



# 2024 End of Session Report

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## 2024 INTRODUCTION AND SESSION OVERVIEW

### HIGHPOINTS - Successful Efforts

- ❖ [Tyler Claims Settlement Funding and Property Tax Forfeiture policy changes were both adopted.](#)
- ❖ [Emergency Medical Services \(EMS\) stopgap funding for rural EMS, and EMS Regulatory Reform](#)
- ❖ Packaging and solid waste reduction policies adopted
- ❖ Greenhouse Gas Assessment requirements modified
- ❖ Funding for groundwater nitrate contamination response
- ❖ Various human services funding and policy changes that facilitate county work
- ❖ MRRA language error adopted and distribution of savings to counties and DOC for probation services is defined.
- ❖ Lease Vehicle Revenue distribution remains unchanged.

**NO BONDING BILL:** Even-numbered legislative sessions have traditionally focused on passage of a bonding bill and that was also a stated top priority for 2024. However, the necessary bi-partisan support needed to pass a capital investment package authorizing new general obligation (GO) bonds did not materialize. While a small (\$71 million) General Fund appropriation bill for capital projects was under consideration in the final minutes of session, the session clock ran out in the middle of the vote in the Senate. That legislation also included a host of capital investment policy proposals, many of which MICA had raised concerns about during the session. The House and Senate did pass a bi-partisan bill to make language corrections and modifications to previously authorized capital project appropriations.

### Session Convenes:

The 2024 session kicked-off on February 12, 2024, and maintained a rapid pace throughout. Most committees initially held hearings to focus on the progress being made to implement the substantial number of new policies and budget changes enacted in 2023. The Governor and legislative leaders signaled a limited focus for the 2024 session. As session progressed, multiple committees took up legislation aimed at various majority party policy priorities not acted upon in 2023, as well substantive adjustments to various 2023 initiatives such as cannabis legalization, earned sick and safe time, and paid family and medical leave.

Over the course of the session, the House and Senate members introduced over 11,000 bills, far surpassing the historical high mark. This surge of bill introductions reflected another fast-moving session, with large committee agendas.



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The February state budget forecast framed the limited available resources. As summarized in the table below, that forecast reported a \$3.7 billion near-term budget surplus, but a structural budget imbalance in the long-term planning period. As such, available resources were largely considered to support one-time rather than ongoing budget changes.

State General Fund	Forecast	EOS - 2024	dif	Forecast	EOS - 2024	dif
2024 End-of Session	FY2024-25	FY2024-25	FY 2024-25	FY2026-27	FY2026-27	FY 2026-27
<i>(\$'s in millions)</i>						
<b>Beginning Balance</b>	\$ 16,516	\$ 16,516		\$ 6,978	\$ 6,554	\$ (424)
Revenues	\$ 60,997	\$ 61,003	\$ 6	\$ 64,814	\$ 64,851	\$ 37
Spending <i>(including inflation)</i>	\$ 70,535	\$ 70,965	\$ 430	\$ 66,292	\$ 66,424	\$ 132
Balance Before Reserves	\$ 6,978	\$ 6,554	\$ (424)	\$ 5,500	\$ 4,981	\$ (519)
Total Reserves	\$ 3,263	\$ 3,263	\$ -	\$ 3,263	\$ 3,263	\$ -
<b>Budgetary Balance</b>	\$ 3,715	\$ 3,291	\$ (424)	\$ 2,237	\$ 1,718	\$ (519)

The combined final actions used \$424 million in FY2024-25 (highlighted in blue in the chart above), with only \$95 million of additional funding allocated for FY2026-27. For the current biennium, the end-of-session state budget condition is strong, with \$3.291 billion remaining unallocated on the bottom line, and \$3.262 billion in reserves.

### The Final Hours of Session:

On the final day of session, six conference committee omnibus bills were lined up awaiting final passage by the majority in both bodies, along with various other bills the majority had prioritized. How could these bills be processed in a very short period of time, with a minority intent on blocking passage? The majority quietly set in motion a solution, leveraging the open tax conference committee report for HF5247.

Shortly before 10:00 p.m., a 1400-page bill containing the six conference committee bills and other priority legislation was quickly approved by the tax conferees and then unveiled on the House floor for final action. The “mega-omnibus bill”, as it would come to be known, was passed by the DFL majorities in the House and then in the Senate over strong objections by Republicans in both chambers. The last-minute passage of HF5247 left limited time to vote on a small capital projects bill that provided only General Fund appropriations and thus required only a simple majority to pass. The House voted on and passed the capital projects bill, but time ran out in the Senate.

**For COUNTIES**, the second year of the biennium produced several positive results on key priorities (see “highpoints” above), as well as necessary clean-up provisions to address language passed by the 2023 Legislature. The 2024 Legislature also managed to pass a small, but significant supplemental budget bill, as well as multiple policy initiatives.

This session report provides a detailed review of the funding and policy provisions that are most likely to impact the work of county governments. The sections are organized in the same manner as the MICA Weekly Legislative Reports.

Below is a Table of the Session Laws that were enacted this year that are of interest to counties. Links are provided for each session law chapter. Additional links are provided throughout the report for those seeking more information.



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## 2024 SESSION LAWS of Interest to Counties

**NOTE:** The table below is organized by topic.

Topic	Bill #	Law	Description
Ag, Commerce Energy	<a href="#">SF4942</a>	<a href="#">126</a>	Agriculture, commerce, and energy supplemental budget bill.
Bonding	<a href="#">HF3631</a>	<a href="#">88</a>	Capital projects previous appropriations amended, and report submission date changed.
Cannabis	<a href="#">HF4757</a>	<a href="#">121</a>	Cannabis; marijuana; Office of Cannabis Management and the Department of Health appropriations modified, Minnesota Consumer Data Privacy Act established, rulemaking authorized, data classified, and money appropriated.
Child Support	<a href="#">HF3204</a>	<a href="#">101</a>	Parenting time and spousal maintenance provisions modified, antenuptial and postnuptial agreements governing provisions modified and updated, assisted reproduction rights and responsibilities established, update terms used in statute.
Children	<a href="#">HF3488</a>	<a href="#">103</a>	Minors appearing in Internet content creation provided compensation.
Commerce	<a href="#">HF3868</a>	<a href="#">93</a>	Uniform Commercial Code amendments adopted to accommodate emerging technologies.
Econ Dev	<a href="#">SF5289</a>	<a href="#">120</a>	Employment and economic development supplemental budget bill.
Elections	<a href="#">HF4772</a>	<a href="#">112</a>	Elections; campaign finance funding and policy and technical changes provided, including changes to elections administrations, campaign finance and lobbying, and census and redistricting; Minnesota Voting Rights Act established; deep fake use to influence elections crime modified; notary provisions modified; reports required; transfers and appropriations modified; and money appropriated.
EMS	<a href="#">HF4738</a>	<a href="#">122</a>	Office of Emergency Medical Services established to replace Emergency Medical Services Regulatory Board, duties specified and transferred, advisory council established, alternative EMS response model pilot program established, conforming changes made, provisions modified relating to ambulance service personnel and emergency medical responders, emergency ambulance service aid provided, report required, and money appropriated.
Env & NR	<a href="#">HF3377</a>	<a href="#">83</a>	Environment and natural resources trust fund; previous appropriations modified, and money appropriated.
Env & NR	<a href="#">SF2904</a>	<a href="#">90</a>	Natural resources; various provisions modified relating to new electronic licensing system; native rough fish; watersheds, soil and water conservation districts, and wetland management; wetland banking program and conservation easement programs; riparian protection and water quality jurisdiction; drainage repair cost; beaver damage control; authority and duties of Board of Water and Soil resources; native prairie bank; fish and Wildlife Advisory Committee; feral swine; rulemaking authorized; and reports required.
Env & NR	<a href="#">HF4124</a>	<a href="#">106</a>	Outdoor heritage, clean water, parks and trails, and arts and cultural heritage funds money appropriated; and prior appropriations modified and extended.
Env & NR	<a href="#">HF3911</a>	<a href="#">116</a>	Environment and natural resources supplemental budget bill.



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Topic	Bill #	Law	Description
Gen Govt	<a href="#">HF3376</a>	<a href="#">92</a>	Digital image use allowed as proof of possession of passes and licenses, and electronic device use provided to display documents.
Gen Govt	<a href="#">SF4097</a>	<a href="#">114</a>	Consumer protection, monetary and financial institutions policy, insurance, and telecommunications provisions added, modified, or eliminated; on-sale liquor licenses modified and authorized; technical changes made; reports required; and penalties established.
HHS	<a href="#">HF3987</a>	<a href="#">79</a>	Transfer of duties from Department of Human Services to Department of Direct Care and Treatment implemented; general executive board duties, powers, rulemaking authority, and administrative service contracting established; and conforming changes made.
HHS Children	<a href="#">HF3646</a>	<a href="#">80</a>	Department of Children, Youth, and Families statutory infrastructure created; and statutes moved and copied.
HHS	<a href="#">SF4399</a>	<a href="#">108</a>	Human services; provisions modified relating to disability services, aging services, and substance use disorder services; Deaf and Hard-of-Hearing Services Act modified; subminimum wages phased out; blood-borne pathogen provisions expanded to all state-operated treatment programs; and expired reports removed.
HHS Children	<a href="#">SF0716</a>	<a href="#">117</a>	Minnesota African American Family Preservation and Child Welfare Disproportionality Act established, and money appropriated.
HHS	<a href="#">SF5335</a>	<a href="#">125</a>	Disability services, aging services, substance use disorder services, and priority admissions and civil commitment provisions modified; Direct Care and Treatment executive board, human services response contingency account, Homelessness and Housing Support Office, workgroups, and councils established; studies and reports required; rulemaking provided; and money appropriated.
Health Care	<a href="#">SF3204</a>	<a href="#">95</a>	Public employees insurance program modifications made.
Housing	<a href="#">HF3800</a>	<a href="#">96</a>	Housing cooperatives; organization and operation provided for seniors, low and moderate income people, and limited equity cooperatives and leasing cooperatives for designated members.
Housing	<a href="#">SF4579</a>	<a href="#">107</a>	Residential buildings shared-metered utility service provided for and regulated.
Housing	<a href="#">SF3492</a>	<a href="#">118</a>	Residential housing lease provisions amended; landlord and tenant rights and obligations provided; tenant screening provided; tenant associations provided; discrimination based on housing assistance prohibited; and landlord and tenant clarifying, technical, and conforming changes made.
Human Resources	<a href="#">HF4661</a>	<a href="#">97</a>	Technical and policy changes made to workers' compensation hearing provisions, and Workers' Compensation Court of Appeals related provisions modified.
HR	<a href="#">HF4109</a>	<a href="#">105</a>	Human rights law provided, and civil penalties and other remedies provided.
HR	<a href="#">SF3852</a>	<a href="#">110</a>	Labor policy provisions adopted.
K-12 Education	<a href="#">SF3567</a>	<a href="#">109</a>	Education; prekindergarten through grade 12 education provisions modified including general education, education excellence, teachers, special education, charter schools, nutrition and <b>libraries</b> , health and safety, and state agencies; and reports required.
K-12 Educ	<a href="#">HF5237</a>	<a href="#">115</a>	Education supplemental budget bill.



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Topic	Bill #	Law	Description
<b>MEGA OMNI BILL</b>	<a href="#"><u>HF5247</u></a>	<a href="#"><u>127</u></a>	Taxation and state government operations; various provisions modified, and money appropriated. <b>(MEGA OMNIBUS BILL)</b>
Pensions	<a href="#"><u>HF5040</u></a>	<a href="#"><u>102</u></a>	Pensions supplemental budget bill.
Property Records	<a href="#"><u>HF3925</u></a>	<a href="#"><u>91</u></a>	Property insurance provided for grantee beneficiaries of transfer on death deeds; and technical, clarifying, and conforming changes to transfer on death deeds made.
Public Safety SROs	<a href="#"><u>HF3489</u></a>	<a href="#"><u>78</u></a>	School Resource Officers; public safety provided, grounds for use of reasonable force in schools modified, school resource officer duties defined and minimum training requirements established, school resource officer model policy development required, and money appropriated.
Pub Safety	<a href="#"><u>HF5216</u></a>	<a href="#"><u>123</u></a>	Judiciary, public safety, and corrections supplemental budget bill.
Revisor Bill	<a href="#"><u>HF4483</u></a>	<a href="#"><u>85</u></a>	Miscellaneous technical corrections made to laws and statutes; erroneous, obsolete, and omitted text and references corrected; and redundant, conflicting, and superseded provisions removed.
Taxation	<a href="#"><u>HF2757</u></a>	<a href="#"><u>76</u></a>	Taxation; standard deduction calculation and statewide local housing aid definitions modified, and Beltrami County local sales and use tax authorization amended.
Tax Forfeit	<a href="#"><u>HF5246</u></a>	<a href="#"><u>113</u></a>	Tax-forfeited lands settlement account established, money transferred, reports required, and money appropriated.
Transportation	<a href="#"><u>HF3613</u></a>	<a href="#"><u>86</u></a>	Forecasted Metro Mobility funding clarifications provided, education forecast adjustments effective date provided, and money appropriated.
Transportation	<a href="#"><u>SF3881</u></a>	<a href="#"><u>98</u></a>	U.S. Highway 169 portion between Marble and Mountain Iron designated as "Senator David J. Tomassoni Memorial Cross Range Expressway."
Transportation	<a href="#"><u>HF3436</u></a>	<a href="#"><u>104</u></a>	Transportation; various policies modified, including but not limited to motor vehicles, driving rules, accident reporting requirements, child passenger restraint requirements, roadable aircraft, legislative routes, drivers' licenses and exams, excavation notices, and greater Minnesota transit; criminal penalties modified; prior appropriations modified; technical changes made; and reports required.
Transportation (DMV)	<a href="#"><u>HF3071</u></a>	<a href="#"><u>89</u></a>	Written driver's examinations and the driver's manual plain language standard incorporation required, report required, and money appropriated.
Veterans	<a href="#"><u>HF3454</u></a>	<a href="#"><u>100</u></a>	Adjutant general powers expanded, veterans home provisions modified, armories provisions modified, veterans policy provisions amended, and veterans Meals on Wheels program grant availability extended.

### \$109 Million Appropriated for Settlement of Tyler Claims Tax Forfeiture Policy Changes, \$30M one-time EMS Aid, Few Other Changes

In 2023, the Legislature passed a two-year (biennial) state budget that included historic increases in state aid and other funding for programs administered by counties, as well as an array of new policy initiatives that increase county costs. Headed into the 2024 session, the Governor and Majority Caucus leaders identified capital investment (bonding), policy that could be agreed upon, and ‘fixes’ to legislation enacted in 2023, as key priorities for 2024.

In February, the state released a state budget forecast that projected a \$3.7 billion surplus for FY2024-25, but a structural deficit<sup>1</sup> in the budget planning period that looks out three years. Reflecting those conditions, legislative leaders called for limited new additional uses in 2024, with an emphasis on one-time uses and capital projects. As the session concluded, adopted legislation aligned with the pre-session priorities, with the major exception that no capital investment (bonding) bill was adopted.

From the projected surplus of \$3.7 billion, the Legislature allocated just \$424 million for additional new uses in FY2024-25. Of that \$424 million, \$109 million was appropriated to pay Tyler Settlement claims against counties and the state stemming from the unanimous decision by the United States Supreme Court that Minnesota’s property forfeiture law for non-payment of property tax was unconstitutional. In addition, \$30 million was allocated for one-time aid primarily to rural ambulance services, along with limited funding for other programs administered by counties. Beyond these county priorities, while the House and Senate each passed comprehensive omnibus tax proposals that included provisions impacting county governments, tax conferees reached consensus on only a handful of items pertaining largely to state tax programs.

The summary below is organized by topic and by actions taken by the Legislature (“What Passed”) followed by a summary and brief description of “What Did Not Pass” this session.

