general’s office, \$53,000
- Board of Pharmacy, \$27,000;
- Minnesota Management and Budget, (\$132,000);
- Department of Health, (\$251,000); and
- Health care central office, (\$1 million).

It also authorizes a transfer of \$284.6 million from the premium security plan account to the General Fund in fiscal year 2026. (Art. 67, Secs. 2-9, 11-15)

#### Articles 68-72: Taxes

The law makes changes to the child tax credit signed into law in 2023. The law requires the Department of Revenue to move forward with the advance payments, which requires the credit to be available in smaller increments over the course of a year rather than one lump sum and distributed as an advance payment for the following tax year that would equal 50% of the taxpayer’s credit in the previous year (Art. 68, Secs. 1-4).

Most taxpayers will not have to repay their advance payments if they exceeded the amount of credit for which they were eligible.

Other tax provisions in the law will:

- increase the maximum taconite homestead credit to \$515;

- require the Iron Range Resources and Rehabilitation Board to issue up to \$80 million in bonds in 2024 and 2025 to fund a variety of projects;
- alter the state's tax-forfeited property statutes to clarify that the previous owner may be entitled to proceeds of a subsequent sale, appropriating \$1.5 million in fiscal year 2025 to the Department of Natural Resources to administer the process;
- subject synthetic nicotine products to the tobacco excise tax;
- establish a housing support account with an annual appropriation of \$450,000; and
- require the Department of Revenue to regularly make grants to taxpayer assistance organizations and tax outreach organizations, appropriating \$1 million for each grant program in fiscal year 2025. (Art. 69, Secs. 2, 15-16; Art. 70, Secs. 2, 8-11; Art. 71, Secs. 1, 4)

#### Article 73: Paid Leave

The law makes modifications to the Paid Family and Medical Leave Act, a 2023 law that established a state-run insurance program scheduled to begin operating Jan. 1, 2026, that will provide Minnesota workers with up to 20 weeks per year of paid time off to deal with family or medical issues, including bonding time with a newborn. Among changes to the law are:

- except for bonding leave, a seven-day or longer “qualifying event” is required before paid leave benefits can be requested;
- the initial paid week is a retroactively payable period;
- the Department of Employment and Economic Development must notify all employers from which an applicant is taking leave, not more than five business days after a claim for benefits has been filed by an employee or former employee;
- it establishes procedures for filing an appeal of an initial denial of paid leave benefits;
- under certain conditions, the premium payroll tax rate for employers having fewer than 30 employees is 75% of the annual rate calculated for larger employers;
- it stipulates that the Department of Employment and Economic Development has the option to adjust the annual premium rates prior to the scheduled program start date of Jan. 1, 2026, and, by July 31 of each year thereafter, adjust the annual premium rates for the following calendar year. (Art. 73, Secs. 12, 14-15, 23, 39, 42)

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#### Taxes

## State creates \$109 million fund for tax-forfeited lands settlements

In response to a U.S. Supreme Court ruling, the state has created a \$109 million fund to be paid out to counties that need to settle litigation on how they have treated tax-forfeited lands.

In *Tyler v. Hennepin County*, the court determined that a provision in Minnesota law was unconstitutional because it allowed counties to seize property whose owners had been delinquent in property tax payments, sell the property and keep the surplus proceeds of the sale. The Supreme Court determined that, in such cases, the net total after collecting the delinquent taxes should be returned to the property's original owner.

Under a new law that took effect May 19, 2024, \$109 million is appropriated in fiscal year 2024 to Minnesota Management and Budget for payments to counties for settling such litigation, which can also include mineral rights in those lands. The one-time appropriation is available until June 30, 2026, after which the claims administrator must return any unspent funds.

To be eligible, counties must elect to participate in the settlement, agree to provide the commissioner with necessary property tax data and make a good faith effort to sell any remaining properties that forfeited prior to 2024, and remit to the state a portion of the proceeds from those sales. A county that does not notify the claims administrator in writing by Aug. 1, 2024, that it is not a participating county will be deemed to have elected to become a participating county.

For sales made before June 30, 2027, a participating county must remit to the state 75% of the proceeds. For sales made between July 1, 2027, and June 30, 2029, a participating county must remit to the state 85% of the proceeds. Any property tax forfeited prior to 2024 that remains unsold after June 30, 2029, may continue to be managed as allowed by law.

The law also requires the commissioner to deposit into the General Fund any remitted proceeds from the sale of properties that forfeited prior to 2024. And it states that nonparticipating counties retain all risk and liability for claims related to properties forfeited prior to 2024.

Participating counties are also required to submit annual reports to Minnesota Management and Budget with details on properties forfeited prior to 2024. The commissioner must compile this information and issue a report to the Legislature.

