



H.F. No. 2433 – Omnibus Supplemental Finance Bill

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Date: April 30, 2026

Article 1: Prekindergarten through Grade 12 Education

Section 1. Grounds for revocation, suspension, or denial. Allows Professional Educators Licensing and Standards Board (PELSB) or the Board of School Administrators (BOSA) to refuse to issue, refuse to renew or automatically revoke a teacher’s license without a hearing if the teacher is convicted of grooming. [SF3969, Sen. Maye Quade]

Section 2. Mandatory reporting. Requires a police department or county sheriff to notify PELSB or BOSA when a teacher is criminally charged with an offense that would allow the licensing authority to refuse to issue, refuse to renew or automatically revoke a teacher’s license if they’re convicted of the crime. [SF3969, Sen. Maye Quade]

Section 3. Compensatory education revenue. Provides that the compensatory revenue for each school site in fiscal year 2027 equals at least 77.46% of the compensatory revenue for the site in fiscal year 2026, after adjustment for any decline in total enrollment at the site between October 1, 2024, and October 1, 2025. Corrects a cross-reference. [SF4368, modified, Sen. Clark]

Section 4. Uses of total operating capital revenue. Authorizes a school district to use operating capital revenue to pay utility service costs. (Under the Uniform Financial Accounting and Reporting Standards (UFARS) published by the Department of Education, utility services expenditures include expenditures incurred for services provided by utility companies such as electricity, water, natural gas, steam, sewage and garbage collection.) Effective for revenue in fiscal year 2027 and later. [SF4414, Sen. Clark]

Section 5. Building allocation [of compensatory revenue]. Authorizes a school district to allocate up to 40 percent of the district’s fiscal year 2028 compensatory revenue to school sites according to a plan adopted by the school board. [SF4368, Sen. Clark]

Section 6. Commissioner of children, youth, and families; education-related mandated reporter training module on grooming. (a) By August 1, 2027, requires the Commissioner of Children, Youth, and Families to the existing mandate reporter training that is specifically applicable to professions or professionals’ delegates engaged in education, to include but not be limited to:

- (1) the requirement to report allegations of maltreatment involving students ages 18 through 21, including students receiving special education services, up to and including graduation and the issuance of a secondary or high school diploma; and
- (2) addressing grooming and threatened sexual abuse, including the duty to report grooming as maltreatment under section 260E.06, and how to identify the signs of grooming.

(b) The Commissioner of Children, Youth and Families must consult with the Department of Education in updating the training. [SF3969, Sen. Maye Quade]

Section 7. Screening guidelines. Prohibits screening guidelines issued by the Commissioner of Children, Youth, and Families from limiting an agency’s ability to screen in and investigate a report of alleged maltreatment that occurred more than three years before it was reported. [SF3969, Sen. Maye Quade]

Section 8. General duties [of a local welfare agency]. States that nothing in Chapter 260E shall prevent a local welfare agency or local law enforcement agency from investigating alleged maltreatment that occurred more than three years before it was reported. [SF3969, Sen. Maye Quade]

Section 9. Immediate investigation for alleged maltreatment in a facility. States that nothing in Chapter 260E shall prevent an agency responsible for screening and investigating allegations of maltreatment related to a childcare, hospital, residential facility, school, or personal care provider organization from investigating alleged maltreatment that occurred more than three years before it was reported. [SF3969, Sen. Maye Quade]

Section 10. School districts and charter schools [health insurance survey]; reports. Requires the Legislative Budget Office (LBO) to annually survey school districts and charter schools on certain information relating to the school’s group health insurance plans. Requires each school district and charter school to complete the annual survey by September 1 using data from the most recent plan year. Requires the LBO to annually compile information from the surveys and make a report to the legislature. Requires the LBO to publicly post the report and underlying data in a standardized format to its public website. Makes the section effective immediately. [SF 1201, Sen. Kunesh]

Section 11. Definitions. For the purposes of section 609.352, defines “pattern” to mean two or more instances of conduct. Makes the section effective August 1, 2026, and applicable to crimes committed on or after that date. [SF3969, Sen. Maye Quade]

Section 12. Grooming. Establishes the felony crime of grooming. Grooming occurs when a person, 18 years-old or older, expresses the desire or intent to engage in sexual conduct with a child; and engages in a deliberate pattern of conduct to develop a false trusting relationship with the child that is intended to strategically manipulate the child to engage in sexual

conduct with her person at a future time. Makes the section effective August 1, 2026, and applicable to crimes committed on or after that date. [SF3969, Sen. Maye Quade]