<sup>1</sup> A ‘structural deficit’ refers to a circumstance where the spending for the current period, such as a fiscal year or biennium, is less or projected to be less than the revenues for that same period. It differs from ‘budget balance,’ which refers to whether net resources less spending is positive (surplus) or negative (deficit) after taking into carry forward accounts from prior periods

## What Passed

### \$109 Million for Settlement of Tyler Claims

Settlement Funding Enacted in [Chapter 113](#), Tax-Forfeiture Policy Changes Enacted Separately

[HF5246](#), authored by Representative Dave Lislegard and Senator Grant Hauschild (SF4936), appropriates \$109 million in FY2024 to pay *Tyler Settlement* claims. The broadly supported legislation passed with unanimous support:

- The House passed the legislation 127-0 on May 9.
- The Senate passed the legislation 66-0 on May 17.
- The Governor signed into law as [Chapter 113](#)

Subsequent to the Supreme Court Opinion in *Tyler v. Hennepin County*, legal and policy efforts to respond to that decision fell into two broad buckets: a remedy to lawsuits seeking retroactive relief for prior year implementation of the Minnesota state law found to be unconstitutional; and development of a policy fix to Minnesota statutes to comply with

the court’s ruling going forward. The Minnesota State Attorney General and lead county attorneys reached a Settlement Agreement that provided a framework for resolution of past claims. The total settlement amount was set at no more than \$109 million, and the overall agreement was contingent upon the Legislature appropriating \$109 million this legislative session to fund the claims. Total claims could be less than that amount. Separately, a collaboration of county officials met throughout 2023 and 2024 to craft and advocate a policy solution, while legislative staff and others also researched potential statutory adjustments to state law to comply with the Court’s decision.

At the beginning of session, the *Tyler Settlement* funding package and a package of policy changes were introduced as separate bills. The policy language was authored by Representative Sandra Feist ([HF4822](#)) and Senator Bonnie Westlin ([SF4985](#)). The separation of funding and policy allowed the complex policy language to travel to multiple committees of jurisdiction, while the Settlement Fund bill ([HF5246](#)) travelled independently. Following House passage of HF5246 on May 9, it was anticipated that the Senate might amend the final policy fix into HF5246 so that both settlement funding and policy changes were in the same bill. However, certain policy bill concerns arose in the Senate in the final week of session. As adjustments were worked on to accommodate those concerns, including provisions to provide greater notice and opportunities to diverse communities and to further promote preservation of owner-occupied housing, the Settlement Fund legislation (HF5246) proceeded to final passage and enactment. Policy provisions were incorporated into HF5247, the Omnibus Tax Bill, which became the vehicle for multiple omnibus bills passed in the final hour of session.

### Key Settlement Fund provisions:

- \$109 million is appropriated for a settlement fund to pay claims related to the U.S. Supreme Court decision in *Tyler v. Hennepin County*.
- Every county is deemed to be a “participating county” in the settlement unless the county affirmatively notifies the claims administrator by August 1, 2024, that they opt not to participate.
- Participating counties must:
  - make a good faith effort to sell all inventory of properties forfeited during the look-back period, and remit 75% of sale value for properties sold by June 30, 2027, and 85% for those sold by June 30, 2029.
  - agree to sell properties for no less than the appraised value
  - agree to sell properties for cash and not on terms
  - agree to continue managing unsold inventory after June 30, 2029.
- Additionally, as amended by [Chapter 127](#), Article 70, Section 10 ([Chapter 127 summary](#)):
  - if the property is a residential property with four or fewer residential units or a property that is unimproved with a structure, the property must be first be offered for a period of 30 days to persons who intend to own and occupy the property as a residence or who intend to use the property for a noncommercial personal use; and
  - the sale must be advertised for 30 days by publication in newspapers, websites, and other forums that serve diverse communities in the county where the property is located.

## Property Tax Forfeiture Process Amended in Response to *Tyler Decision*

*Revisions to Tax-Forfeiture for Non-payment of Property Tax – [Chapter 127, Article 70](#)*

The **property tax forfeiture policy fix legislation** that had travelled all session as [HF4822](#) (Feist) and SF4895 (Westlin), was amended into HF5247 on the final day of legislative session (see Article 70 of [HF5247 Conference Committee Report](#)). Those changes amend Minnesota’s existing statutory framework for property tax forfeiture due to non-payment of tax to:

- Require the sale at a public auction of all tax forfeited land upon forfeiture, except that mineral interests are reserved for the state, and any parcel withdrawn from sale by the commissioner of natural resources must not be sold.
  - The sale requirement is designed to set a value of the property to then determine the amount of ‘surplus value,’ if any.
- Allow that if a property cannot be sold for more than the sum of delinquent taxes plus associated costs and penalties (“minimum bid”<sup>1</sup>), the county may dispose of the property as otherwise allowed by statute.
- Provide for any “interested party”<sup>2</sup> to repurchase a property that has been forfeited by paying all delinquent taxes, special assessments, penalties interest, and costs, prior to the actual sale of the property.
- Establish a claims process to distribute the surplus value, if any, to interested parties that file a claim for excess proceeds from a sale of tax-forfeited property, such as former owners or heirs.
  - The county auditor must notify interested parties that have filed a claim within 60 days of the completed sale if the sale resulted in a surplus.
- Reserve mineral rights and provide for state (DNR) purchase of forfeited mineral rights, with title to the mineral estate to be held by the state in trust for the local jurisdictions.
- Retain current law regarding management of legacy lands.

Various adjustments were made to the legislation in the final week of session to address concerns raised in the Senate related to protections for former homeowners and diverse communities, including changes to:

- Establish and fund a *Housing Support Account* in Minn. Stats. 462A.43 (\$450,000 annually was appropriated);
- Require that the delinquent tax list notice includes information on property tax relief programs available to homeowners and be published on the county website in a form, and multiple languages, prepared by the Commissioner of Revenue:
  - Provide that for the first 30 days at auction a property must be initially available at no less than assessed value (estimated market value) at the time of forfeiture, before that initial auction price is reduced to the minimum bid; and
  - Require that the pre-sale (auction) notice must “be provided by publication in newspapers, websites, and other forums that serve diverse communities in the county where the property is located at least 30 days before the commencement of the sale”.

### Minerals Taxes; Bonding for Iron Range Capital Projects Authorized

*\$80 Million Authorized for Iron Range Projects Over Two Years – [Chapter 127, Article 69](#)*

One of the areas where Tax Conferees were able to reach consensus was on adoption of a Minerals Tax Article making various law changes impacting taconite mining regions in Northern Minnesota, including portions of St. Louis County.

Various provisions in HF5247, Article 69:

- Increase the **maximum taconite homestead credit** that is funded by taconite production tax revenues. Under prior law, for certain areas within the taconite relief area the credit for homesteads is equal to 66 % of the tax due, up to a maximum of \$315.10. For other areas within the taconite relief area, the credit is equal to 57 % of the tax due, up to a maximum of \$289.80. Chapter 127 increases both maximums to \$515.
- Change the proposed property tax statement for commercial-industrial property within the boundaries of the Iron Range fiscal disparities program.

<sup>1</sup> “Minimum bid” means the sum of delinquent taxes, special assessments, penalties, interest, and costs assigned to the parcel.

<sup>2</sup> “Interested party” means any party with an interest in the property, including property owners, vendees, mortgagees, lienholders, escrow agents, and lessees of real property.



- Increase the taconite production tax distribution to the Range Association of Municipalities and Schools (RAMS) to 0.5 cents per taxable ton.
- Require the commissioner of the Iron Range Resources and Rehabilitation Board (IRRRB) to issue up to \$49 million in bonds by March 31, 2025, and an additional \$31 million in 2025, to fund grants for a variety of specified projects. The bond payments will be made from taconite production tax distributions to the Iron Range consolidation and cooperatively operated school account.
- Provide a onetime transfer of \$300,000 from the 2024 distribution to the Taconite Economic Development Fund (TEDF) to the city of Chisholm for the Senator David Tomassoni Bridge of Peace.

## Limited State Tax Law Changes Enacted

### *Minnesota Child Tax Credit Changes – [Chapter 127](#), Articles 68 & 71*

Chapter 127, **Article 68 modifies the Minnesota Child Tax Credit** to support access to the ‘advance payment’ of that credit by eligible recipients whose income levels or number of qualifying children may change throughout the taxable year in which they are receiving advance payment. More specifically, for taxpayers that elect to receive an advance payment for the taxable year, the new law establishes a “minimum credit” equal to 50% of the taxpayer’s credit in the previous year. The credit would be available to taxpayers whose incomes were below the point at which the credit would be fully phased out. If the number of the taxpayer’s qualifying children decreased from year to year, the minimum credit amount would decrease proportionally based on the percentage of the taxpayer’s qualifying children that remain. The changes are effective for tax year 2025 and later.

Article 71 expands definitions for the types of organizations eligible to receive grants from the Commissioner of Revenue to assist taxpayers in filing taxes for tax credits available to low-income households.

## Other Chapter 127 – Tax and Fiscal Changes

### *Housing Aid Changes – [Chapter 127](#), Article 15*

Housing supplemental budget and policy provisions were combined with Transportation and Labor provisions in one omnibus bill prior to conference committee and were also ultimately incorporated into Chapter 127, the Mega Omnibus Bill. Specifically, Article 15, sections 27 – 36 make a **package of parallel changes to both Statewide Affordable Housing Aid (SAHA) and Local Affordable Housing Aid (LAHA)**, the latter being the aid distributed to cities and counties in the metropolitan area from proceeds generated by a ¼ cent sales tax that applies only in the metro area. For both programs, the changes:

- Add a definition of locally funded housing expenditures to the local affordable housing aid program to include use of unrestricted local government money on a wide variety of housing-related expenditures.
- Add the funding of operations and supportive services to the list of projects which local affordable housing aid may be spent on, including costs of operating emergency shelter, transitional housing, supportive housing, or publicly owned housing.
- Require that local affordable housing aid recipients commit to using money to supplement their locally funded housing budgets.
- Require that local governments report on their locally funded housing expenditures and any cuts to those expenditures. Requires MHFA to notify the Department of Revenue if a local affordable housing aid recipient fails to report on its locally funded housing expenditures. Requires an aid recipient to return its money to MHFA if it fails to meet its reporting requirement. Requires the Department of Revenue to stop funding an aid recipient upon the aid recipient’s request

- Deem funds committed to a project within three years of receipt as spent for the purposes of the three-year spending deadline of the local affordable housing aid, provided that the funds are expended in the following year.

Article 14 of Chapter 127 provides for supplemental Housing appropriations, including \$8.680 million FY2025 to the Minnesota Housing Finance Agency (MHFA), of which \$8.109 million is for family homeless prevention and assistance. The bill also appropriates \$545,000 in fiscal year 2025 to the Minnesota judicial branch for implementation of retroactive eviction expungements.

### What Did Not Pass

Coming into conference committee, the House and Senate omnibus tax bills each contained a variety of proposals that would have impacted the work and finances of county governments. Following is a list of key provisions that were under consideration in conference committee but were NOT included in the final legislation:

- No authorization for cities and counties to impose a local sales tax, with voter approval, for a defined set of regional capital infrastructure without having to seek special approval from the Legislature.
- No increase in SCORE grants (both bodies had proposed a one-time increase).
- No increases in state aid to counties (the House had proposed a one-time increase Homeless Prevention Aid as well as elimination of the 2028 sunset on the aid).
- No increase in Soil & Water Conservation District Aid (the Senate had proposed an increase).
- No refund exemptions for the state sales tax paid by local governments on the purchase of construction materials for local projects. The Senate bill had included many special law exemptions for selected jurisdictions. MICA has advocated for a uniform statewide refund exemption.

#### **Bonding and Capital Projects Funding**

Additionally, bi-partisan support for a capital investment (bonding) bill also did not materialize, meaning:

- No capital bonding bill – [HF5220](#) the bill designated as the vehicle for authorizing up to \$980 million in General Obligation (GO) bonds did NOT gain sufficient bi-partisan momentum to pass or even be scheduled for a vote by the House or Senate. As a result:
  - No additional funding for local government road wetland replacement
  - No additional funding for local bridge repair and replacement
  - No additional funding for Local Road Improvement Program (LRIP)
  - No funding for solid waste capital infrastructure
  - No funding for local projects.
- No General Fund appropriations for capital projects. Throughout most of session, [HF5162](#) had been the main vehicle bill designated for General Fund appropriations for capital projects. That bill stalled in the House as it became clear there was insufficient bi-partisan support to pass a bonding bill.

However, in the final minutes of legislative session, the House and Senate amended [SF4225 – Third Engrossment](#) to become a \$71 million package of General Fund appropriations for and this [spreadsheet](#), as well as making multiple capital investment policy changes. The bill passed 70 – 0 in the House, with all DFL votes and GOP members not voting. The bill was being voted upon in the Senate but did not complete the voting process prior to the midnight deadline for completing legislative business.

Most of the \$71 million that did not pass would have been appropriated for state agency projects but would have included: \$3.0 million for Military Affairs for a hangar in Duluth; funding for tree planting grants; and funding for skate park grants for which local governments could have applied.

- Additionally, **no capital investment policy language passed**, including several provisions that would have affected how political subdivisions apply for and receive state capital assistance (bonding), such as:
  - Requiring local government applicants to compute and provided a debt capacity when requesting state capital assistance,
  - Defining 'state share' for capital projects in a way that could have potentially been confusing as to whether the combination of state funding from multiple sources could cover greater than 50% of total project costs,
  - Requiring local recipients of capital project grants to establish a Capital Preservation Fund, under certain conditions, and subject to the long-term oversight of the state granting agency.

## INTRODUCTION

Transportation priorities for 2024 focused on state bonding and capital project funding for roads, bridges, and transit, as well as seeking adjustments to certain policy language enacted in 2023. Limited resources meant the potential for increased ongoing funding for transportation was limited, as reflected by the modest supplemental budget target of \$2.0 million one-time for transportation.

As the session progressed, MICA's transportation issues and actions impacting counties were contained in four bills:

- **Omnibus Transportation Policy Bill, [Chapter 104](#), ([HF3436](#))**, authored by Representative Brad Tabke (Shakopee) and Senator Scott Dibble (Minneapolis), passed the House 97-30 and the Senate 67-0. Governor Walz signed the bill on May 15.
- **Omnibus Transportation, Labor and Housing Supplemental Budget Bill, [Chapter 127](#), ([HF5242](#))** was authored by House and Senate Committee Chairs, Representative Frank Hornstein (Minneapolis) and Senator Scott Dibble (Minneapolis). The bill followed an interesting path, being combined with Labor and Housing provisions prior to conference committee and then folded into HF5247, the 2024 Tax Bill, on the last day of session. HF5247 passed the House 70-50 and the Senate 34-14.
- **A Bonding Bill, [HF5220](#)**, authored by Representative Fue Lee (Minneapolis) and Senator Sandra Pappas (Saint Paul), did not pass.
- **General Fund (cash) capital projects funding and policy provisions** were contained in [HF5162](#), authored by Chairs Lee and Pappas. The bill did not pass. However, a separate capital projects bill (SF4225), was being voted on for final passage in the Senate when time ran out and the session ended, preventing passage of that bill as well.

## What Passed

### Transportation Policy Bill

*Enacted as [Chapter 104](#), includes Modest Changes to Truck Weight Limits*

The **Omnibus Transportation Policy Bill** was packaged to contain largely bi-partisan and non-controversial provisions that did not have direct state budget impacts. Signed into law as [Chapter 104](#), the provisions most related to MICA legislative priorities involve two modifications of truck weight limits, including:

- Establishing a weight exemption for sewage trucks performing emergency services, and
- Establishing a special sugar beet hauling weight exemption that will primarily affect areas around East Grand Forks and Northwestern Minnesota roads and bridges.

In addition, the bill:

- Adds two members to the Traffic Safety Advisory Council, specifying an EMT representative and a victims advocacy representative.
- Designates the US Highway 212 bridge in Granite Falls as the Dave Smiglewski Memorial Bridge, in honor of the town's former mayor.
- Increases contract preference for veteran and targeted group businesses from 5% to 12%.
- Establishes regulations for 'roadable aircraft', an emerging means of transportation that combines automobile and small aircraft features.
- Modifies regulations regarding permits for non-divisible loads.

- Establishes a reporting requirement for road test exam scheduling.
- Creates a Transportation Facilities Capital Program for MnDOT buildings.
- Authorizes MnDOT to promote passenger rail.
- Requires cooperation between contractors placing underground utilities located along roadways.
- Authorizes a city speed limit study, to be completed by March 15, 2025.
- Adopts the federal MUTCD update.
- Updates Greater Minnesota transit statutes (non-controversial and mostly technical).