Rep. Dave Lislegard (DFL-Aurora) and Sen. Grant Hauschild (DFL-Hermantown) sponsor the law.

HF5246\*/SF4936/CH113

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## **Transportation**

# **‘Michael Gau Memorial Bridge’ honors MnDOT employee killed in work zone incident**

A bridge in Plymouth will be named in honor of a Department of Transportation employee killed in a 2023 work zone incident.

The bridge over marked U.S. Highway 169 on Rockford Road will be designated as the "Michael Gau Memorial Bridge," honoring a long-time MnDOT employee and volunteer firefighter.

Rep. Ginny Klevorn (DFL-Plymouth) and Sen. Bonnie Westlin (DFL-Plymouth) sponsor the law, which takes effect Aug. 1, 2024.

HF3437\*/SF3798/CH84

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## **Transportation**

# **New law clarifies forecast requirements for Metro Mobility**

A new law that took effect April 11, 2024, adjusts when Metro Mobility funding must be accounted for in the state budget forecast.

Operated by the Metropolitan Council, Metro Mobility is a shared ride public transportation service for riders unable to use regular fixed-route buses due to a disability or health condition.

In 2021, the Legislature included Metro Mobility as a forecasted program, meaning it will have a General Fund obligation in future state budgets.



Sponsored by Rep. Frank Hornstein (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), the legislation moves back the date to start accounting for state forecasts and provides for a financial review beginning with the November 2024 budget forecast.

The legislation also revises the effective date for forecast adjustments to education appropriations, to commence March 26, 2024.

HF3613\*/SF3660/CH86

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## Transportation

# ‘Senator David J. Tomassoni Memorial Cross Range Expressway’ designated

Effect May 3, 2024, a stretch of Minnesota highway is named in honor of a beloved Iron Range legislator.

Sponsored by Rep. Dave Lislegard (DFL-Aurora) and Sen. Robert Farnsworth (R-Hibbing), a new law designates a segment of marked U.S. Highway 169 between Marble and Mountain Iron as the "Senator David J. Tomassoni Memorial Cross Range Expressway."

After retiring from professional hockey in Italy (he played for Italy in the 1984 Olympics), Tomassoni served in the Legislature for three decades, starting with election to the House in 1992. He was elected to the Senate in 2000 and served until months before his death in August 2022, about one year after announcing he had been diagnosed with amyotrophic lateral sclerosis, or ALS.

In his last year, Tomassoni spearheaded bipartisan legislation appropriating \$20 million for ALS research and \$5 million for caregivers.

HF4237/SF3881\*/CH98

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## Transportation

# Law requires plain language on driver’s license exams

A new law aims to ensure written driver’s license exams test how well applicants understand the rules of the road rather than their ability to decode complex sentences.

It directs the Department of Public Safety to create plain language standards and a new written test by Feb. 1, 2025. As much as possible the test must be “organized to serve the reader’s needs and written using clear, simplified language.”

Among specifics listed, language should:

- use the word “you” to address test takers directly;
- use the active voice;
- use concrete, familiar words;
- avoid long and complex sentences;
- minimize the use of abbreviations; and

- omit double negatives and terms such as "except for," "unless," and "indicated otherwise."

A one-time appropriation of \$212,000 from the driver and vehicle services operating account will be used to implement the new standards, which includes translation and vendor services.

A report will be due the Legislature by Feb. 1, 2026.

Sponsored by Rep. Brad Tabke (DFL-Shakopee) and Sen. Clare Oumou Verbeten (DFL-St. Paul), the law takes effect July 1, 2024.

HF3071\*/SF3094/CH89

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## Transportation

# Flying cars, booster seats included in transportation policy law

A new law updates and clarifies various transportation policies and procedures, including around driving safely, road construction, vehicle registration, underground excavation and public transit in Greater Minnesota.

Sponsored by Rep. Brad Tabke (DFL-Shakopee) and Sen. D. Scott Dibble (DFL-Mpls), the law spells out best practices for child passengers, sets strategies for reducing wait times for driver's licenses, updates requirements pertaining to permits and helps the highway patrol recruit troopers by offering contracts comparable to other law enforcement agencies.

It takes effect Aug. 1, 2024, unless otherwise noted.

HF3436\*/SF3944/CH104

## Child restraint systems

The law modifies child restraint requirements when a child is transported in a motor vehicle:

- a child who is younger than age 2 must be properly restrained in a rear-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;
- a child who is at least age 2 who exceeds the rear-facing weight or height limit of the child passenger restraint system must be properly restrained in a forward-facing child passenger restraint system with an internal harness, until the child reaches the weight or height limit of the child passenger restraint system;
- a child who is at age 4 and exceeds the weight or height limit of the forward-facing child passenger restraint system must be properly restrained in a booster seat and secured with a safety belt;
- a child who is at least age 9 or exceeds the weight or height limit of the child passenger restraint system or the booster seat must be secured with a safety belt adjusted and fastened around the child's body to fit correctly; and
- a child younger than age 13 must be transported in the rear seat of a motor vehicle, when available, and must be properly restrained in a child passenger restraint system or booster seat or secured with a safety belt.