Section 13. Violations by persons in positions of authority. States that a person who commits acts described in this section is guilty of a felony if the person is in a position of authority as defined in section 609.341, subdivision 10; is more than 36 months older than the victim; and the victim is under 18 years old. Makes the section effective August 1, 2026, and applicable to crimes committed on or after that date. [SF3969, Sen. Maye Quade]

Section 14. School violations. Establishes that a person committing the acts that are crimes under this section is guilty of a felony if the person is an employee or contracted to provide services for an elementary, middle, or secondary school and the victim is enrolled as a student at the school. Makes the section effective August 1, 2026, and applicable to crimes committed on or after that date. [SF3969, Sen. Maye Quade]

Section 15. Penalty. Adds grooming, violations by person in positions of authority, and school violations to the penalties under section 609.352. [SF3969, Sen. Maye Quade]

Section 16. [FY24-25] grants for gender-neutral single-user restrooms. Extends the availability of the Laws 2023 fiscal year 2024 and 2025 appropriations for grants for gender-neutral single-user restrooms. Makes the section effective immediately. [Governor's recommendation]

Section 17. [FY26-27] grants for gender-neutral single-user restrooms. Extends the availability of the Laws 2025 fiscal year 2026 and 2027 appropriations for grants for gender-neutral single-user restrooms. Provides that the legislative report is submitted every two years. [Governor's recommendation]

Section 18. Appropriations; Department of Education. Appropriates additional money in fiscal year 2027 to the Department of Education for the student maltreatment program related to criminal grooming offenses. Adjusts the base budget for the agency in fiscal year 2028 and later. [SF3969, Sen. Maye Quade]

Section 19. Base adjustment; Department of Corrections. Adjusts the base budget for incarceration and prerelease services at the Department of Corrections in fiscal year 2028 and later for bed costs related to criminal grooming offenses. [SF3969, Sen. Maye Quade]

Section 20. Appropriation; Department of Education. Appropriates money in fiscal year 2027 from the general fund to the commissioner of education for additional general education aid attributable to the additional compensatory revenue under an earlier section of this article. [SF4368, modified, Sen. Clark]

Section 21. Appropriation; Legislative Coordinating Commission. Appropriates money in fiscal year 2026 and later from the general fund to the Legislative Budget Office for the costs of preparing the annual report on school group health insurance. Makes the section effective immediately. [SF1201, Sen. Kunesh]

Article 2: Higher Education Appropriations

Section 1 appropriates \$52,000,000 in fiscal year 2027 to the Office of Higher Education for one-time, supplemental funding for the State Grant Program.

Article 3: Higher Education Policy

Section 1 (136A.69, subdivision 1) amends the Minnesota Private and Out-of-State Public Postsecondary Education Act to provide a method for institutions to use their own enrollment data to calculate full-time equivalent enrollment for purposes of paying registration fees to the Office of Higher Education. It also eliminates a fee for institution applications that have been amended or revised multiple times.

Section 2 (136A.821, subdivision 5) updates definitions used in the Private Career School Act by removing certain exemptions for religious schools and fine arts programs.

Sections 3 and 4 (136A.824, subdivisions 1 and 2) eliminate fees that the Office of Higher Education can charge private career schools for initial licensure applications and for renewal applications that have been revised or corrected multiple times.

Section 5 (136A.833, subdivision 2) removes an exemption from the Private Career School Act for schools that exclusively teach certain avocational programs not focused on career advancement.

Section 6 repeals 136A.657 and 136A.834, which contain exemptions for religious schools under the Minnesota Private and Out-of-State Public Postsecondary Education Act and the Private Career School Act.

Article 4: Agriculture Appropriations

Section 1 appropriates \$80,000 to the Agricultural Utilization Research Institute for legal costs.

Section 2 extends the availability of the meat processing training and retention incentive grant appropriations to June 30, 2027, and adds a reporting requirement for the program.

Section 3 reflects the shift of emergency preparedness money to the Protection Services division and makes technical corrections.

Section 4 reflects the shift of the Emerging Farmers Office to the Agricultural Marketing and Development division and consolidates the reporting requirement for the biofuels infrastructure program with the annual report on the Agricultural Growth, Research, and Innovation Program.