## Transportation Supplemental Budget Provisions

*Enacted as [Chapter 104](#), includes Modest Changes to Truck Weight Limits*

The Conference Report on **Transportation, Housing and Labor (HF5242)** followed a meandering path to final enactment. Around midnight on the final Wednesday evening of the legislative session, the bill moved out of conference and was referred to the House floor. On Saturday, the bill was sent back to conference committee where the Lyft and Uber agreement became part of the report. On Sunday evening, the last day to pass legislation, the amended conference committee report passed the House and was being debated on the Senate floor as time to pass legislation was running short. In the final hours of session, the provisions of HF5242 were fully incorporated into HF5247, the Omnibus Tax Bill, along with multiple other bills that had not yet passed. HF5247 passed just before midnight by a vote of 70-50 in the House and 34-14 in the Senate. It was signed into law as [Chapter 127](#); the transportation provisions are contained in Articles 1, 2, and 3.

Overall, Chapter 127 appropriates \$75.073 million from the Trunk Highway Fund (THF), \$4.043 million from the General Fund (GF), \$8.391 million from the Special Revenue Fund, and \$30 million in new Trunk Highway Bonds (THB) for transportation purposes, totaling \$117.5 million from all funding sources.

### Funding Highlights:

- Authorizes \$30 million of new THB - \$15 million for State Road Construction and \$15 million for Corridors of Commerce
- Greenhouse Gas Emissions Assessment analysis - \$3.0 million THF
- Greenhouse Gas Emissions Assessment MPO grants - \$800,000 THF
- State Patrol headquarters building - \$22.5 million THF
- Grant to Ramsey County for railroad insurance - \$1.0 million GF
- Small Cities Assistance Program - \$11.35 million GF, offset by a cancellation to IJA match funds (\$11.35 million)
- Grant to a local government for road improvement - \$1.0 million GF
- Grant to Shorewood TH7 TMO - \$200,000 GF
- Complete Streets training \$243,000 GF
- Blue Line LRT Anti-Displacement Community Program - \$10 million GF, offset by a cancellation from Blue Line project funding (\$10.0 million)
- Traffic safety camera pilot - \$1 million GF
- Lights On grant program - \$1.2 million Special Revenue Fund
- Infrastructure Advisory Council- \$41,000 FY25 and \$946,000 FY26-27 GF
- Security upgrades to MnDOT building - \$450,000 GF; \$1.35 million THF

- Rumble Strips - \$300,000 THF
- Community roadside landscaping - \$1 million THF
- Environmental documentation update TH55 - \$2 million THF
- TH65 intersection improvements - \$1 million THF
- High Priority Bridges - \$8.9 million THF
- Transportation facilities capital improvement program - \$20.1 million THF
- Rest area parking and safety in metro area - \$4.8 million THF

### Policy Highlights:

- MICA advocated for modifications to the **Greenhouse Gas Assessment** provisions enacted in 2023, including supporting the recommendations of the Greenhouse Gas Taskforce. In large part, MICA's efforts were successful. County and city engineers are well positioned to garner a seat on the Technical Advisory Committee authorized by the bill, so local expert technical concerns will continue to help mold greenhouse gas emission assessment policy.

In addition, MICA also objected to certain sections on local government reporting related to bus rapid transit scoping and project cost to earmark a portion of the new metro area sales tax for transit to funding those project costs along BRT lines, which are primarily located in Hennepin and Ramsey County. Met Council and the affected local government will each pay 50% of the ADA related project costs, which aligns with the expectation that already exists under current law for all local governments, while other costs will be included and funded by the project. Fully scoping those projects on the front end, however, is also expected to enhance the likelihood the costs can and will be largely funded through increased federal grants.

- **Work Zone pilot project** – two trunk highway work zones by August 1, 2025. Warnings issued for speed violations – no fines. Report required by Oct. 1, 2029, on results of pilot projects.
- Report on **dedicated fund expenditures** needs to include a list of expenditures and transfers for each departmental division or program and must include a percentage of funds used for activities that are not for trunk highway purposes.
- **Rumble strips required** at some trunk highway locations with notification given to residents adjacent to the highway.
- **Transitway project staff assistance from MnDOT** – requires MnDOT to provide staff and oversight assistance to the **Metropolitan Council** for major transitway projects including review of bids, contracts, change orders, and cost estimates. Cost of staff participation covered by project budget. This requirement does not apply to the Southwest LRT project.
- **Transportation Greenhouse Gas Emissions Assessment** – Changes project analysis requirement to a portfolio of projects, requires commissioner to establish a process for analysis in consultation with technical advisory committee comprised of agency representatives and experts. Does not require city or county engineers but allow two members who are employed by local governments. No exemption for projects that result in a reduction of injuries and fatalities. A new transportation impact assessment and mitigation account is created in the special revenue fund. Money in the fund must be spent on offset activities; priority given to offset actions interlinked to trunk highway projects that reduce fatalities and injuries.
- **Reporting requirements for metropolitan counties on the use of the metro sales tax authorized in 2023.** Every even-numbered year, counties must report on actual sales tax collections allocated over the past 5 years, estimates for the next 10 years and uses of funds for projects and programs. MICA and others unsuccessfully opposed this section of the bill.

- **Transportation financial review submitted by the Metropolitan Council** detailing revenues, expenditures, transfers, reserves and balances from previous years and future years.
- **Establishment of Minnesota Advisory Council on Infrastructure** – Purpose of council is to define and maintain a vision for the future of Minnesota’s infrastructure that provides for its proper management, coordination and investment. The council includes voting and nonvoting members. The council must develop and recommend a plan for a statewide asset management program. This was Representative Erin Koegel’s bill. Did not pass the House or Senate.
- **Bus rapid transit project scope** - The council must design, fully scope, and construct each arterial bus rapid transit project with the following elements: (1) sidewalk curb ramps and pedestrian signals that meet current Americans with Disabilities Act standards as of the time of engineering completion, at the four intersection quadrants of an intersection adjacent to a bus rapid transit station; transit pavement markings, as applicable; and (3) traffic signal transit priority modifications, where feasible and reasonable, to improve speed and efficiency of service. MICA and others worked effectively to modify this section of the bill. For bus rapid transit project costs resulting from the requirements under paragraph (a), clause (1), the council must pay 50 percent of the costs and the unit of government with jurisdiction over the road must pay 50 percent of the costs. The council must pay the project costs resulting from the requirements under paragraph (a), clauses (2) to (3).
- **Local governments authorized to use transportation funds to pay debt service on local bonds.**

## What Did Not Pass

- **No capital bonding bill** – [HF5220](#), the vehicle for authorizing up to \$980 million in General Obligation bonds and other capital funds did gain sufficient bi-partisan momentum to pass or even be scheduled for a vote by the House or Senate. As a result:
  - No additional funding for local government road wetland replacement
  - No additional funding for local bridge repair and replacement
  - No additional funding for Local Road Improvement Program LRIP)
  - No funding for solid waste capital infrastructure
  - No funding for local projects
- No General Fund appropriations for capital projects — [HF5162](#), the main vehicle bill for General Fund supported improvements of a capital nature was not passed. A separate bill was close to final passage at the end of session but failed to pass the Senate because time ran out at midnight on the last day of session.
- **No capital investment policy language**, such as a requirement for local governments that receive Capital Assistance grants to establish a Capital Projects Replacement Account.

At about ten minutes to midnight on Sunday May 19, the last night for legislative action, the House took up and passed [SF4225](#). As amended, the bill would have provided a net \$71 million for capital projects after certain cancellations of prior year authorizations were reallocated to new uses. Here is the link to the [spreadsheet](#). The bill passed 70 – 0 in the House - all DFL votes, with GOP members not voting. The bill was being voted upon in the Senate when midnight arrived, resulting in the bill not passing. A vote count was not recorded. Most of the funding was for state agency projects but would have included:

- \$3 million to Military Affairs for a hangar in Duluth
- Funding for tree planting grants
- Funding for skate park grants, for which local governments and others could apply



On the plus side, SF4225 also contained numerous policy provisions that would have modified how political subdivisions apply for and receive state capital assistance (bonding), several of which were opposed by MICA, that were not passed into law:

- Requiring local government applicants to compute and provided a local debt capacity when requesting state capital assistance
- Defining 'state share' for capital projects in a way that could have potentially been confusing as to whether the combination of state funding from multiple sources could cover greater than 50% of total project costs; and,
- Requirements for local recipients of capital project grants to establish a Capital Preservation Fund, under certain conditions, and subject to the long-term oversight of the state granting agency.

No changes were made to leased motor vehicle sales tax revenue allocation to collar counties.



## INTRODUCTION

The 2024 legislative session ended in a messy and disorderly fashion. Both bodies were in and out of their respective chambers throughout the final weekend, running the clock to the stroke of midnight on Sunday. In a last-minute “Hail Mary” at 10 p.m., the Tax Conference Committee loaded up a variety of conference committee reports that had not reached final passage, including the tax bill itself (HF5247), the omnibus bills on **health and human services**, medical scope of practice, energy and agriculture, transportation, **housing** and labor, as well as **paid family leave**, and a bill banning straw purchases of guns. The bill became Chapter 127 – see below.

### Chapter 127

#### OMNIBUS TAX/MEGA BILL

*Signed May 24, 2024; Various Effective Dates*

The House took up the Omnibus Tax/Mega bill, which was 1,430-pages, at 11:15 pm, passing it on a vote of 70-50. The Senate followed suit at 11:45 pm, passing it on a vote of 34-14 (note many GOP members refused to vote in protest, and the Senate President did not leave the board open for long). Governor Walz signed the bill into law on May 24 as Chapter [127](#).

#### Reference materials:

- [Chapter 127 Spreadsheet](#)
- [Chapter 127 Summary](#)

### MICA Health and Human Services Priorities Contained in Omnibus Tax/Mega Bill

One of the last bills out of conference committee, [SF4699](#), authored by Chairs Melissa Wiklund (DFL-Bloomington) and Tina Liebling (DFL-Rochester), addresses health care, mental health, and insurance issues:

- Net DHS appropriations: \$259,000 (FY24-25); \$8.6 million (FY26-27) due to capturing unspent 2024 appropriations.
- Net MDH appropriations; savings; (-\$2.95 million) (FY24-25); (-\$4.5 million) (FY26-27).

#### Reference materials:

- [SF4699 Spreadsheet](#)
- [Summary](#)

#### Highlights:

##### **Article 57: Health Insurance:**

- Sections 25-31, 70: Modifies various elements of **prior authorization**, including prohibition on prior authorization for **outpatient mental health treatment, chronic health conditions, outpatient SUD treatment**, and other treatments; automation of prior authorization process for plans sold after January 1, 2027, **excluding prescription drugs and medications**; and requires utilization review organizations to report on prior authorization.



## Article 59: Department of Health Policy:

- Section 44: **Telecommunications fee is set at 12 cents per month for each consumer access line for the operation and maintenance of the 988 suicide prevention and crisis system.**
- Sections 45-47: Addresses licensing of tattoo technicians and body piercing technicians; specifies the fees for technician licensure and licensure of body art establishments.

## Article 61: Behavioral Health:

- Section 2: **Adds rural mental health service providers** (outside of seven-county metro and not in the cities of Duluth, Mankato, Moorhead, Rochester, or St. Cloud) to **eligible recipients of mental health services grants.**
- Section 30: **MA benefit for children's crisis residential: Directs DHS to consult with counties,** providers, advocates, Tribal Nations, people with lived experience or having a child in a mental health crisis, and other interested community members to develop a covered benefit under MA to provide residential mental health crisis stabilization for children. The benefit must include evidence-based practices for children under 21 experiencing a mental health crisis, and services that support children and families. The benefit must qualify for federal financial participation. Requires DHS to report findings to the Legislature by October 1, 2025.

## Article 66: Miscellaneous:

- Section 17: Requires DHS to provide a report on homeless youth beginning January 1, 2025.
- Section 18: Requires a **child-placing agency or individual petitioner to notify an Indian child's Tribe or Tribes immediately (no later than 24 hours) after receiving information on a missing child.**
- Section 22: Study for Health Professions Workforce Advisory Council; \$150,000 (FY25). Directs MDH, in consultation with the University of Minnesota and the Minnesota State HealthForce Center of Excellence, to provide recommendations to the Legislature on creating a health professions workforce advisory council.
- Section 23: Requires MDH to publish a Request for Information (RFI) to assist in conducting a future comprehensive evaluation of current health care needs and capacity in Minnesota.

## DHS Appropriations:

- Reduction in contingent appropriation for Minnesota Public Option Health Care Plan; *savings (-\$1 million) (FY24-25)*
- Implementation of federal health care requirements for DACA recipients; *savings (-\$1.65 million) (FY25); (-\$4.8 million) (FY26-27)*
- Pharmacists authorization for vaccine administration; *\$141,000 (FY25); \$250,000 (FY26-27)*
- Pharmacists authorization/step therapy for HIV drugs; *\$2.7 million (FY26-27)*
- Coverage requirement for prosthetic devices; *\$1.05 million (FY25); \$5.4 million (FY26-27)*
- County Administered Rural MA; *\$272,000 (FY25)*
- Pharmacy dispensing fee increase; *\$326,000 (FY25); \$1.34 million (FY26-27)*
- Central Office Administration; *savings (-\$1.59 million) (FY25)*
- Prior Authorization requirements modifications; *\$4.953 million (FY26-27)*



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## Mental Health:

- Grants to Volunteers of America for mental health services; *\$1.7 million (FY25)*
- Payment to CLUES for CCBHC services/AMHI grant; *\$1.5 million (FY25)*
- **Grant appropriation reductions; savings (*-\$10.93 million*) (FY24-25)**
  - **Mobile crisis; (*-\$1.33 million*)**
  - Tribal mobile crisis; (*-\$1 million*)
  - Cultural and Ethnic Minority Infrastructure Grant (CEMIG) program; (*-\$2.9 million*)
  - **IRTS; (*-\$2.8 million*)**
  - **Transitions to community; (*-\$1.4 million*)**
- IRTS/RCS room and board for MinnesotaCare; *\$127,000 (FY25); \$808,000 (FY26-27)*
- Assertive Community Treatment (ACT) modifications; *\$225,00/year; ongoing*
- Additional funding for Respite Services; *\$3 million (FY25)*
- Additional funding for School-Linked Behavioral Health grants; *\$3 million (FY25)*
- Mental Health provider rate increases; *\$1.637 million (FY25); \$8.418 million (FY26-27)*
- Payment for mental health services/hospitals; *\$5.814 million (FY25)*
- **MA Mental Health Benefit Development; \$834,000 (FY25)**
  - Clubhouse services; *\$250,000*
  - Children's residential step down services; *0*
  - **Children's crisis stabilization services; \$300,000**
  - First Episode Psychosis; *\$350,000*
  - Administrative FFP at 32%; *savings (*-\$393,000*)*
- Carryforward of appropriation AMHI from 2024 to 2025; *\$11.768 million*
- PFund Foundation/AMHI; *\$1 million (FY25)*

## MDH Appropriations:

- Background studies appropriation reduction; *savings (*-\$2.88 million*) (FY25); (*-\$5.76 million*) (FY26-27)*
- Pharmacists authorization for vaccine administration; *\$381,000 (FY25); \$557,000 (FY26-27)*
- HMO regulatory requirements; *\$629,000 (FY25); \$808,000 (FY26-27)*
- Study for Health Professions Workforce Advisory Council; *\$150,000 (FY25)*
- RFI: Statewide Health Care Needs and Capacity and Future Health Care Needs; *\$250,000 (FY25)*
- American Indian Birth Center Planning Grant; *\$368,000 (FY25)*
- Grant to Birth Justice Collaborative for African American-Focused Homeplace Model; *\$263,000 (FY25)*
- Prior authorization data collection; *\$191,000 (FY25); \$43,000 (FY26-27)*

\*\*\* [A complete summary by article of the HHS bill \(Wiklund/Liebling\) is posted on the MICA web site.](#)\*\*\*

## Housing Provisions Contained in Omnibus Tax/Mega Bill

[HF5242](#) contained housing provisions carried by Housing Chairs Mike Howard (DFL-Richfield) and Lindsey Port (DFL-Burnsville).

## Reference materials:

- [Spreadsheet](#)
- [Summary](#) (starting on page 37)

- **Article 14: Housing Appropriations; \$1 million (FY27)**
- **Article 15: Housing Policy:** Housing policy and technical changes, including changes to MHFA programs.
- **Article 16: Expediting Rental Assistance:** Implements recommendations of the working group on expediting rental assistance.