A child younger than age 6 or weighs less than 60 pounds must be transported in a rear seat if the vehicle has a passenger side air bag supplemental restraint system, the system is activated, and a rear seat is available.

Additionally, if the number of children under age 13 exceeds the number of age- or size-appropriate child passenger restraint systems and safety belts available in the motor vehicle, the unrestrained children must be seated in a rear seat, if rear seats are available. (Art. 1, Secs. 40-44)

## Licenses, IDs

The law updates and expands many requirements and relevant documents pertaining to permits, endorsements, noncompliant licenses and REAL ID compliant licenses and identification cards. It expands documents that can be provided to show identity and residency, revises information to be provided applications, broadens eligibility for a veteran designation, and allows the release of some information for people who want to participate in the Transportation Security Administration's Registered Traveler program.

It also clarifies and amends eligibility and waiting periods to obtain a limited license following loss of driving privileges in various situations.

Additionally, it gives people the opportunity to list all those they care for, such as disabled adults, who may need a welfare check should the caretaker be in a crash. Current law only accommodates up to three people. (Art. 1, Secs. 55-72)

### Flying cars

Provisions allowing registration of roadable aircraft (i.e. flying cars) are included, making Minnesota the second state after New Hampshire with a "Jetsons" law.

The provisions define roadable aircraft as "any aircraft capable of taking off and landing from a suitable airfield and that is also designed to be operated on a public highway as a motor vehicle." They allow registration as a motor vehicle, with the vehicle's tail number displayed in lieu of plates.

For operations, roadable aircraft are like cars unless they are at an airport, landing area or in flight. Operators may not take off or land on public roads unless it is an emergency, an exception that has been open to other light aircraft. (Art. 1, Secs. 11-12, 17, 21, 26, 27, 29, 45, 52, 54, 97)

### Other Policy

Among its provisions, the law also:

- sets a 4-hour instead of 8-hour time for motor vehicle accident prevention courses taken by people 55 and older, which can be used to reduce insurance rates. This is effective July 1, 2024;
- adds three members to the Advisory Council on Traffic Safety;
- designates a bridge on U.S. Highway 212 over the Minnesota River in Granite Falls as the "Mayor Dave Smiglewski Memorial Bridge;"
- includes teardrop trailers in the definition of recreational vehicles and excludes recreational vehicles from needing a special license plate;
- effective Oct. 1, 2024, allows disclosure of leased vehicle information to licensed motor vehicle dealers as part of a sale or lease;
- prohibits towing of vehicles from a space where a meter has expired solely for having parking tickets;
- revises mandated reporting to the Department of Public Safety for crashes involving fatalities, injuries, damage to highway fixtures or involving school buses or commercial vehicles;
- if traffic allows, permits drivers to make a right-hand turn into the far lane at a reduced conflict intersection which is also known as a J-turn;
- allows a motorcycle to be equipped with ground lighting "if the bulbs or strips are not visible to operators of other vehicles; and the lights are aimed as to project a steady, non-flashing beam not more than six feet in radius directly onto the roadway and illuminate an area around the motorcycle";
- allows farm implements to pull into the left side roadway to avoid an obstacle as long as they return to the far right as soon as possible;
- effective June 1, 2024, allows septic tank trucks responding to an emergency to exceed some weight limits;

- allows oversized trucks to carry sugar beets after harvest on a few roads in East Grand Forks;
- effective May 16, 2024, establishes a program on capital projects for Department of Transportation buildings and facilities, including to create program accounts, set project eligibility, and identify prioritization considerations;
- has MnDOT maximize long-term benefits as much as possible in its construction plans;
- allow MnDOT to promote train travel;
- sets parameters for notifications and markings as part of underground excavation, including scheduling on-site meetings among an excavator and underground facility operator;
- effective May 16, 2024, requires a multimodal transportation plan for the Minnesota State Fair be developed by Aug. 1, 2024, for implementation at this year's fair; and
- revises provisions under MnDOT's transit assistance program and reporting, including to update terminology, modify transit system classifications, amend aid calculation procedures, and eliminate some administrative rules. (Art. 1, Secs. 1, 3, 8, 14-15, 23, 25, 30-34, 39, 47-50, 79, 84-91, 109; Art. 2, Secs. 1-16)