Section 5 extends the cancellation of the unencumbered balance for the farm downpayment assistance grants and modifies the prioritization of grants in the second year. It also reflects the shift of emergency preparedness funds and the Emerging Farmers Office to their respective divisions out of the Administrative and Financial Assistance division.

Article 5: Agriculture Policy

Farm Down Payment Assistance modifications

Section 2 (17.133, subdivision 1) modifies definitions for the Farm Down Payment Assistance Grants by adding eligibility requirements.

Section 3 (17.33, subdivision 2) modifies grant awards to be no more than 30% of the purchase price and requires recipients to verify income or investment of at least \$1000 each year for the first five years.

Seed potatoes

The following sections contain conforming changes updating statute references to reflect changes to the seed potato provisions: **Section 5** (18J.02); **Section 6** (18J.03); **Section 7** (18J.04, subdivision 1); **Section 8** (18J.04, subdivision 2); **Section 9** (18J.04, subdivision 3); **Section 10** (18J.04, subdivision 4); **Section 11** (18J.05, subdivision 1); **Section 12** (18J.05, subdivision 2); **Section 13** (18J.05, subdivision 6); **Section 14** (18J.06); **Section 15** (18J.07, subdivision 3); **Section 16** (18J.07, subdivision 4); **Section 17** (18J.07, subdivision 5); **Section 25** (21.115); and **Section 27** (21.119).

Section 22 (21.111) modifies definitions for seed potatoes, eliminating definitions for inspected and interstate cooperation; modifying definitions of certified, seed potatoes, and person; and adding definitions for certified seed potatoes, class, clone, commissioner, crop, department, explant, farm, field, inspected, lot, material in maintenance, roguing, stand, physically separated, rejected, tuber units, and winter testing.

Section 23 (21.112) inserts a subdivision relating to interstate cooperation in the commissioner duties section. The language of the new subdivision matches that in the definition of interstate cooperation proposed to be deleted from section 21.111 and moves it to a more appropriate section of the statutes.

Section 24 (21.113) modifies certificate provisions for seed potatoes.

Section 26 (21.117) modifies inspection application withdrawals and adds an inspection application amendment provision relating to seed potatoes.

Section 28 (21.1195) modifies the minimum standards for potato planting and states that failure to keep records is a violation subject to enforcement under chapter 18J.

Section 29 (21.123) inserts a new section relating to seed potato certification.

Section 30 (21.124) inserts a new section relating to requirements for the production of different classes of certified seed potatoes.

Section 31 (21.125) inserts a new section relating to certified seed potato grades and tolerances.

Section 32 (21.891, subdivision 2) modifies the reporting periods for seed fee permit holders.

Industrial hemp

Section 19 (18K.02, subdivision 5) modifies the definition of processing in the industrial hemp chapter to exclude extracting cannabinoids.

Section 20 (18K.02, subdivision 6) modifies the definition of processing location to clarify that it only applies to industrial hemp.

Section 21 (18K.04, subdivision 1) consolidates licensing language for growing and processing industrial hemp.

Food handler licensing

Section 33 (28A.04, subdivision 1) makes technical changes and clarifies that the fee for a special event food license is the entire fee in the fee schedule regardless of when an application is filed.

Section 34 (28A.0752) modifies delegation of licensing, inspection, reporting and enforcement to community health boards for food handlers who sell directly to the ultimate consumer, specifies when duties may not be delegated, allows existing agreements to continue, and allows designated agents to collect fees to cover the costs of the delegated duties.

Section 35 (28A.08, subdivision 3) modifies the fee schedule to remove the late renewal fee from special event food licenses as discussed in section 33.

Egg donation

Section 36 (29.21) adds a definition of quality assurance date to the Poultry and Eggs chapter.

Section 37 (29.26) allows eggs past the quality assurance date to be donated to food assistance programs provided specified food safety conditions are met.

Report consolidation

Section 1 (17.1017) modifies the reporting requirements for the Food Retail Improvement and Development Program to align with the due date for the Agricultural Growth, Research, and Innovation Program.

Section 38 (32D.30, subdivision 5) modifies the reporting requirements for the Dairy Development and Profitability Enhancement Program to align with the due date for the Agricultural Growth, Research, and Innovation Program.

Section 39 (41A.19) modifies the reporting requirements for the Bioincentive Programs to align with the due date for the Agricultural Growth, Research, and Innovation Program.

Miscellaneous

Section 4 (18J.01) modifies the definitions in the Inspection and Enforcement chapter to reference whole chapters and to reflect changes to the seed potato provisions.