## Other Omnibus Bills that Passed

Throughout the legislative session, we followed several major omnibus bills:

### Chapter 115

*OMNIBUS K-12 AND CHILDREN AND FAMILIES FINANCE*

*Signed May 20, 2024; Various Effective Dates*

Authored by Chairs Dave Pinto (DFL-St. Paul) and Melissa Wiklund, [HF2476](#) (Omnibus Children and Families Finance bill) was amended into [HF5237](#), the Omnibus K12 Education Finance bill, which Governor Walz signed into law on May 20 as [Chapter 115](#). Includes several of the Governor’s priorities, such as the summer EBT program and implementation policy for the Department of Children Youth and Families (DCYF). DHS appropriations: \$35.22 million (FY24-25); \$25.472 million (FY26-27).

#### Reference materials:

- [Spreadsheet](#) (Children and Families)
- [Spreadsheet](#) (Education)
- [Summary](#)

#### Highlights:

- **Article 2: Statewide Health Education Academic Standards:**
  - Sections 1-2: **Locally-developed academic standards in health apply until statewide rules implementing statewide health standards are required to be implemented in the classroom.**
  - Section 4: **MDE must adopt statewide rules for implementing statewide rigorous core academic standards in health.**
  - Section 21: Health Education Standards/Required Health-Related Subject Areas. MDE required to include certain expectations for learning in the statewide standards, **including education in CPR, vaping awareness and prevention, cannabis and substance use, sexually-transmitted infections and diseases, and mental health education for students in grades 4 through 12.**
- **Article 3: The READ Act**
- **Article 12: Child Protection and Welfare:** Contains provisions **modifying child critical incident and fatality review procedures**; establishes notice, disclosure, use, accounting, and **reporting requirements when a financially responsible agency applies for and receives benefits on behalf of a child in foster care**; clarifies the definition of “child in need of protection or services;” invites the chief justice of the supreme court to establish a Supreme Court Council on Child Protection; requires a review of maltreatment reporting processes and systems; establishes grants for relative caregivers; and makes statutory changes for federal compliance related to labor trafficking and missing children.



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- **Article 13: Economic Supports:** Addresses Supplemental Nutrition Assistance Program (SNAP) eligibility for students enrolled in higher education, makes modifications to the family assets for independence in Minnesota (FAIM) program, and modifies the amount available for administration for the diaper distribution grant program.
- **Article 14: Housing and Homelessness:** Requires DHS to contract with third-party entities to conduct studies on the needs of: (1) transgender adults experiencing homelessness; and (2) pregnant and parenting youth experiencing homelessness.
- **Article 15: Child Care Licensing:** Directs DCYF to develop and implement a weighted risk system to determine when a licensed child care provider may receive technical assistance rather than a correction order for noncompliance with a licensing requirement. Modifies the first aid and CPR training schedule for individuals who work in licensed family child care settings.
- **Article 18: Children and Families Policy/Child Care Programs:** A **child care center** licensed under chapter 245A and 220.24 Minnesota Rules, chapter 9503, and a **family child care provider** licensed under chapter 245A and Minnesota Rules, chapter 9502, **may adopt a policy prohibiting a child over two months of age from enrolling or remaining enrolled in the child care center or family child care program if the child:** (1) **has not been immunized** in accordance with subdivision 1 or 2 and in accordance with Minnesota Rules, chapter 4604; and (2) **is not exempt from immunizations** under subdivision 3, paragraph (a), (c), (e), or (f).

### DHS Appropriations:

- **SSIS/policy directive to DHS to consult with counties; \$10 million (FY25)**
- SSI/RSDI reporting tool and report; *\$136,000 (FY25); \$68,000 (FY26-27)*
- Child maltreatment reporting system study; *\$136,000 (FY25)*
- Summer EBT programming; *\$10.2 million (FY25); \$10.3 million (FY26-27)*
- Food security grants – divided between food shelf program, American Indian food sovereignty and Minnesota food bank; *\$5.4 million (FY25)*
- **Weighted Risk System for Licensed Child Care Providers; \$228,000 (FY25); \$244,000 (FY26-27)**
- Additional transition dollars to DCYF; *\$824,000 (FY25); \$3.3 million (FY26-27)*
- Grant to coordinate professional development for child care associate credentialing; *\$500,000 (FY25)*
- Supportive relative caregiver grants; *\$550,000 (FY25)*
- SNAP eligibility expanded for college students; *\$95,000 (FY25); \$222,000 (FY26-27)*
- **Child Mortality Review Panel modifications; \$275,000 (FY25); \$638,000 (FY26-27)**
- **Pregnant and parenting homeless youth study; \$102,000 (FY25)**
- Needs analysis of emergency shelter needs for transgender adults experiencing homelessness; *\$102,000 (FY25)*
- **Child care improvement grants; \$1.125 million (FY25)**
- Additional emergency services program grants; *\$3.391 million (FY25)*
- DHS Central Office Administration; *savings (-\$2.774 million) (FY25)*

### Other Agencies:

**Supreme Court Council on Child Protection; \$1 million (FY25)**

### Department of Education:

- Summer EBT program; *\$3.424 million (FY24-25); \$1.144 million (FY26-27)*
- Transition to new DCT; *\$173,000 (FY25); \$690,000 (FY26-27)*



# 2024 End of Session Report Public Health and Human Services

## Department of Children, Youth and Families:

- Additional transition to new DCYF; \$3.270 million (FY25); \$14 million (FY26-27)
- Admin FFP at 32%; savings (-\$865,000 (FY25); (-\$3.62 million) (FY26-27)
- Admin FFP at 32% for base appropriation; savings (-\$1.39 million) (FY25); (-\$2.254 million) (FY26-27)

Family Child Care Ombudsperson: \$350,000/year; ongoing

## Item NOT included in the final agreement:

- Child welfare fiscal analysis

\*\*\*A complete summary by article of the Children and Families bill (Pinto/Wiklund) is posted on the MICA web site.\*\*\*

## Chapter 125

OMNIBUS HUMAN SERVICES FINANCE  
Signed May 24, 2024; Various Effective Dates

Authored by Chairs John Hoffman (DFL-Champlin) and Mohamud Noor (DFL-Minneapolis), [SF5335](#) appropriates \$42.14 million in FY25 and \$14.9 million in FY26-27 for programs and services related to disability services, aging services, substance use disorder services, health facility care and treatment for civilly-committed individuals, and matters related to the new DCT agency. Governor Walz signed the bill on May 24 as [Chapter 125](#).

## Reference materials:

- [Spreadsheet](#)
- [Summary](#)

## MICA Priorities

The new law addresses several MICA priorities, including recommendations from the Priority Admissions Task Force, jail health, and some MnCHOICES reforms. With regard to Direct Care and Treatment, capacity remains an issue – both at the community level, as well as in state-operated facilities. 2025 will be a budget year, and this issue remains a top priority for all county organizations.

## MnCHOICES Reforms:

- Allows counties to continue contracting for MnCHOICES assessments
- Eliminates requirement for two years of home and community-based services experience for MnCHOICES assessors
- Modifies timeline in which a county must visit an individual requesting an assessment from 20 “calendar” to 20 “working” days
- Extends validity of MnCHOICES assessments from 60 to 365 days

NOTE: Counties’ proposal for a streamlined process for annual reassessments in situations where a person’s status is not going to change from year to year was not included. Due to federal interaction, DHS indicated that there would be a cost. We will continue to work on this issue, as this would provide the efficiencies that would make a real difference for our clients, as well as county staff.

## Highlights:

- **Article 1: Disability Services:** Eliminates parental fees for certain mental health and disability residential facilities; provides a temporary exception to the moratorium on licensing new community residential settings; provides MnCHOICES flexibility, increases the transitional supports allowance; modifies the consumer-directed community supports (CDCS) option; prohibits providers from coercing waiver service recipients to change waivers; develops a medical assistance (MA) hospital transition benefit; develops Tribal targeted case management; modifies early intensive developmental and behavioral intervention (EIDBI) provider qualifications; requires a disability services person-centered engagement and navigation study; establishes the Legislative Task Force on Guardianship; provides for assistive technology lead agency partnerships; reimburses parents and spouses for providing personal care assistant (PCA) services; establishes a pediatric hospital-to-home transition pilot program; and establishes own home services provider capacity-building.
- **Article 2: Aging Services:** Allows for certain assisted living facilities to relocate; provides for transfer of customized living setting enrollment dates; modifies requirements for assisted living required services; requires training in mental illness and de-escalation in assisted living facilities; modifies the caregiver support services program and caregiver respite services; modifies the alternative care program; expands the financially-distressed nursing facility loan program to other long-term services and supports providers; temporarily modifies nursing facility property rates for certain nursing facilities; provides for elderly waiver budget and rate exceptions for high-needs participants; and sunsets the elderly waiver disproportionate share payments.
- **Article 3: Substance Use Disorder Services:** Removes the sunset on opioid manufacturer and distributor fees; expands the uses of opiate epidemic response fund appropriations; modifies peer recovery support services; provides a 3% rate increase for residential substance use disorder services; and establishes a reentry demonstration waiver.
  - **Section 14: Health care professionals; release from liability.** Amends § 604A.04, subdivision 3. **Exempts a local unit of government, if acting in good faith, from being subject to civil liability or criminal prosecution for distributing or administering an opiate antagonist pursuant to certain requirements (“Steve’s Law”).**
- **Article 4: Priority Admissions and Civil Commitment:** Includes provisions to implement some of the recommendations from the Task Force on Priority Admissions to State-Operated Treatment Programs; reimburses Beltrami and Todd Counties for certain cost of care payments; and establishes a Task Force on Mentally Ill and Dangerous Civil Commitment Reform.
- **Article 5: Direct Care and Treatment:** Establishes the DCT agency and the powers and duties of the DCT executive board and chief executive officer.
- **Article 6: Miscellaneous:** Provides for free communication services for patients and clients in any DCT program or facility; establishes a community care hub planning grant; **requires DHS to consult with counties and others on targeted case management redesign;** requires DHS to develop a health-related social needs waiver; requires DHS to study navigator reimbursement; and establishes a working group on simplifying supportive housing resources.
- **Article 7: Establishes Human Services Response Contingency Account.**
- **Article 8: Appropriations:** Appropriates money for various human services programs related to disability services, aging services, substance use disorder services, priority admissions and civil commitment, DCT, the human services response contingency account, and miscellaneous services and programs; (2) appropriates money to MDH; (3) appropriates money to the Council on Disability; (4) appropriates money to the Department of Corrections (DOC); (5) appropriates money to the Department of Employment and Economic Development (DEED); and (6) makes technical corrections to 2023 appropriations.



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### DHS Appropriations:

- **Priority Admissions Modifications; Task Force; Expanding Access to DCT; Carlton CARES Facility Remaining Open;** \$15.752 million (FY25); \$8.989 million (FY26-27)
  - Mental Health/Substance Abuse Treatment Services; \$977,000 (FY25); ongoing
  - **Forensic Services:** \$6.752 million (FY25); \$13.2 million (FY26-27)
  - **Forensic Services/Employee Incentives;** \$1 million (FY25)
  - DCT Operations; \$2.448 million (FY25); \$31,000 (FY26)
  - Cost of Care Collections; savings; (-\$3.024 million) (FY25); (-\$6.22 million) (FY26-27)
  - **Mental Health Innovation Grants;** \$1.321 million (FY25)
  - **Engagement Services Pilot Program;** \$1.25 million (FY25)
  - **Injectable Medication Pilot;** \$1 million (FY25)
  - Locked IRTS Start-Up Grant; \$1 million (FY25)
  - DCT Operations; Miller Building Planning; \$1.796 million (FY25)
  - Reduction of DNMC Revenue; \$1.010 million (FY25)
- **Establish an Engagement Services Pilot Project in Otter Tail County;** \$250,000 (FY25)
- Acute Care Transitions for People with Disabilities and Complex Health Conditions; \$940,000 (FY25); \$6.2 million (FY26-27)
- **Reducing Recidivism and Preventing Overdoses/Federal Reentry 1115 Medicaid Waiver and Bridging Benefits;** \$4.817 million (FY25); \$8.037 million (FY26-27)
- Establish a Human Services Response Contingency Account; \$4 million (FY25)
- 3% SUD Provider Rate Increase; \$451,000 (FY25); \$2.29 million (FY26-27)
- Disproportionate Share Program Rate Floor Reduction; savings (-\$948,000) (FY25); (-\$8 million) (FY26-27)
- DCT Advisory Council; \$482,000 (FY25)
- **Parental Fee Elimination;** \$239,000 (FY25); \$478,000 (FY26-27)
- Health Related Social Needs 1115 Waiver Plan; \$709,000 (FY25)
- Electronic Visit Verification Simplification Report; \$102,000 (FY25)
- Community First Services and Supports Worker Reimbursement Report; \$170,000 (FY25)
- Funding a Disability Services Person-Centered Engagement and Navigation Study; \$614,000 (FY25)
- Electronic Visit Verification Grants for Home Care Service Providers; \$1 million (FY25)
- Establish Emergency Relief Grants for Rural EIDBI Providers; \$648,000 (FY25)
- Funding for Own Home Services Provider Capacity-Building Grant; \$1.655 million (FY25)
- Establish a Pediatric Hospital-to-Home Transition Pilot Program; \$1.324 million (FY25)
- Funding for PCA Services Provided by Parents/Spouses; \$4.834 million (FY25)
- **Homelessness Report;** \$392,000 (FY25)
- **Targeted Case Management Redesign;** \$532,000 (FY25)
- Additional Funding for Caregiver Respite Services Grants; \$2.215 million (FY25)
- **Beltrami/Todd Counties Debt Forgiveness for Certain Cost of Care Payments; 7/1/22 through 6/30/23;** \$724,000 (FY25)
- Nursing Home Loan Program Expansion; \$462,000 (FY25); \$822,000 (FY26)
- Temporary Free Communications for Patients and Clients of Certain DCT Facilities; \$1.368 million (FY25)
- Funding for a Health Awareness Hub Pilot Project and Chapter 245D Compliance Support; \$500,000 (FY25)
- **Dakota County Disability Services Workforce Shortage Pilot Project;** \$603,000 (FY25)
- Administrative Underspend; \$2.438 million (FY25)
- Traditional Background Studies Reduction; savings (-\$4 million) (FY26-27)
- Semi-Independent Living (SILS) Grant; underspend; (-\$3 million) (FY24-25); (-\$2 million) (FY26-27)



- Additional Funding for Food Security; \$5 million (FY25)

**MDH Appropriations:**

- Establish Community Care Hub Grant; \$554,000 (FY25)
- **Cannabis Education Grant Reduction; Local Health Departments; savings (-\$7.3 million) (FY26-27)**

**NOT included: Elimination of “subminimum wage:”** In 2023, bills were proposed to eliminate the utilization of section 14(c) of the Fair Labor and Standards Act (FLSA), which allows employers to pay wages less than the federal minimum wage to workers who have disabilities that affect their productive capacity. Particularly for people with significant levels of disability, the 14(c) provision is vital to sustainable employment for certain individuals with disabilities who may not otherwise be employable.

**\*\*\*A complete summary by article of the Human Services bill (Hoffman/Noor) is posted on the MICA web site.\*\*\***

## Chapter 121

*OMNIBUS COMMERCE AND CANNABIS*  
*Signed May 24, 2024; Various Effective Dates*

[HF4757](#), authored by Representative Zack Stephenson (DFL-Coon Rapids) and Senator Lindsey Port, makes changes to the 2023 legislation that legalized recreational cannabis. It was signed into law by Governor Walz on May 24 as [Chapter 121](#).

**Reference materials:**

- [Spreadsheet](#)
- [Summary](#)

**\*\*\*See pages 2-4 of General Government section for a complete summary.\*\*\***

## Other Miscellaneous Bills That Passed

### Chapter 79

*Direct Care and Treatment (DCT) Statute Recodification*  
*Signed 03/21/24; Various Effective Dates*

[HF3987](#), authored by Representative Peter Fischer (DFL-Maplewood) and Senator John Hoffman (DFL-Champlin), was signed into law by Governor Walz on March 21 as [Chapter 79](#). It makes the necessary changes to Minnesota Statutes to transfer to the DCT Executive Board all of the duties and authorities currently vested in DHS with respect to the activities of the Division of DCT. This recodification is not intended to change existing policy or to have a fiscal impact beyond the reorganization of executive branch functions.