Section 18 (18J.09) adds specific statutory references for the accounts referred to in the section.

Section 40 (583.215) extends the expiration of the Farmer-Lender Mediation Act to 2032.

Section 41 repeals the definition of processor in the Industrial Hemp Chapter, the subdivision relating to sales of industrial hemp to cannabis manufacturers, and the section relating to delegation of food handler licensing to local community health boards.

Article 6: Environment and Natural Resources

Section 1 [St. Paul Cultural Art Installation Modification] amends a previous appropriation from the Arts and Cultural Heritage Fund by changing the grantee to the city of St. Paul and extending the appropriation to June 30, 2028.

Section 2 [DNR Electronic Licensing System Effective Date Change] modifies the effective date for the new Department of Resources electronic licensing system to acknowledge that different components of the system will be ready for implementation at different times.

Section 3 [Appropriations Extensions] extends:

Subd. 1. [Parks and Trails Fund Appropriations Extensions] Grants for the following projects are extended to June 30, 2027:

- Mesabi Trail
- Oxbow Park
- Zollman Zoo
- Kraemer Lake and Wildwood County Park
- Plum Creek Park
- Robinson Quarry Park
- Coordination Between Partners

Subd. 2. [Department of Natural Resources Appropriations Extensions] Extends to June 30, 2027, previous appropriations for an electronic licensing system, and an appropriation to expand Minnesota’s wild elk.

Subd. 3. [Metropolitan Council Appropriations Extensions] Extends to June 30, 2027, two previous appropriations for community tree planting and for planting trees in metropolitan parks.

Section 4 [Zoo Appropriation] appropriates \$3.8 million from the general fund to the Minnesota Zoological Board.

Section 5 [Infectious and Pathological Waste Study; Appropriation] appropriates \$75,000 from the environmental fund to the commissioner of the Pollution Control Agency to conduct a study of unlawful shipment of infectious and pathological waste.

Article 7: Battery Stewardship

Section 1 [Definition of “Battery”] adds a definition of “battery” to the waste management chapter of Minnesota Statutes.

Section 2 [Definition of “Facilitate a Sale”] adds a definition of “facilitate a sale” to the waste management chapter of Minnesota Statutes.

Section 3 [Definitions] defines terms used in the battery stewardship program statutes, including:

- **Covered Battery** – Subject to certain exceptions, a loose battery or a battery that is easily removable, regardless of brand, type, size, capacity, or chemistry.
- **Covered Battery Collector** – A person that collects covered batteries on behalf of and under agreement with a covered battery stewardship organization.
- **Covered Battery Producer** – The person who manufactures, owns or licenses the brand, imports, or sells, offers, or distributes a loose covered battery or one that is contained in, attached to, or packaged with a battery-containing product.
- **Covered Battery Stewardship Organization** – An organization that contracts with one or more covered battery producers to meet the producers’ obligations under this act.
- **Covered Battery Stewardship Plan** – A plan to implement the requirements of this article that is submitted to the Pollution Control Agency (PCA) by a covered battery stewardship organization.

Section 4 [Covered Battery Stewardship Plan and Budget]

Subd. 1. [Due Dates] requires each covered battery producer to contract with a covered battery stewardship organization by July 1, 2027, to act on the producer’s behalf for purposes of complying with the requirements of the battery stewardship

program. Requires each stewardship organization to submit a stewardship plan to the PCA by January 1, 2029.

Subd. 2. [Plan Content; Budget] requires a stewardship plan to include contact information for the stewardship organization and participants; sample contracts with participants; information about the location of covered battery collection sites; a list of participating brands; eligibility requirements for prospective covered battery collectors; an explanation of how the program will provide statewide collection and management of covered batteries, ensure compliance with program convenience standards and requirements, and comply with reporting requirements; reimbursement rates and payment mechanisms; and an explanation of how costs will be allocated between participating producers.

Subd. 3. [Convenience Standards] requires a stewardship plan to provide for convenient, statewide collection for all covered batteries and to meet convenience standards that are based on each county's population.

Subd. 4. [Review of Stewardship Plan; Implementation] requires the commissioner to approve or reject a stewardship plan within 120 days of receipt and to allow public comment on the plan for at least 30 days. Requires a stewardship organization to implement approved plans.

Subd. 5. [Amending or Terminating a Stewardship Plan] allows a stewardship organization to make certain minor amendments to the plan as a matter of course without commissioner approval (e.g., contact information, the list of participating producers, etc.). Requires all other amendments to be approved by the commissioner before they can be implemented. Requires the stewardship organization to submit a new stewardship plan every five years or whenever the commissioner determines that a new plan is necessary. Allows a stewardship organization to terminate a stewardship plan with 90 days' notice; allows the commissioner to terminate a stewardship plan for good cause.

Subd. 6. [Compliance] requires the stewardship organization to comply with approved stewardship plans, including with the reimbursement rates approved by the commissioner, and to ensure that all costs of the program are fully paid by producers.

Section 5 [Covered Battery Stewardship Organization; Duties and Structure]

Subd. 1. [Duties to Covered Battery Collectors] requires a stewardship organization to provide reimbursement to collectors at the approved rate, pickup and transport of collected covered batteries, containers for collected materials, signage, and training and educational materials.

Subd. 2. [Accessibility] requires a stewardship organization to provide convenient, equitable, and accessible service to all Minnesotans.

Subd. 3. [Oversight] requires a stewardship organization to ensure that covered batteries and residual materials are managed according to program performance standards.

Subd. 4. [Program Effectiveness] requires a stewardship organization to provide outreach and education to various parties and to take steps to reduce the number of covered batteries in solid waste generated in this state.

Subd. 5. [Stakeholder Consultation] requires stewardship organizations to regularly consult with covered battery stakeholders.

Subd. 6. [Reporting] requires a stewardship organization to annually report on the stewardship organization's activities during the preceding calendar year.

Subd. 7. [Organization of Stewardship Organization] authorizes a stewardship organization to use contractual agreements to implement an approved stewardship plan.

Section 6 [Fees]

Subd. 1. [Administrative Fees] requires the stewardship organization to pay administrative fees to the agency that are sufficient to cover the agency's cost of administering the stewardship program.

Subd. 2. [Disposition of Fees] requires fees to be credited to a product stewardship account in the special revenue fund. Statutorily appropriates fees to the PCA to implement the battery stewardship program.

Section 7 [Collector Duties]

Subd. 1. [Accepting Covered Batteries] requires collectors to accept a certain number of covered batteries per person per day. Requires covered battery collection sites to be open at least 12 hours per week, 50 weeks per year.

Subd. 2. [Storing Accepted Covered Batteries] requires collectors to manage and store all accepted covered batteries in a safe manner that complies with applicable law.

Subd. 3. [Training] requires collectors to ensure and document that training is provided for collection site employees.

Subd. 5 [Recordkeeping] requires collectors to maintain certain records for at least three years and to make those records available for inspection by the PCA upon request.

Section 8 [Other Authorities and Duties]

Subd. 1. [Private Right of Action] authorizes a stewardship organization to file a civil action to recover a portion of the stewardship organization's costs and provides for a punitive award of up to three times this amount against a producer who did not participate in the stewardship program.

Subd. 2. [Conduct Authorized] exempts producers and stewardship organizations from otherwise applicable antitrust, restraint of trade, unfair trade practices, and related provisions of law.

Subd. 3. [Duty to Provide Information] requires furnishing of information to the PCA upon request where necessary to implement this article.

Subd. 4. [Contracts] requires voiding of state contracts for the purchase of covered batteries for noncompliance with this article in certain situations. Makes contractors subject to suspension and disbarment in certain situations.

Subd. 5. [Multistate Implementation] authorizes the PCA to participate in establishing a regional multistate organization or compact to assist in carrying out the requirements of this article.

Subd. 6. [Rules] Authorizes rulemaking to implement this article and exempts those rules from the otherwise applicable requirement to adopt those rules within 18 months.

Subd. 7. [Batteries Subject to Recall for Safety Reasons] provides that covered battery stewardship organizations may recover costs associated with the storage, transport, recycling, and disposal of a battery that is subject to recall for safety reasons from the person who would otherwise be a covered battery producer of the battery.

Section 9 [Disposal Prohibitions; Battery Labeling; Sales Restriction]

Subd. 1. [Disposal Prohibition] prohibits disposing of covered batteries in solid waste or by placing a covered battery into a recycling container that a collector has not clearly marked for use for collecting covered batteries.

Subd. 2. [Labeling and Sale; Requirements] requires covered batteries to be labeled in a manner that identifies manufacturer and the chemistry employed to store energy in the battery. This subdivision also includes limited exemptions.