**Reference materials:**

- [Summary](#)

## Chapter 80

*Department of Children, Youth, and Families(DCYF) Statute Recodification  
Signed 03/21/24; Effective Date: 08/01/24*

[HF3646](#), authored by Representative Dave Pinto and Senator Melissa Wiklund, was signed into law by Governor Walz on March 21 as [Chapter 80](#). Reorganizes statutes to transfer duties and responsibilities from existing state agencies to the DCYF that was created by a 2023 law and will begin operating in 2024. Transfers oversight of certain areas currently overseen by the Departments of Human Services, Education, and Public Safety. 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.

**Reference materials:**

- [Summary](#)

## Chapter 108

*Department of Human Services (DHS) Policy  
Signed 05/17/24; Various Effective Dates*

[SF4399](#), authored by Senator John Hoffman and Representative Peter Fischer (DFL-Maplewood), was signed into law by Governor Walz on May 17 as [Chapter 108](#).

**Reference materials:**

- [Summary](#)

**Highlights:**

- **Article 1: Disability Services:** Exempts certain licensed facilities from local government rental licensing regulations; modifies home and community-based service standards provisions; clarifies form usage for home and community-based waiver services; modifies personal care assistant (PCA) and community first services and supports (CFSS) remote reassessment requirements; requires additional revenue attributable to PCA and CFSS enhanced rates to be used for wages and wage-related costs; aligns CFSS language with federal requirements; modifies medical assistance for employed persons with disabilities (MA-EPD) income review and documentation requirements; prohibits lead agencies from including additional requirements or processes that could result in the delay of approval or implementation of technology for people on MA disability waivers; and allows for remote worker training and development services under CFSS.
- **Article 2: Deaf, DeafBlind, and Hard-of-Hearing Services:** Modernizes deaf, deafblind, and hard-of-hearing statutes and modifies the membership of the Commission of the Deaf, DeafBlind, and Hard-of-Hearing.
- **Article 3: Aging Services:** Modifies assisted living director qualifications, assisted living facility requirements related to posting of plans of correction, long-term care options counseling, provides for continuity of care for seniors receiving personal assistance, provides for increased transparency in nursing home related-party transactions, and repeals a mandated report.

- **Article 4: Substance Use Disorder Services:** Makes technical corrections to behavioral health provisions, modifies behavioral health licensing and eligibility, modifies rules on opioid treatment program medication dispensing for unsupervised use, prohibits classification of recovery peers as independent contractors, **modifies sober homes requirements related to opiate antagonists and medications for opioid use disorder**, and modifies the paperwork reduction report submission date.
- **Article 5: Direct Care and Treatment:** Modifies terminology throughout the statutes governing bloodborne pathogen protocols in secure treatment facilities, to apply the requirements to all state-operated treatment programs. Makes a clarifying change to the membership of the Task Force on Priority Admissions to State-Operated Treatment Programs.
- **Article 6: Miscellaneous:** Repeals various obsolete reports to the Legislature that DHS was required to submit. Legislation was enacted in 2021 to automatically make ongoing mandated reports expire after a specified period of time.

## Chapter 109

*Department of Education Policy*

*Signed 05/17/24; Various Effective Dates*

[SF3567](#), authored by Chairs Steve Cwodzinski (DFL-Eden Prairie) and Laurie Pryor (DFL-Minnetonka), was signed into law by Governor Walz on May 17 as [Chapter 109](#).

### Reference materials:

- [Summary](#)

### Highlights:

- **Article 1: General Education:** Requires districts to adopt cell phone policies, modifies the postsecondary enrollment options act and modifies flexible learning year program requirements.
- **Article 2: Education Excellence:** Renames the state school accountability system; makes technical changes to statutes on state assessments; extends the deadline for schools to change mascots; and establishes protections for student journalists.
- **Article 3: Teachers:** Modifies requirements for Tier 1 and Tier 2 special education teachers, teacher evaluation requirements, and PELSB report deadlines.
- **Article 4: The Read Act:** Modifies training requirements for teachers; requires schools to administer a third screen each school year; requires schools to use only evidence-based interventions; modifies local literacy plan requirements; and requires PELSB to audit teacher preparation programs. Funding under the Read Act is provided in the K-12 education finance bill (Chapter 115) above.
- **Article 5: Special Education:** Clarifies requirements for early childhood special education; modifies requirements for developmental adapted physical education assessments; and establishes a special education licensure reciprocity working group.
- **Article 6: Charter Schools:** Modifies governance, accountability, and transparency provisions relating to charter schools; modifies enrollment preference requirements; requires charter schools to have procurement policies; and modifies conflict of interest provisions.
- **Article 7: Nutrition and Libraries:** Modifies eligibility to become a sponsor for a federal meal program; requires a public library to have a policy relating to access to library materials; and modifies the requirements for the executive director of the metropolitan library service agency.

- **Article 8: Health and Safety:** Requires public schools to provide mental health instruction to certain grades starting in the 2026-2027 school year; requires public schools to provide students with access to space for mental health care through telehealth to the extent space is available; modifies requirements relating to the administration of drugs and medicine in schools; and requires the high school league to provide coaches education resources on eating disorder awareness.
- **Article 9: Early Learning:** Merges the school readiness plus program into the voluntary prekindergarten program and modifies eligibility and priority for early learning scholarships.
- **Article 10: State Agencies:** Shifts responsibility under the Interstate Compact on Educational Opportunity for Military Children from the P-20 partnership to a new state council and establishes a Purple Star school designation.

### Chapter 117

*African American Family Preservation Act (Layla Jackson Law)*

*Signed May 21, 2024; Various Effective Dates*

[SF716](#), authored by Senator Bobby Joe Champion (DFL-Minneapolis) and Representative Esther Agbaje (DFL-Minneapolis), passed the final weekend of session. The Senate vote was 44-23; the House followed suit on a vote of 117-5. Governor Walz signed the bill on May 21 as [Chapter 117](#).

#### Reference materials:

- [Spreadsheet](#)
- [Summary](#)

#### Highlights:

- \$2.37 million in FY25 for DHS to implement the act, followed by a base appropriation of \$3.25 million in FY26 and \$3.11 million in FY27
- \$1 million to DHS for a grant program
- Section 20 (Phase-In Programs): Requires DHS to establish phase-in programs in Hennepin and Ramsey Counties that implement the act for a two-year period. Effective January 1, 2025.
- Section 21 (Working Group): Establishes a working group to provide guidance and oversight for the phase-in programs in Hennepin and Ramsey Counties. **At MICA's request, we have been added as an appointing authority to ensure that counties of all sizes and geographical balance are heard.**
  - Other appointments will come from MACSSA, AMC, the Minnesota County Attorneys Association, Hennepin County, Ramsey County, DHS, and community organizations with experience in child welfare.

By January 1, 2026, the working group must develop and submit an interim report to the Legislature detailing initial needs for the implementation of the Act. The interim report must also include recommendations for any statutory or policy changes necessary for implementation. By September 1, 2026, the working group must develop an implementation plan and best practices for the Act to go into effect statewide. **The effective date for going statewide is January 1, 2027.**

## Chapter 122

### *Emergency Medical Services (EMS)*

*Signed May 23, 2024; Various Effective Dates*

[HF4738](#), a bipartisan bill, authored by Representatives Dave Lislegard (DFL-Aurora), John Huot (DFL- Rosemount) and Jeff Backer (R-Browns Valley), as well as Senators Grant Hauschild (DFL-Hermantown), Judy Seeberger (DFL- Afton) and Jordan Rasmusson (R-Fergus Falls), replaces the EMS Regulatory Board with an “Office of Emergency Medical Services” and transfers duties and authorities from the board to the new office by January 1, 2025.

#### **Two appropriations:**

- \$24 million onetime emergency aid for certain licensed ambulance services.
- \$6 million one-time appropriation to launch a **“Sprint Medic Pilot Program,” one in Otter Tail/Grant Counties, the other in St. Louis County:**
  - A paramedic with appropriate equipment and medicine will roam the service area, ready to respond to emergency calls immediately in predefined response areas while the primary ambulance service travels to the scene.
  - The roaming paramedic, defined in the law as the “supporting ambulance service,” would partner with one or more primary ambulance services (PSAs) within the county to serve any portion of - but not necessarily the entire county.
  - The program authorizes trained medical staff to be the first response and determine if an ambulance is necessary.
    - Intent is that this will help connect Minnesotans to care more quickly and ensure the correct level of care is provided.
  - The mobile and flexible approach also aims to reduce unnecessary ambulance calls that ultimately may not be reimbursed.
  - Will provide geographic equity and rapid response by ensuring advanced life support coverage is distributed evenly across all service areas.
  - Available until June 30, 2026.

## Chapter 123

### *Omnibus Judiciary and Public Safety*

*Signed 05/24/24; Various Effective Dates*

Authored by Chairs Kelly Moller (DFL-Shoreview), Jamie Becker-Finn (DFL-Roseville), and Ron Latz (DFL-St. Louis Park), [HF5216](#) represents the \$53.9 million public safety and judiciary supplemental budget; it includes several big-ticket items, including \$9.5 million for organizations and programs providing services to crime victims. Another \$7.9 million will go to hire more staff at the state’s 11 prisons and boost their salaries, and \$7 million from the 911 emergency telecommunications services account will create a digital geographic information system mapping data of school facilities. The bill was signed into law by Governor Walz on May 24 as [Chapter 123](#).

#### **Reference materials:**

- [Spreadsheet](#)
- [Summary](#)



## 2024 End of Session Report Public Health and Human Services

### Highlights:

- **Direct Assistance to Crime Victim Survivors** (Article 1, section 4, subdivision 4): \$9,467,000 is to provide grants to organizations that received a grant from the crime victim services unit in FY24. Grants must be used for **direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse**. Funding must support the direct needs of organizations serving victims of crime by providing direct client assistance to crime victims; competitive wages for direct service staff; hotel stays and other housing-related supports and services; culturally-responsive programming; prevention programming, including domestic abuse transformation and restorative justice programming; and for other needs of organizations and crime victim survivors. Services funded must include services for victims of crime in underserved communities most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic diversity of the state. Up to 5% of the appropriation is available for grant administration. This appropriation is onetime and is in addition to any amount previously appropriated for this purpose.
- **Child in need of protection or services** (Article 4, section 5): Establishes that, effective July 1, 2026, a juvenile who commits a delinquent act before becoming 13 years old must be treated as a child in need of protection or services. Under current law, this applies to a juvenile who is under ten years of age.
- **Mandatory reporters** (Article 4, section 6): Prohibits any organization, facility, school, or other similar entity from having policies that prevent or discourage any person from reporting suspected or alleged child maltreatment.
- **Task Force on Holistic and Effective Responses to Illicit Drug Use** (Article 5, section 17): Establishes a task force to review the reports on approaches to address illicit drug use, pursuant to the grant passed in the 2023 session, and to develop recommendations based on that report.
  - **Membership includes:**
    - **two county attorneys**, one from a county in the metropolitan area one from a county outside the metropolitan area
    - **one county member with experience administering supportive social services**, including mental health, substance use disorder, housing, and other related services
- **Task Force on Domestic Violence and Firearms** (Article 5, section 18): Establishes a Task Force on Domestic Violence and Firearm Surrender to review laws that require the surrender of firearms by individuals who are the subject of an order for protection, the subject of an extreme risk protection order, or have been convicted of certain offenses related to domestic violence. The task force must also identify best practices to both ensure the surrender of firearms and protect the safety of peace officers, victims, and others. The task force must begin meeting by September 15, 2024, and must submit a final report by February 1, 2025.

\*\*\*See Judiciary, Corrections & Public Safety section for a complete summary.\*\*\*

## INTRODUCTION

Although 2024 was not a biennial budget year and only limited resources were available for new budget initiatives, 2024 legislative actions nonetheless included multiple state law changes impacting county governments. Some of those changes were accompanied by new resources while others will increase costs (mandates) for counties. Most changes are tied to ‘fix-it’ legislation for new mandates enacted in 2023 – such as Earned Sick and Safe Time, Paid Family Medical Leave, PELRA, and Cannabis sales.

The General Government section below is organized largely by topic rather than Chapter of Law as many separate policy bills were combined into larger omnibus bills near the end of session. The General Government summary is further organized by provisions related to labor and employment laws, elections, and selected housing provisions.

At the end of the General Government summary is a list of related items that did not pass this session, including various proposals to change the open meeting law (OML).

## General Government

### Chapter 122 – EMS Policy Changes and Funding

*\$24 Million for one-time aid to selected providers; \$6 million for pilot projects in Otter Tail and St. Louis Counties; reform of EMS Governance Regulatory Structure statewide*

**\*\*\*See page 13 of Public Health and Human Services section of this report.\*\*\***

### Chapter 102– Pensions Finance Bill

*Increased Employer and Employee Contributions for PERA-Correctional Plan, Other Changes*

HF5040 authored by Representative Kaohly Her, Chair of the [Legislative Commission on Pensions and Retirement](#) (LCPR), and Senator Nick Frentz, LCPR Vice-Chair, was enacted as [Chapter 102](#), the 2024 Pension and Retirement Policy and Supplemental Budget Bill. The final legislation passed 125-0 in the House and 59-8 in the Senate. All of the \$36.9 million one-time funding targeted for the bill is allocated to teacher pension changes.

The most significant financial impact for county employers is Article 4, sections 14 and 15, which increases the multiplier used to calculate a retirement annuity for PERA-Correction Plan members from 1.9% of pay to 2.2%. To pay for those increased benefits, the legislation also increases the employee and employer contribution rates going forward. The employee contribution rate will increase by 1% of pay, from 5.83% to 6.83%, and the employer contribution rate will increase by 1.5% of pay, from 8.75% to 10.25%. The changes were made effective July 1, 2025, to give counties and employers more time to plan and budget for the increased contribution levels.

#### **Other key PERA changes include:**

- **Article 4**, section 5 – 7, 16 and 18 modifies the law so that a member’s disability benefits will no longer be reduced due to income received from worker’s compensation.

- **Article 4**, sections 8 – 10 modify eligibility requirements for PERA Police and Fire (P&F) to include certain fire service employees not currently in the plan, while section 11 makes a related change to clarify and expand when coverage continues after transfer within a department or within the state.
- **Article 8**, section 13, establishes a “Work Group on Amortization” to meet during the interim to recommend legislation to update section 356.215, subdivision 11, to “conform to actuarial best practices for amortizing liabilities.”
- **Article 9** modifies state aid expiration dates for multiple public pension plans that receive such aid. Often state aid is established to offset actuarial impacts of legislative policy changes (benefit enhancements) or to help eliminate unfunded liability. When they were enacted, the state aids have generally been set to terminate once the relevant plan achieves full actuarial funding. Article 9, section 1, modifies the expiration of annual state aid to PERA P&F to the earlier of July 1, 2048, or the first day of the fiscal year following three consecutive fiscal years in which the plan is at least 100% funded, rather than just one fiscal year as under current law. Parallel changes were made to extend the state aids currently in place for MSRS State Patrol Plan, TRA, and St. Paul Teachers. It should be noted that a general state aid to local governments had been in place to help offset required supplemental employer contributions to PERA-General to reduce unfunded liability. However, that aid was allowed to sunset entirely in 2020.

Here is a [summary of all Chapter 102](#) provisions.

NOTE: While many other PERA pension benefit changes were discussed during the 2024 session, **no benefit changes were approved for 911 telecommunicators, probation and community supervision staff, or PERA P&F members who continue their service post-retirement.**

## Chapter 121 – Cannabis Law Modifications

### *Modifications to Public Employees Insurance Program (PEIP)*

The 2024 Legislature adopted ‘fix-it’ language to the cannabis legalization law enacted in 2023. [HF4757](#), authored by Representative Zack Stephenson (Anoka) and SF4782 authored by Senator Lyndsey Port (Dakota-Scott), was enacted as [Chapter 121](#). A primary focus of the new law is on adoption of new qualifications for social equity business licenses and creation of a pre-approval process for awarding a limited number of licenses this summer to social equity applicants chosen through an early lottery process.

The new process switches from a points-based system to a qualified lottery (randomized) for awarding cannabis business licenses to applicants who meet minimum qualifications, including having a business site and completing a security plan. The intent behind the early lottery this summer is to position winning applicants to begin setting up their businesses, with the expectation that they will receive a license, if they fulfill the licensing requirements, once the Office of Cannabis Management (OCM) adopts rules. Rules are expected to be completed in early 2025. Applicants who qualify are:

- Individuals or close family members of individuals previously convicted of marijuana offenses
- Military veterans
- "Emerging farmers" who for at least three years have provided most of the labor and management for a small farm (between \$5,000 and \$100,000 in sales in the previous year)
- Residents of high-poverty areas where:
  - Census tracts have a poverty rate that is 20% or greater;
  - Median family income is less than 80% of the statewide median (or for cities, less than 80% of the median family income for that metropolitan area);



- At least 20% of households receive Supplemental Nutrition Assistance Program (SNAP) benefits; or
- The population has a high score on the Centers for Disease Control and Prevention's [Social Vulnerability Index](#).

OCM will accept applications for the social-equity pre-approval license from July 24 to August 12.

**For local governments, the early preapproval process may have implications for whether a county wishes to accelerate adoption of local ordinances or temporary moratoriums.** Social equity applicants who receive pre-approval for microbusiness, mezzobusiness, or cultivator licenses, and who comply with local codes and ordinances, will be allowed to begin growing plants under the existing rules for medical cannabis cultivators this year, prior to full adoption of state rules. Other changes with implications for counties and local governments include:

- Disallows local governments from prohibiting the operation of hemp businesses.
- Amends the process for a local unit of government to certify that a proposed cannabis businesses meets local ordinances, such that local review will happen after the OCM completes pre-approval rather than upon initial application and correspondingly eliminates the requirement that a local unit of government certify that a proposed cannabis business meets local zoning ordinances and the process for that notice.
- Provides that the OCM can only investigate complaints by local governments that are made under Minnesota Statutes Chapter 342 (cannabis law).
- Provides that an applicant is not required to secure physical premises at which the business will operate or provide notices of such at the time of application.
- Removes the requirement that the office send notice to a local unit of government and seek confirmation that a proposed business meets local zoning requirements.
- Requires a business to register with a local government before receiving a retail endorsement. Current law requires the business to have a retail endorsement before receiving local registration.
- Requires a local unit of government to issue an application to a person whose application has been approved by the office. Current law requires the person to have a valid license.
- Removes the authorization for a local unit of government to inspect the products that will be offered for sale and replaces that with the authority to perform an inspection to ensure compliance with any applicable local ordinance.
- Removes the requirement that local units of government perform annual compliance checks. Limits compliance checks to local ordinances.

Cities and counties are authorized to open a municipal cannabis store without going through the lottery process, and such licenses will not count against the OCM's license caps or any limits on retail licenses that local governments may impose.

For applicants, the legislation sets caps for some license types, including cultivator, manufacturer, retailer and mezzobusiness licenses until July 1, 2026. There are no limits on other license types, including microbusinesses, though the OCM could place additional caps on these licenses in the future.

Additionally, the bill also accelerated transfer of oversight of the hemp-derived market from the Department of Agriculture to the OCM, allows businesses that sell hemp-derived THC beverages for on-site consumption to serve them on tap or outside of the products original packaging, and makes various changes applying to the medical cannabis program.

## Office of Cannabis Management (OCM's) [Summary of 2024 changes](#)

- OCM recently posted on their [webpage](#) a [guidebook](#), which includes information about the role of local governments in the implementation of Chapter 342. A model ordinance is included.
- The OCM webpage also includes a [FAQ's](#) page, including a section specifically for local governments.

## Broadband Grant & Program Modifications

### *Chapter 127, Articles 13 Applies Certain Labor and Workforce Requirements to Broadband Projects*

[Chapter 127](#), the mega omnibus bill that passed in the final hour of legislative session, contains two articles modifying the State Broadband Grant Program: Article 13 imposes certain labor practice requirements on projects funded by Border-to-Border Broadband Grant Program. Article 39 makes changes that were also passed and signed into law as [Chapter 126 \(Article 3\)](#), the Agriculture, Energy and Broadband Supplemental Omnibus bill. The Broadband Grant Program provisions are identical in the two laws.

#### [Chapter 127, Article 13 – Broadband Labor Changes](#)

- Requires DEED to work towards awarding least 50% of General Fund appropriations for the Border-to-Border Broadband Development grant program each year to applicants who expressly agree to implement specified workforce best practices as a grant condition. Workplace best practices include payment of prevailing wages, annual skills training, and health and retirement benefits.
- Requires grantees who have more than 10,000 broadband customers and who also receive broadband funding to report certain workforce plan data, and to have a workforce plan and agree to ongoing workforce reporting as a contract condition.
- Requires the Minnesota Department of Labor and Industry (DLI) to investigate a successful applicant's failure to meet program requirements or falsification of data and take appropriate action, including making the applicant ineligible for broadband grant programs.
- Grants the Minnesota Public Utility Commission (PUC) authority to investigate telecom carriers, telephone companies, and cable communications system providers that impact public utility or cooperative electric association infrastructure.
- Authorizes the PUC to take action as provided under existing law for a finding of damaging conduct or unreasonable interference with infrastructure (effective July 1, 2024).
- Requires use of safety-qualified underground telecommunications installers for installation of underground telecommunications infrastructure within ten feet of, or crossing existing, underground utilities, when specified. Effective July 1, 2025, for installations in the seven-county metro area, and starting January 1, 2026, for all installations.
- Requires DLI in consultation with Office of Broadband, to approve certification standards for safety-qualified underground telecommunications installers that include certain specified components. Requires DLI to develop an approval process for installer training providers. Effective May 25, 2024.

Unless otherwise noted above, the above changes are effective January 1, 2026.

## ***Two Broadband Grant Program Funding Changes – Chapter 126, Article 3; and Chapter 127, Article 39***

[Chapter 126](#) (Article 3) and [Chapter 127](#) (Article 39) carry identical language modifying Broadband appropriations enacted in 2023 and directed pursuant of federal funds. Specifically:

- The Commissioner of DEED is authorized to transfer up to \$5 million of a fiscal year appropriation from the Border-to-Border, low-density population grant program to the broadband line-extension program to meet demand; and
- The Commissioner is also directed to apply for a federal State Digital Equity Capacity Grant, and if received, the funds are appropriated to the Commissioner for use of the Minnesota Digital Opportunity Plan.

## **Disaster Assistance Funding**

### *State Disaster Assistance Account to be Automatically Replenished up to \$50 Million*

[Chapter 123](#), Article 1, sections 8 and 14 reflects language that was authored and championed by Representative Gene Pelowski to ensure long-term funding stability for the state Disaster Assistance Contingency Account, which is used to both provide the federal FEMA match requirements for state and local governments, as well as provide for additional coverage for costs not funded or not at a level of severity that qualifies for federal disaster assistance.

Specifically:

- Section 8 makes a permanent law change to require the commissioner of Minnesota Management and Budget (MMB) to transfer money to the disaster assistance contingency account if general fund closing balance for a biennium exceeds a defined level, with the goal of regularly replenishing the disaster assistance contingency account to contain \$50.0 million.
- Section 14 provides for a near-term transfer to the disaster assistance contingency account following the close of FY2024 if similar General Fund closing balance conditions are met.

## **Chapter 100 – Veterans and Military Affairs Policy Bill**

### *Omnibus Veterans and Military Affairs Bill*

[Chapter 100](#) modifies statutes and appropriations for state programs and grants administered by the Minnesota Department of Veterans Affairs (MDVA) and the Minnesota Department of Military Affairs (MDMA). Governor Tim Walz signed the new law on May 8, 2024. Here is a [link to a summary](#) of the legislation.

## **Employment Law and Labor Changes**

### **Earned Sick and Safe Time (ESST) Modifications**

#### *Rulemaking Authorized; Policy Application Streamlined, Modified, and Clarified*

Introduced early in the 2024 session by Representative Liz Olson (DFL-Duluth) and Senator Sandy Pappas (DFL-St. Paul), companion bills [HF3882](#) and [SF3787](#) reflected Department of Labor and Industry (DLI) recommendations for technical and policy ‘fixes’ to new law enacted in 2023, which became effective January 1, 2024.

During the legislative interim, MICA and other stakeholders had provided feedback to DLI on various aspects of the new law. The proposed changes reflected some of that stakeholder input, while other 2024 changes seemed to expand the application of ESST to broader allowable uses and required that all ESST policies, such as notice and documentation requirements, apply to all earned time provided by an employer.

MICA engaged with bill authors and the DLI Commissioner throughout the session to modify the language as introduced. HF3882 and SF3787 were amended several times as the legislation moved from committee to committee. The language was eventually rolled into the Omnibus Labor Supplemental Budget bill, and then further combined into HF5242, the Transportation Omnibus bill, along with Labor and Housing provisions. As May 19<sup>th</sup>, the last day to pass substantive legislation progressed, the HF5242 conference committee report had not yet passed both the House and Senate. In the final hour of session, those provisions were rolled into HF5247, the 2024 Omnibus Tax Bill, which passed the House by a vote of 70-50 and the Senate by a vote of 34-14. HF5247 was approved by Governor Walz on May 24, as Chapter 127.

[Article 11 of HF5247](#) contains the ESST modifications, including:

- Section 2 authorizes the Commissioner to adopt Rules for implementation of the law;
- Section 3 establishes remedies for employers who either don't provide ESST as required by law, or fail to keep records as required to demonstrate their compliance with the ESST law;
- Sections 4 and 10 together, streamline some of the new record keeping and time tracking requirements when an employer provides employees electronic access to such information on a routine basis;
- Sections 5 and 6 clarify the 'base rate' of pay for ESST;
- Section 9 clarifies that 'eligible use' includes time to make arrangements for a funeral and address financial and legal matters related to the death of a family member;
- Section 10 allows for a written statement from an employee to satisfy notice and documentation;
- Section 14 allows for certain employees to not use sick and safe time during a weather and public emergency if such an exception is agreed to through collective bargaining.
- Section 15 generally provides that if an employer provides earned sick and safe time greater than the minimum levels required, that all more generous leave is subject to the same allowable uses and notice and documentation as is the minimum required ESST. Authors stated that that was the intent of legislation enacted in 2023. The final legislation included several modifications to the language as introduced:
  - For paid leave accrued prior to January 1, 2024, the employer may require the notice and documentation requirements in place as of December 31, 2023, to continue to apply to use of that accrued leave, provided employees are not required to use leave earned after that date before using leave accrued prior to the date; and
  - For leave earned after January 1, 2024, that is in excess of the minimum leave levels required by ESST, different documentation requirements may apply to the use of those higher leave levels provided those different documentation standards are agreed to in a collective bargaining agreement.

Various other modifications were also made to the ESST law (see DLI's Summary [here](#)). More information on the new law, FAQ's, and development of Rules on this [website](#).

## PELRA Modifications

[Chapter 127](#), Articles 8 & 9, Modify Provisions Enacted in 2023

The Labor and Industry (DLI) supplemental budget and policy provisions that were folded into the Transportation, Labor, Housing Omnibus bill prior to conference committee (HF5242), were incorporated into HF5247, the omnibus tax conference committee report, in the final hour of legislative session. Those provisions were enacted as Chapter 127.

Article 8 contains changes that are effective July 1, 2024, and are most likely to affect the work of county governments, including:

- Section 1 Specifies that personnel data must be disseminated to specified entities upon request of an exclusive representative for the purposes of PELRA and private labor relations provisions under chapter 179.
- Section 6 makes technical changes and modifies the language and process for authorizing and remitting payroll deductions, including indemnification of public employers, and allows a public employee to request a deduction to an organization of the employee’s choice if the employee’s position is not represented.
- Section 7 requires employer to include reason for separation or transfer when notifying employer’s exclusive representative.
- Section 8 Provides access for exclusive representative meetings and communications and allows the exclusive representative to designate an agent.
- Section 9 Requires the commissioner to designate a single unit from two bargaining units on request of an exclusive representative.
- Section 10 provides that a unit determination for a new position and whether it should be in an existing bargaining unit must be based on assigned duties and without regard to title or telework status.
- Section 17 adds to list of practices that constitute unfair labor practices by a public employer as follows:
  - “Failing or refusing to provide information that is relevant to enforcement or negotiation of a contract as soon as reasonable after receiving a request by an exclusive representative, not to exceed 30 days for information relevant to contract enforcement or 60 days for information relevant to contract negotiation absent mutual agreement by the parties, provided that a state agency may request and the commissioner may extend these timelines based upon estimated need and after consultation with the exclusive representative; or
  - Refusing to reassign a position after the commissioner has determined the position was not placed into the correct bargaining unit.

In addition to the above changes, [Chapter 127](#), Article 9:

- Modifies the definition of “financial assistance” in section 116J.871 to apply prevailing wage requirements to low-income housing credit allocations used for multifamily housing projects of more than ten units beginning January 1, 2025, and
- Requires the DLI commissioner, in consultation with the commissioner of MDH, to adopt rules lowering acceptable blood lead levels for workers.

## Misclassification of Employees

### [Chapter 127](#), Article 10 Modifies State Laws Prohibiting Misclassification of Employees

While some modifications to state laws prohibiting misclassification are aimed largely at construction trades industries, others apply to all employers. Among the changes merged into the omnibus tax conference committee report in the final hours of session, [Chapter 127](#), Article 10:

- Section 6 adds section 181.722, misclassification of employees, and section 181.723, misclassification of construction employees, as amended in sections 7 and 8 to the list of labor sections that can be enforced through a private civil cause of action under section 181.171. Effective July 1, 2024
- Section 7 specifies prohibited misclassification activities for an individual who is a person’s employee, including failing to classify, represent, treat, report, disclose, document, or enter into an agreement with the individual as an employee, or requiring the employee to agree to be misclassified or treated as something other than an employee.

- Allows for personal liability for engaging in a misclassification violation knowingly or repeatedly.
- Also adds successor liability for outstanding misclassification violation compliance orders if three or more successor factors apply to the successor company or employer.
- Provides for additional penalties, investigation, and enforcement by the DLI commissioner for each separate misclassification violation. Damages include compensatory damages, and penalties ranging from \$1,000 to up to \$10,000 depending on the type of violation.
- The changes are effective July 1, 2024

The new law also creates an Intergovernmental Misclassification and Education Partnership authorizing and requiring collaboration across state agencies and with the Attorney General toward expanded enforcement and education.

### Paid Family & Medical Leave – Chapter 127, Article 73

#### *“Paid Leave” Modifications Include Some Streamlining*

On April 11, a package of modifications to the Paid Family and Medical Leave law (“Paid Leave”) were introduced, three weeks after the March 22 deadline for hearing policy bills. The legislation, [HF5363](#) was authored by Representative Cedric Frazier and Senator Alice Mann ([SF5430](#)), was heard in four committees with jurisdiction in each body. The bills were not heard in a State and Local Government Committee. On May 15, [HF5363](#) passed the House by a vote of 69-34. It was not voted on in the Senate. On May 19, the last day to pass legislation, a package of changes was amended into the omnibus tax conference report (HF5247) and became law as [Chapter 127](#), Article 73.

During committee consideration of the bill, much discussion focused on the higher premiums rate that will be needed to fund the program benefits, and substantially higher than the 0.70 of salary reflected in the 2023 legislation. **DEED and legislative budget staff now estimate the rate will be at least 0.88%, or about 25% higher than estimated in 2023.** The higher rate is projected to bring in an additional \$300 million revenue annually, with an estimated \$1.6 billion in benefits distributed in the first year. Under the law, DEED will set the cap annually, up to a maximum of 1.2% of pay.

As originally introduced, HF5363/SF5430 would have required that the ‘initial week’ (first seven days) of eligible paid leave be covered by employer provided sick leave, if the employee has access to applicable leave at higher levels of accrued leave balance. The proposal was aimed at reducing costs for the state leave program, and thereby helped to tamp down the premiums rate for all employers that was otherwise anticipated to be even higher than 0.88%. The savings to the state program would have resulted from employees of employers who provide higher leave accruals instead use those accruals for up to the first seven days of eligible coverage. **However, strong resistance for employee groups moderated that proposal, resulting in the language of sections 12 and 15 below.** Under the enacted language, the initial seven days is to be paid retroactively by the Paid Leave program resulting in an assumption of lessor state program savings to the extent some employees simply opt to access employer provided benefits available for the same purpose rather completing the application and waiting necessary for retroactive coverage from the state.

Overall, the package of ‘fix-it’ provisions clarify the Commissioner’s authority to make annual adjustments to the premium rate based on actuarial studies, modify guidance for insurers that plan to offer private plan products, provide for a new appeals process, clarify how leave will work with multiple employers, and make other technical and policy adjustments. Following is summary of the more relevant Paid Leave changes in Chapter 127, Article 73:

- Section 6 modifies definition of “covered employment” to clarify percentage of work in Minnesota requirement and adds option for excluded entities to opt into paid leave coverage, as well as authorizes the commissioner of DEED to adopt related rules.