Section 10 [Conforming Change] makes a conforming change to reflect the repeal of statutory language that is superseded by this article.

Sections 11 & 12 [Conforming Changes] makes a conforming change to reflect statutory changes made by this article.

Section 13 [Prohibiting Sale of Batteries Containing Mercury] prohibits the sale, distribution, or offering for sale of alkaline manganese batteries that contain mercury and that

are not button cell nonrechargeable batteries; nonrechargeable button cell batteries that contain more than 25 milligrams of mercury; or dry cell batteries containing mercuric oxide electrodes.

Sections 14 and 15 [Conforming Changes] makes conforming changes to reflect statutory changes made by this article.

Section 16 [Repealer] repeals various statutes that are superseded by this article.

Article 8: Energy Finance

Section 1 (amends section 115C.08, subdivision 4) amends how the money in the Petroleum Tanks Fund may be expended. Under this section, money may be expended to partially reimburse the cost of replacing pressurized single-walled steel piping related equipment in underground petroleum storage tank systems.

Section 2 (amends section 115C.09) allows owners of underground petroleum storage tank systems for 50 percent of the cost of replacing single-walled steel piping. To qualify for the reimbursement, owners must consider at least two bids and select the lowest bid, which the Petroleum Tank Release Compensation Board must determine is reasonable. The program expires in 2036.

Section 3 (amends section 216B.16, subdivision 15) requires a public utility who serves low-income residential ratepayers who use service from a thermal energy network to file an affordability program with the commission.

Section 4 [216B.2429; Thermal Energy Networks] establishes thermal energy network service. Allows for cost recovery and requires consumer protection and siting preferences.

Section 5 [216C.392; Supplemental Energy Assistance Grant Program] establishes a supplemental energy assistance grant program.

Section 6 [Appropriation; Public Utilities Commission] appropriates \$40,000 to the PUC for thermal energy network services provided under section 216B.2429.

Section 7 [Appropriation; Department of Commerce] appropriates \$15,000,000 to the commissioner of commerce for the supplemental energy assistance grant program provided under section 216C.392.

Article 9: Renewable Development Finance

Section 1 establishes appropriations from the renewable development account established in section 116C.779, subdivision 1.

Section 2 provides appropriations to the Department of Commerce for the following projects:

1. Microgrid research;
2. The Green Hydrogen Project;
3. Anaerobic digester energy system in Louisville Township;
4. Geothermal energy system at Como Zoo;
5. Minnesota Energy Alley;
6. Ammonia, Hydrogen, and Renewable Energy Certificate Tracking;
7. Identifying areas suitable for distributed ammonia production;
8. Aquifer-based geothermal energy system for Macalaster College;
9. Anaerobic digester or a biomass thermal generation facility for the city of Becker; and
10. Grant administration.

Section 3 appropriates money to the University of Minnesota research related to hydrogen and ammonia production, and next generation iron ore industry.

Section 4 appropriates money to the Pollution Control Agency for a grant to the owner of a biomass energy generation plant in Shakopee.

Section 5 appropriates money to the Department of Agriculture for a grant to TalusAg.

Section 6 appropriates money to the Public Utilities Commission to contract with the Great Plains Institute to conduct a study on nuclear-powered electric generating facilities.

Section 7 provides transfers from the renewable development account to the geothermal planning grant account and the preweatherization account.

Article 10: Jobs and Economic Development Appropriations

Section 1. Workforce development fund appropriations. Provides appropriations from the workforce development fund to the Department of Employment and Economic Development for grants as specified. See spreadsheet for details.

Section 2. Appropriation; Ignite Businesswomen Investment Group. Appropriates \$100,000 from the general fund in FY 2027 for a grant to Ignite Businesswomen Investment Group.

Section 3. Rural Cancer Institute pilot program. Modifies an FY 2025 appropriation to the Rural Cancer Institute and extends the availability of funds until June 30, 2028.

Section 4. Cancellation. Cancels \$100,000 from the Minnesota forward fund account.

Section 5. Transfer. Transfers the forward fund cancellation in section 4 to the general fund.

Article 11: Labor Appropriations

Provides appropriations to the Department of Labor and Industry for two purposes: additional support for the Safe Workplaces for Meat and Poultry Processing Act and for enforcement of suitable seating requirements for employers.

Article 12: Labor Policy

Section 1. [§ 177.27, subd. 4] Compliance orders. Gives enforcement powers to the commissioner of labor and industry for violations of the prohibitions under section 181.995 (suitable seating).

Section 2. [§ 181.03, subdivision 6] Retaliation. Adds a reference to 181.995 (suitable seating) to the statute governing employer retaliation, which includes penalties for employer retaliation.

Section 3. [§ 181.995] Suitable seating for employees. Requires an employer to provide suitable seating for employees and permit the use of the seats by employees when the nature of the work reasonably permits. Defines "suitable seating" as an adequate number of seats placed in reasonable proximity to the work area and includes chairs, benches, or stools. This section is enforceable by the commissioner of labor and industry. A violation of the seating requirement may result in penalty of up to \$250. This section and sections 1 and 2 are from **S.F. 4003** (Dibble).

Article 13: State Government Appropriations

Section 1 [Commissioner of Management and Budget] reduces the amount of a onetime appropriation, enacted in 2023, from the general fund in fiscal year 2025 to the commissioner of management and budget to establish the Department of Children, Youth, and Families. This section is effective the day after enactment.

Section 2 [Appropriation; Attorney General] appropriates money in fiscal year 2027 from the general fund to the attorney general for the Medicaid Fraud Control Unit.

Section 3 [Appropriation; Department of Administration]

Paragraph (a) appropriates money from the general fund in fiscal year 2026 to the commissioner of administration for grants to public television stations for operations. Specifies how the appropriation must be allocated to named stations. This provision is from SF 4059 (Xiong).

Paragraph (b) appropriates money from the general fund in fiscal year 2027 for a payroll reporting portal and database. This provision is from SF 4745 (Gustafson).

This section is effective the day after enactment.

Article 14: Board of Barber Examiners

Section 1 [Board of Barber Examiners; 154.001, subd. 2] eliminates criteria for two members of the board of barber examiners. Specifically, eliminates requirements that:

- one member be of, or recommended by, a union of journeyman barbers that has existed for at least two years; and
- one member be of, or recommended by, a professional organization of barbers.

Section 2 [Fees; 154.003] changes certain fees for barbers by splitting a fee for examination from the fee for initial barber registration. Under current law, the examination and certificate are \$85. This section sets the fee for the examination at \$80 and adds a fee for initial barber registration at \$80. Eliminates a fee for retaking the written examination. Requires an examinee to pay the fee for a third party examination provider directly to the provider. The provider fee is not included in the fee the examinee must pay to the board.

Section 3 [Registration mandatory; 154.01] makes technical changes, eliminating unnecessary cross-references to all sections in the chapter.

Section 4 [What constitutes barbering; 154.02, subd. 1] specifies that removal of hair through waxing is not barbering. Specifies that using a straight razor or other tool to shave the face and neck is barbering. Makes technical changes, eliminating unnecessary cross-references to all sections in the chapter.

Section 5 [Certificate of registration; 154.02, subd. 4] makes technical changes, eliminating unnecessary cross-references to all sections in the chapter.

Section 6 [Straight razor defined; 154.02, subd. 7] defines “straight razor.”

Section 7 [Waxing defined; 154.02, subd. 8] defines “waxing.” As noted above, the bill specifies that waxing is not barbering.

Section 8 [Who may receive certificates of registration as a registered barber; 154.05] changes the requirements to be registered as a barber. This section replaces an education requirement with an age threshold (17 years), adds specificity about the required classroom and practical hours; eliminates a requirement that a person who fails the comprehensive examination and fails a retake of the written examination, must complete 500 additional hours of education before being eligible to retake the comprehensive examination. Makes technical and conforming changes.

Section 9 [Admission requirements; course of instruction; 154.07, subd. 1] makes conforming changes related to the removal of the education requirement in section 8.

Section 10 [Application review process; 154.07, subd. 7] establishes a procedure for considering applications to establish barber schools. Requires consideration at an open meeting and specifies what the applicant must demonstrate. Authorizes the board to deny an application if the board determines the applicant's financial resources would be insufficient to maintain and operate the school and to ensure the school would be open long enough for all registered students to graduate.

Section 11 [Application; fee; 154.08] sets a deadline for applying for barber registration, measured from the date of practical examination. Makes technical changes.

Section 12 [Examinations, conduct and scope; 154.09] makes changes to examination requirements.

Subdivision 1 [Examination dates] increases the limit on the number of practical examinations the board may offer each year, from six to eight.

Subd. 2 [Documentation required] eliminates a requirement that a student complete their curriculum in the four years preceding their examination.