- Section 7, 8, 9, and 11 add clarity by providing a definition of “covered individual,” “effective date of application,” and “effective date of leave,” and “financially eligible,” meaning an applicant who earns at least 5.3% of state’s average annual wage rounded down to the next lower \$100 (\$3,600 for 2024) in covered employment during their base period.
- Section 10 modifies definition of “family member” to include a domestic partner’s child, a de facto custodian, and an individual in a personal relationship with an applicant who provides care without compensation.
- Section 12 adds definition of “initial paid week” as the first seven days of leave which are payable and must be paid retroactively once an applicant meets the seven-day qualifying event requirement for leave types including family care, medical care related to pregnancy, serious health condition, qualifying exigency, or safety leave. For intermittent leave. initial paid week means any combination of seven consecutive or nonconsecutive calendar days from the effective date of leave but counting only days when leave is taken.
- Section 14 clarifies various processes for to the commissioner’s review and determination of an applicant’s financial eligibility for, and calculation of, paid leave benefits, requires the commissioner to notify any employer within five days of an application for benefits. Allows reconsideration within 12 months of leave and requires notice to any impacted base period employers. Clarifies how weekly benefit amounts are calculated for applicants who change employers in a base period. Sets the minimum increment of paid leave as no more than one day, based on an employer’s established policy, and adds clarity around a minimum increment of leave for intermittent leave. The commissioner may backdate a paid leave claim if the application was untimely due to incapacitation or no fault of the applicant.
- Section 15 clarifies that the seven-day qualifying event is paid retroactively, and not an unpaid waiting period.
- Section 18 clarifies how an employee’s election of vacation, sick, or paid time off interacts with their total amount of paid leave under chapter 268B. Requires an employee to refund benefits paid that exceed their usual salary and allows an employer to be reimbursed by the paid leave division for payment of wage replacement benefits.
- Section 19 adds new language to allow an employee to receive disability insurance benefits and paid leave benefits at the same time and allows a disability insurance policy to offset disability benefits by paid leave benefits.
- Section 20 modifies employer notice provision to clarify that notice of applicant’s entitlement to benefits must be provided to the employer(s) from which an applicant is taking leave, as well as allows rulemaking regarding application information requested and employer notice requirements for applications and eligibility.
- Section 23 establishes a new, comprehensive appeals process under new section 268B.081.
- Section 24 reinstates existing law allowing an employer to offer greater intermittent leave than required and to run this paid leave concurrently with intermittent federal FMLA.
- Section 27 provides an employer is not required to maintain health insurance for an employee hired for a specific time period or discrete project not expected to continue.
- **Private Plans:** Sections 29 – 37 make various modifications to requirements for Private Plans, including:
  - Requiring coverage of former employees under an employer’s private plan medical benefit program for up to 26 weeks or until the employee is hired elsewhere.
  - allowing an employee to request administrative review of a denied or contested request for benefits under a private plan and to appeal if a denial is maintained (Section 31).
  - clarifying coverage and payment of benefits if an employer changes between state and private plans or to another private plan during an approved leave (section 32).
  - adding new benefit application process for former employees of private plan employers separated for less than 26 weeks or if employed by a new employer (section 34).
  - clarifies the commissioner’s authority to terminate a private plan and removes separate appeal language.
- Section 38 clarifies employee chargeback language.

- Section 41 adds a new subdivision 5c, establishing the calculation of average wage for an employer depending on if the employer is covered for all or some of basis period.
- Section 42 allows DEED to adjust the premium rate prior to premiums first taking effect January 1, 2026. Starting July 31, 2026, and each July 31 thereafter, requires an annual premium rate adjustment based on the program’s experience and sound actuarial principles so that the projected fund balance as a percentage of total program expenditure does not fall below 25%. Removes existing calculation for the premium rate adjustment. Requires an actuarial study every year for this purpose.
- Section 51 repeals section 268B.06, subdivision 7, which made applicants ineligible for paid leave benefits for any week separation, severance, or bonus pay that was received.

## Paid Leave Resources – Department of Employment and Economic Development (DEED)

In June and July 2024, DEED is hosting a **online rulemaking listening sessions** on topics such as the Opt-in Process for Self-employed Individuals and Independent Contractors, Private Plans, Seasonal Hospitality Employment, Health Care Provider Certification, Safety Leave, Claims Administration, Role of the Employer, Covered Employment, and Job Protections. A full schedule of the listening sessions is posted and a sign-up form on our website [Rulemaking / Minnesota Paid Leave \(mn.gov\)](#).

[Link](#) to FAQ’s for employers.

[Paid leave website](#) provides DEED’s implementation timeline, news, and employer information.

**DEED will begin to prep employers for wage detail reporting** in the fall. The [website](#) provides information and guidance, including wage reporting FAQs in DEED’s [April newsletter](#).

**DEED is also planning a series of regional in-person sessions** to provide employers with program updates, respond to questions, and prepare for wage detail reporting in the fall. Dates and locations will be posted on DEED’s website.

**DEED is partnering with the New Practice Lab** at New America Foundation to design innovative approaches to medical and safety leave verification. Those interested in learning more about how the Lab is working can go to [product sprints](#).

## Chapter 105 - Modifications to Minnesota Human Rights Act

*Chapter 105 Changes Apply to both Local Public and Private Employers*

[Chapter 105](#), modifies the various provisions of the Minnesota Human Rights Act. Most changes are technical in nature; changes include:

- Clarifying that protected class includes “one or more’ classes, modifies the definition of ‘familial status’
- Expanding from 45 to 90 days the time a person who has filed a charge with a local commission has to bring a civil action, if the local commission has determined there to be no probable cause; and
- Requiring courts to set a civil penalty for violations of the act, allows for damage awards up to three times the amount of actual damages, limits punitive damages assessed political subdivisions to \$25,000, and authorizes the court to impose certain non-financial remedies.



## Chapter 110 – Labor Policy Bill

### *Various Labor and Employment Law Policy and Technical Changes*

[Chapter 110](#) contains various labor and industry policy and technical modifications summarized [here](#), the most applicable to county government are contained in [Chapter 110](#), Article 2:

- Section 1 expands data provision classifying complainant identity data for violations of additional labor chapters as private data. Clarifies that the DLI commissioner may disclose this data to other government entities with written consent of complainant.
- Section 2 allows the DLI commissioner to set the time and manner of submission for employers submitting required labor records.
- Section 3 adds sections 181.10 (wages paid every 15 days) and 181.64 (false statements as inducement to entering employment) to list of labor provisions that the DLI commissioner can enforce through its compliance order authority.
- Section 4 allows the DLI commissioner to order reinstatement of an employee as part of the relief granted through its compliance order authority for labor violations.
- Section 5 requires employers to keep records of the earning statements required for each pay period under section 181.032, paragraphs (a) and (b), for three years.
- Section 6 modifies the definition of “project” to apply prevailing wage requirements to additional wholly or partially state-funded projects, including a project altering, improving, or restoring a structure, land, or public work that benefits the public or is intended for public use.
- Section 9 requires an employer to maintain health insurance coverage for an employee and their dependents during any required period of leave for pregnancy under section 181.939, subdivision 2, provided that the employee pays the employee share of costs.
- Section 10 expands the insurance requirement under the pregnancy and parenting leave under section 181.941 to require an employer to maintain health insurance coverage for an employee and their dependents during any required period of leave under this section, provided that the employee pays the employee share of costs.
- Section 11 provides that parenting and pregnancy leave under section 181.941 cannot be reduced by any period of paid or unpaid leave needed for prenatal medical appointments.

In addition, Article 6 makes various changes to minimum wage laws to remove most minimum wage distinctions and lower rates allowed in the current law. For example, Chapter 110 removes the minimum wage distinctions and lower rates:

- Between large and small employers, and
- For youth under age 18 working for a large employer. Retains the existing youth training wage allowing employers to pay a lower training rate for the first 90 days of consecutive employment for an employee under age 20. The training rate is also adjusted annually.

The DLI commissioner is allowed to adjust the minimum wage rates by the lesser of the inflation-based percentage or 5%. This is an increase from 2.5% in the existing law and becomes effective August 1, 2024. Removes provision that previously gave DLI discretion to not implement the minimum wage increase or to make an additional supplemental increase.

As result of these changes, the large employer minimum wage rate, currently set at \$10.85, under new paragraph (a), as adjusted by DLI annually, will become the minimum wage rate applicable to most employers starting January 1, 2025, unless the training wage rate for employees under age 20 or another specific statutory rate applies.

**Trainee election judges:** Makes consistent change to the lower rate for trainee election judges to clarify they can continue to be paid two-thirds of the minimum wage rate, without distinction for a large employer. Effective January 1, 2025.

Article 7, makes miscellaneous additional changes including:

- Requires an employer with 30 or more employees to include the starting salary range and general description of benefits or other compensation for an available position on any job posting, whether the posting is printed or electronic. “Salary range” is defined as the minimum or maximum salary or hourly range of compensation for a job at the time of posting. Effective January 1, 2025.
- Requires the DLI to develop an employee rights poster pertaining to section 181.531, the employer-sponsored meetings or communications (captive audience) law.
- Provides for and authorizes a protocol for using an “oral fluid test” to measure the presence of drugs, alcohol, cannabis, or their metabolites at the same or better levels as the existing lab programs also articulated in the law.

## Chapter 105 -- PEIP Changes

### *Modifications to Public Employees Insurance Program (PEIP)*

Amends Minn. Stats. 43.316, the Public Employees Insurance Program (PEIP), to change the term of participation from two years to four years, and also changes the term for automatic renewal for participation in the program from two years to four. This change became effective the day after final enactment.

## Chapter 97 – Worker’s Compensation Law Changes

### *Adopts Changes Recommended by Worker’s Compensation Advisory Council (WCAC)*

[HF4661](#) contains 50 sections with revisions to Minnesota Statute Chapter 176, most of which are technical or cleanup.

The bill includes:

- Statutory clarifications and updated references as recommended by the Office of Administrative Hearings;
- Clarifying rulemaking authority for Office of Administrative Hearings and the Workers’ Compensation Court of Appeals related to electronic filing, certification of electronic signatures, and interventions;
- Describing when employees can be referred to DLI’s vocational rehabilitation unit for certain disputes;
- Clarifying attorney access to workers’ compensation claim documents in DLI’s technology system;
- Revising the calculation of average weekly wage for short-term agricultural workers;
- Adjusting the maximum dollar limit on workers’ compensation attorney fees;
- Amending the calculation of maximum weekly compensation for temporary total disability benefits;
- Describing notice requirements for discontinuation of vocational rehabilitation services;
- Specifying a penalty for charging in excess of statutory allowances for electronic medical records;
- Raising the allowable costs for remodeling awards for permanently and totally disabled employees;
- Updating the penalty amount for violations regarding required notice and payment timelines surrounding the benefit discontinuance process; and
- Changing the time allowed for filing an answer to a claim petition.

## Elections and Voting Changes

### Chapter 112 – 2024 Elections Policy and Supplemental Budget

#### *Special Election for County Offices, Increased Elections Aid, MN Voting Rights Act*

Most of the elections policy and funding provisions were combined into HF4772 in conference committee and enacted as Chapter 112. Key provisions include:

- Article 1 makes various election funding modifications resulting in additional ongoing funding for Elections Resources (VOTER) Account to assist local governments with certain election-related expenses. The increase to the account is \$3.0 million in FY24 and \$3.09 million beginning in FY2025, although some of that funding is the result of consolidating and eliminating equipment and other grants ([spreadsheet](#)).
- Article 2 makes various election administration modifications, such as:
  - Section 13 allows a post-secondary institution or a student government organization to request, and requires a county auditor or city to provide, a temporary polling location for at least one day at location agreed upon by the institution and auditor or city (requests must be made by May 31 prior to the election).
  - Section 14 requires the Secretary of State to reimburse counties and cities for the actual cost of providing the temporary post-secondary polling location.
  - Section 25 requires a person conducting exit polling to present photo identification to the head judge.
  - Sections 70 and 71 authorize county boards to call for a special election to fill vacancies for County Attorney or County Sheriff.
  - Section 72 requires certain counties, cities and towns to use '.gov' web domain for administering absentee voting.
- Article 3 establishes the Minnesota Voting Rights Act, including authorizing a private right of action to challenge county implementation of state elections laws.
- Article 4 makes various campaign finance laws, including laws applying to local offices, lobbyists and officeholders.
- Article 5 provides new census redistricting instructions relate to how incarcerated populations will be counted and at what home address.

## Housing and Rental Assistance Funding

Several housing related bills passed and were signed by the Governor, including:

- **Chapter 127, the Mega Omnibus Bill** contained appropriations and provisions. For a summary and links on these provisions, please see in this report the Public Health and Humans Services section, pages 3 and 4.
- **Chapter 125, the HHS Omnibus Direct Care Bill, Article 6, section 4** is aimed at simplifying supportive housing resources for people experiencing homelessness and who are receiving disability, aging or substance use disorder services. It directs the Department to establish a working group and directs it to provide a report to the Legislature by January 15, 2026
- **Chapter 96**, relates to housing cooperatives and organizations that provide housing to seniors and low and moderate income people.
- **Chapter 107**, regulates the use of shared-metered utility services provided by landlord to tenants. The new language requires disclosures and accurate utility use measurement and regulates billing and collection practices by landlords.
- **Chapter 118**, is a Tenant/Landlord bill, which defines the rights of each party. It also prohibits discrimination based on housing assistance.

## INTRODUCTION

Both the House and Senate Judiciary committees processed a considerable number of bills, diligently digging into details during multiple hearings. This is typical for these committees, which focus on the state's court system, correction and broader public safety issues. Although the number of provisions that were ultimately passed into law was small compared to the extensive number passed last session, overall changes are positive or neutral for counties. In step with other committees, the Judiciary committees combined most of their bills into several omnibus bills and further combined these bills into one spending and policy bill, HF5216, which was enacted in Session Laws as Chapter 123.

The supplemental budgets for Judiciary, Public Safety and Corrections were small, adding to FY2025:

- \$36 million for Judiciary
- \$24.75 million for the Departments of Public Safety and Corrections
- Up to \$50 million to the disaster Assistance Contingency Account

Some funds were reallocated within budgets, resulting in decreases for some programs and increases for others. Below are spending details regarding these funds and a focused summary of policy changes that are of interest to counties.

## What Passed

### Chapter 123 – HF5216

#### *Judiciary, Public Safety, and Corrections Supplemental Budget Bill*

References:

- [Chapter 123](#)
- [Spreadsheet](#)
- [Summary](#)

Funding items of Interest to counties:

- **Disaster assistance contingency account:** Requires the commissioner of management and budget to transfer money to the disaster assistance contingency account if (1) the general fund closing balance for a biennium exceeds the projected closing balance and (2) the disaster assistance contingency account contains less than \$50 million. Directs the commissioner to transfer an amount of money equal to the amount by which the general fund closing balance for the biennium exceeds the projected closing balance up to an amount sufficient to increase the balance in the disaster assistance contingency account to \$50.0 million.
- \$6.652 million in FY2024 and \$23.685 million in FY2025 **to the district courts to expand access to psychological services, increase the pay rate for forensic examiners, account for the court interpreter deficit, increase the rate of pay for court interpreters, pay for travel time for court interpreters, account for the jury program deficit, and provide vicarious trauma services to jurors.**
- \$7.0 million in FY2024 is **from the 911 fund in the special revenue account** to be used for:
  - **Task Force on Domestic Violence and Firearms**
  - **Motor Vehicle Registration Compliance Working Group** (includes a county representative)
  - **Direct assistance to crime victim survivors**, including child victims of maltreatment
  - **Report on preventing violence against Latina women and queer Latines**

- Law enforcement therapy dog grants
- Mediation and restorative justice grants
- Digital geographic information system mapping for school facilities
- \$150,000 in FY2025 for the Office of Addiction and Recovery to provide support for the **Task Force on Holistic and Effective Responses to Illicit Drug Use**.
- Establishes a general fund appropriation base of \$3.167 million for the **Board of Civil Legal Aid** beginning in FY2026.
- **Redistributes funds in earned incentive release account**, moving 25 percent that went to the General Funds, to victim services, thus providing 50% of the account to victim services.

### Clarification of 2023 Changes to Probation Funding and MRRRA Savings (Article 8, sections 19 & 20)

When passed by the 2023 Legislature, the Minnesota Rehabilitation and Reinvestment Act (MRRRA) promised to produce savings of state and local expenditures for correctional services. Savings from the MRRRA were to be distributed to counties and the state to enhance supervisory services provided to inmates following release. A drafting oversight needed to be corrected and distribution of funds needed to be detailed. Chapter 123, Article 8, section 20, addresses the needed change by adding the following language to Minnesota statute as specified:

(f) Minnesota Rehabilitation and Reinvestment Act savings under section 244.50, subdivision 4, clause (2), are appropriated to each CCA jurisdiction and non-CCA jurisdiction served by the Department of Corrections by dividing the three-year average of the number of individuals on supervised release and intensive supervised release within the jurisdiction by the three-year average of the total number of individuals under supervised release and intensive supervised release statewide, using the numbers reported annually in the Probation Survey report.

### Report Regarding Communication Services Provided to Incarcerated Individuals (Article 8, section 5)

Under the new law, counties and regional correctional facilities, including jails, workhouses, and juvenile detention centers, are required to annually submit a report on February 28<sup>th</sup> to the Department of Corrections Commissioner regarding contracts they have entered to provide access to communications services for incarcerated individuals. The DOC commissioner must compile this information and submit a report to the judiciary/public safety committee chairs and ranking members. As initially proposed, new language would have extended to county facilities the restrictions passed last year that prohibit state correctional facilities from charging inmates for telephone calls and other communication modes. The initial proposal did not include an appropriation, which would have shifted the costs of communication services directly to county budgets. The required annual reports will provide legislators with information regarding costs, which should help inform possible legislative discussion next session or later regarding remedies to the high cost of inmate access to communications.

### Definitional Change of Juvenile in Need of Protection and Interference with Mandated Child Maltreatment Reports (Article 4, sections 2 – 7)

Session Law, Chapter 123 Article 4, section 5: Under current law, a juvenile petty offender over the age of ten years is defined as a juvenile delinquent, and one who has not yet become 10 years old is defined as a child in need of protection. This new law would include juveniles petty offenders under the age of 13 as children in need of protection. This change is effective July 1, 2026.

The new law classifies interference with a mandated reporter as a misdemeanor.

Additionally, Article 4, section 6 states:

Mandated Reports under 260E.06, subdivision 1, corporations, schools, nonprofit organizations, religious organizations, facility as defined in section 260E.03, subdivision 6, or similar entity are prohibited from having any policies, written or otherwise, that prevent or discourage a mandatory or voluntary reporter from reporting suspected or alleged maltreatment of a child.

## Required Reporting of Cybersecurity Incidents (Article 17, sections 14-24 )

Beginning December 1, 2024, political subdivisions, school boards, post-secondary education systems are required to report to the Commissioner of Information Technology and the BCA, incidents and suspected incidents of cybersecurity risks and breaches. The Commissioner is required to gather this information and report to the Legislature by January 31, 2026. Additionally, the department is directed to advise and consult with political subdivisions regarding cybersecurity generally and to conduct risk assessments for proposed IT projects. The department will replace the former North Star program online government information services.

## Other Provisions of Interest

- **State Government Data and Policy**, (Article 17)
  - Data classification involving Office of Administration Hearings, Tax Court and Worker’s Comp Court of Appeals related to health care records that are electronic and other related court procedural documents - classified as other than public (Sections 1-10).
  - Changes to the timelines for hearings in response to campaign practice or finance complaints (Sections 25-29).
- **Uniform Public Expression Protection Act** (Article 18), (UPEPA) apply when a person is being sued in a civil case based on the person communicating with political or government entities, or otherwise exercising their first amendment rights of freedom of speech, press, assembly, or association. Spells out protections and exceptions.
- **Correctional transport of person**: Requires a company providing guards or other personnel to transport a person arrested on warrant to have a protective agent license unless the transporter is a corrections agent, law enforcement agent, or emergency responder (Article 5, sections 13 – 15).

## Chapter 78 – HF3489

### *School Resource Officer Modifications*

References:

[HF3489](#)

[Chapter 78](#)

A lack of clear language in legislation passed last session regarding use of force by School Resource Officers (SRO), resulted in push-back from law enforcement and others, canceled SRO contracts, and potential safety risks in some Minnesota schools. Early in the 2024 session, committees scheduled hearings to continue work on addressing the issue.



## 2024 End of Session Report Judiciary, Corrections & Public Safety

After several well-attended committee hearings, lengthy floor debates, and robust conference committee hearings, compromise language was worked out, passed, and signed into law.

Sponsored by Representative Cedrick Frazier (DFL-New Hope) and Senator Bonnie Westlin (DFL-Plymouth), the law clarifies use of certain choke holds and face-down prone restraints SRO's may use and updates use-of-force standards for those officers. The bill became effective on March 15<sup>th</sup>. The new law:

- Applies use-of-force limits applying to all other peace officers to SROs
- Restricts school district employees from using these holds except to prevent bodily harm or death of a student or other persons
- Creates and funds new SRO training standards
- Authorizes the Peace Officer Standards and Training Board to develop a model SRO policy
- Appropriate \$150,000 in FY2024 and \$490,000 in FY2025 from the General Fund to the Department of Public Safety to increase staffing in its school safety center. Base funding is \$490,000 annually in FY2026 and FY2027.

### What Did Not Pass

- Provisions that would have usurped the attorney-client privilege employed by county boards related to closed meetings to address non-public issues.

## INTRODUCTION

Supplemental budget amounts allocated to Environment and Natural Resources, as well as Agriculture and Broadband, were small relative to 2023 legislative actions but both areas include General Fund and non-General Fund initiatives impacting the work of county governments. In addition, the 2024 Legislature enacted various policy initiatives in the areas of solid waste, recycling, water quality, including nitrate groundwater contamination, and other enhancements of natural resources, such as tree planting.

### Chapter 90 – SF2904

#### *Environment Policy Omnibus Bill*

The [Environment Policy Omnibus](#) bill passed the House on April 15, on a bi-partisan vote of 72-58, and on April 18 in the Senate by a vote of 40-24. The Governor signed the bill on April 26. The bill contained a few provisions with major significance for the work of county governments after it was pared down to include largely non-controversial items. Article 3 includes policy language changes requested by the Board of Water and Soil Resources (BWSR).

### Chapter 116 – HF3911

#### *Environment and Natural Resources Supplemental Budget & Policy*

HF3911, chief authored by committee Chairs Representative Rick Hansen (Dakota) in the House, and Senator Fong Hawj (Ramsey) in the Senate, allocated General Fund supplemental budget target of \$17 million, as well as made various policy changes. The [conference committee report](#) passed the House 70-56 and the Senate 37-30 on Friday, May 17. In the Senate, three Republicans joined Democrats to vote in favor; Senators Jim Abeler (Anoka), Karin Housley (Washington), and Carla Nelson (Olmsted). Governor Walz signed the bill into law on Sunday, May 19. The budget spreadsheet is [linked here](#); and the Act Summary is [linked here](#).

Key **funding** provisions impacting counties include:

- \$593,000 for a composting grant program at multifamily housing units,
- \$3.188 million for Metropolitan Council to support community tree planting grants,
- \$1.4 million for tree planting in metro parks and trails, and
- \$5 million for DNR community tree planting grants.

In addition, Chapter 116 repurposes remaining funding from the PFAS manufacturers fee work group to fund a PFAS removal report, due January 2025, provides funding for a Waste Composition Study required for solid waste facilities, and appropriates \$500,000 to Olmsted County to clean up a tax-forfeited property with environmental hazards.

Key **policy** provisions impacting counties included:

- Article 5 contains the “**Packaging Waste and Cost Reduction Act**,” which establishes a new program requiring producers to implement and finance a statewide program to reduce the environmental and health impacts of packaging through redesign, waste reduction, reuse, and composting. Producers will appoint a producer responsibility organization (PRO) by January 1, 2025, and MPCA must establish an annual registration fee for a PRO beginning in 2029. The fee is to be set at a level to meet PCA’s anticipated costs to administer and enforce this act.



- Producers must join a PRO by July 1, 2025, and pay a fee. The fee revenue will be used to pay the PRO’s operating costs, to reimburse service providers, and to create a financial reserve. The fee must also incentivize designers to reduce the amount and toxicity of materials and increase the proportion of postconsumer material in packaging/paper products, reduce packaging content, and enhance recyclability.
- Establishment of a **Critical Materials Recovery Task Force** (Article 2, section 28). The MPCA Commissioner must appoint a Critical Materials Recovery Advisory Task Force no later than October 1, 2024, consisting of 15 members from state government, labor, energy advocacy and environmental justice organizations, Tribal governments, and industry. The task force is charged with advising the commissioner with respect to policies designed to increase the amounts of critical materials recovered from end-of-life products.
- Establishment of a **boat wrap product stewardship program** (Article 2, Section 9).
- Article 2, Sections 12 and 24 require written notice to counties eligible for funding from the Closed Landfill Investment Fund (CLIF) and Metropolitan Landfill Contingency Action Trust (MLCAT), respectively, if money is spent or transferred for other than purposes intended in statutes.

Article 8, Section 4, **requires a county to offer tax-forfeited land located entirely within the boundaries of an Indian reservation** to the affected band of Indians first at the appraised value and requires the cost of any survey or appraisal to be added to the appraised value. Requires the county to notify the band in writing and requires the band to respond with an offer within two weeks of receiving the notice if they want to buy the land. Requires the county to accept the offer if the offer is at least for the appraised value. The bill would still allow the former owner of the property or their heirs the opportunity to purchase the property prior to the sale. The provision is effective July 1, 2025.

Article 7 makes various Environmental Review and Permitting changes.

**Provisions not included:** electronic waste recycling program and changes to the current “shotgun only” deer hunting zone across the southern half of the state.

## Chapter 106 – HF4124

### *Legacy Finance and Policy Bill*

HF4124, authored by Representative Leon Lillie (Washington) and Senator Fong Hawj (Ramsey) contained supplemental appropriations from the four Legacy Funds. The [conference committee report](#) passed the House on May 9 with a 115-13 vote, and the Senate on May 13 with a 43-24 vote. Relative to MICA and county priorities, the legislation includes \$25.4 million in clean water funding allocations:

- \$1.0 million for monitoring and evaluating trends in the concentration of nitrate in groundwater; promoting, developing, and evaluating regional and crop-specific nutrient best management practices, cover crops, and other vegetative cover; assessing adoption of best management practices and other recommended practices; education and technical support from University of Minnesota Extension;
- \$3.402 million to expand the agricultural best management practices loan program for loans for water-quality-related projects, of which \$3,000,000 is for projects in southeast Minnesota.
- \$326,000 to MPCA to complete a statewide water quality assessment
- \$2.0 million to MPCA to purchase and install nitrate sensors
- \$384,000 for MDH to develop water contaminant health limits

- \$2.79 million for a voluntary program in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, and Winona Counties to conduct an inventory of private wells, provide testing for nitrates, develop education and outreach for private well owners and users, and develop a dashboard to communicate testing results.

The legislation also includes increased funding for state, regional, and metropolitan area Parks and Trails (Article 3). [The budget spreadsheet is linked here.](#)

## Chapter 126 – SF4942

### *Agriculture and Energy Supplemental Bill*

[SF4942](#) was authored by Senator Nick Frenz (Blue Earth) and Representative Patty Acomb (Plymouth), and reflects the combination of both the Energy and Ag and Broadband supplemental provisions, the latter which were chief authored by Senator Aric Putnam (Stearns-Sherburne-Benton) and Representative Samantha Vang (Brooklyn Center). [The conference committee report](#) for passed both the House and Senate on Sunday, May 19, the final day of session in 2024. The vote was 70 DFL and 11 Republicans in the House, and a bi-partisan vote 36-31 in the Senate with Senators Jim Abeler (Anoka) and Carla Nelson (Olmsted) joining Democrats in support.

The bill language was also amended into HF5247, the Omnibus Tax Bill that became a vehicle bill for many unrelated conference committee agreements in the final minutes of the Legislature late Sunday night. Key provisions relevant to the work of counties include:

- \$5 million in Renewable Development Account (RDA) funding for Ramsey and Washington County’s anaerobic digester project.
- \$495,000 one-time funding for soil health financial assistance and \$2.8 million in nitrate mitigation funding for the karst geology region of Southeast Minnesota, and Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, Wabasha, or Winona Counties specifically. The latter appropriation is to be used for nitrate home water treatment, such as reverse osmosis, and funding must target households at or below 300% of federal poverty level. Uses may also include education, outreach and technical assistance to homeowners.
- A 5-year extension of the Agricultural Fertilizer Research and Education Council (AFREC) 40 cent per ton fertilizer fee through June 30, 2029. AFREC’s membership was expanded to include experts in sustainable agriculture and public health, and eligible projects were expanded to now include regenerative agriculture practices and the protection of clean water.

[The agriculture budget spreadsheet is linked here.](#)

## Two Broadband Funding Changes – Chapter 126, Article 3

Chapter 126 also included changes to Broadband appropriations enacted in 2023 and directed pursuit of federal funds. Specifically:

- The Commissioner of Department EED is authorized to transfer up to \$5 million of a fiscal year appropriation from the Border-to-Border, low-density population grant program to the broadband line-extension program to meet demand; and
- The Commissioner is also directed to apply for federal State Digital Equity Capacity grant, that if received, is appropriated to the Commissioner for use of the Minnesota Digital Opportunity Plan.

### Chapter 126, Articles 5 & 6 – Renewable Development Account Appropriations and Energy Policy

Article 5, of Chapter 126, included various appropriations from the Renewable Development Account (RDA) for local projects ([appropriations are linked here](#)), including:

- \$1.2 million for geothermal planning grants to political subdivisions, under a new program established in Article 5, Section 45. Under the program, the Department of Commerce may award grants to cities, counties, towns, and the Metropolitan Council to defray the cost of analysis to determine the feasibility of and design options for installing a geothermal energy system. A maximum grant award of \$150,000 may be applied to the cost of drilling test wells to analyze the geology of potential sites, determining heating and cooling demand, and conducting a financial analysis.
- \$500,000 to Dakota County for energy efficiency projects;
- \$5.0 million to construct an anerobic digester for Ramsey and Washington Counties;

Article 6, Section 46 establishes a program in the Department of Commerce to provide financial incentives to local permitting authorities to deploy federally developed software that automates and streamlines the permit reviewing and issuing process for residential solar projects. Incentives may range from \$5,000 to \$20,000. Articles 7, 8, and 9 include changes to the Energy Infrastructure Permitting Act, Certificates of Need, and conforming changes.

### What Did Not Pass

Increased dedication of solid waste management tax revenues to SCORE grants and capital bonding funds for waste recovery and waste management facilities were again a top priority for MICA and counties. As session closed, the needed bi-partisan support for a bonding bill had not materialized and no vote was taken on a bill authorizing new General Obligation bonds.

While both the House and Senate proposed a one-time increase for SCORE grants in their respective Omnibus Tax Bills, tax conferees were able to reach agreement on only a handful of issues pertaining largely to state tax matters. The House had proposed a one-time SCORE funding increase of \$1.8 million while the Senate had proposed a one-time increase of \$3.252 million.

[HF5220/SF5251](#) and [HF5162/SF5201](#) the capital investment bonding bill and General Fund supported capital projects bills respectively, did not pass. The bills, authored by bonding chairs Representative Fue Lee in the House and Senator Sandra Pappas did not progress to a floor vote. Instead, SF 4225, an early ag omnibus bill, became a vehicle for cash bonding in the last hours of session. It passed the House, but time ran out as the Senate was in the process of taking the roll call at midnight, resulting in no bonding bills passing in the “bonding bill” session.



# 2024 End of Session Report

## Looking Ahead

The Senate adjourned Sine Die at midnight on Sunday, May 19; the House followed suit on Monday after a session devoted to remarks from retiring members.

It is possible that the November election could change control of the Legislature. Only four seats separate the DFL majority from the GOP minority in the House. In addition, there will be at least one special election for a Senate DFL suburban seat. Senator Kelly Morrison (DFL-Deephaven) stepped down to run for a congressional seat currently occupied by Congressman Dean Phillips. In addition, it is unknown how the court case against Senator Nicole Mitchell (DFL-Woodbury) will play out. With the Senate currently tied at 33-33, expect a lot of energy and money to be put into campaigns on both sides of the aisle.

The 2025 legislative session will convene on Tuesday, January 14, 2025. It is a budget year; early signs indicate that the state may be heading into a deficit situation. Cutting budgets is not something that many current members of the Legislature have had to face in the recent past.

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