Subd. 3 [Examinations for registration restoration] establishes requirements for a former barber whose registration has not been renewed for four or more years to be eligible to apply to take the comprehensive examination to reinstate the person's registration.

Subd. 4 [Examinations for individual seeking reciprocity] requires a home study program for applicants that seek reciprocity to have credentials from other states and countries or as a cosmetologist be counted toward study and practice hour requirements.

Subd. 5 [Contents of examination] modifies requirements for the contents of the comprehensive examination.

Subd. 6 [Examination grading] sets requirements for how a comprehensive examination must be graded.

Subd. 7 [Failure of examination] specifies that a person who fails one portion of a comprehensive examination may retake the failed portion within one year of passing the other portion, but if the person does not pass both portions within one year of each other, then the person must retake the entire comprehensive examination. Makes technical and conforming changes.

Section 13 [Examination of nonresidents; 154.11, subd. 1] makes technical changes to eliminate unnecessary cross references.

Section 14 [Examination of cosmetologists; 154.11, subd. 4] allows credit for credentials from other states or countries to be applied to reduce the hours of study required for registration as a barber.

Section 15 [Repealer] repeals rules that are incorporated, with changes, into statutes in this bill:

Parts 2100.2500, 2100.2600, 2100.2900, 2100.3000, 2100.3200: relating to examinations. The subject matter of these rules is addressed in section 12.

Part 2100.3300: relating to requirements for renewing a certificate that has lapsed for four or more years. This subject matter is addressed in section 12.

Part 2100.4500: relating to requirements to qualify for an instructor's examination.

Part 2100.5200 and 2100.5300: relating to requirements to establish a barber school. This subject matter is added to statutes amended in section 10.

Part 2100.6000: relating to the number of classroom and practical hours. This subject matter is addressed in statutes amended in section 14.

Article 15: Board of Cosmetologist Examiners

Section 1 [Board of Cosmetologist Examiners Created; Terms; 155A.20] modifies the membership of the board of cosmetologist examiners by requiring the esthetician on the board to be an advanced practice esthetician. Eliminates a requirement that board members in licensed occupations have graduated from high school or have equivalent education. Makes technical changes.

Section 2 [Cosmetologist; 155A.23, subd. 4] modifies the definition of cosmetologist.

Section 3 [Esthetician; 155A.23, subd. 5] modifies the definition of an esthetician to specify that the practice is directed to the cosmetic care of the stratum corneum of the epidermal layer of the skin surface.

Section 4 [Manager; 155A.23, subd. 8] makes a technical change to conform to earlier amendments.

Section 5 [Salon; 155A.23, subd. 9] amends the definition of "salon" to only include indoor areas.

Section 6 [School; 155A.23, subd. 10] amends the definition of "school" to be a place where cosmetology instruction or training is offered to the public for compensation. Also modifies a description of education that is not a "school" for purposes of this chapter.

Section 7 [School administrator; 155A.23, subd. 10a] adds a definition of "school administrator."

Section 8 [Practitioner; 155A.23, subd. 18] adds “advanced practice esthology” to the list of practices in the definition of “practice.”

Section 9 [Schedule; 155A.25, subd. 1a] adds a fee for a manager or owner when an expired instructor is found on inspection. Eliminates certain fees.

Section 10 [Other licenses; 155A.25, subd. 3] requires a licensee to pay application and renewal fees for each type of license held, except for an instructor who holds a manager or operator license.

Section 11 [Board must approve or deny application; timeline; 155A.25, subd. 5] is a clarifying change that fees only need to be paid if required to apply for or renew an individual or salon license.

Section 12 [Temporary military license or expedited license; 155A.25, subd. 7] is a clarifying change that fees only need to be paid if required to apply for or renew an individual or salon license.

Section 13 [Temporary military license; 155A.27, subd. 5a] adds eyelash technician, esthetician and advanced practice esthetician licenses to those that the board must offer on a temporary basis to active duty military members, the spouse of an active duty military member or a veteran who has left service within the preceding two years with an honorable or general discharge.

Section 14 [Instructor license renewal; 155A.27, subd. 6b] requires the board to synchronize the expiration date of an operator or salon manager license with the expiration date of an instructor license so that both expire on the same date. Precludes the board from charging a renewal application and license fee as an operator or manager if the person is also licensed as an instructor. This section is effective January 1, 2028.

Section 15 [Nonresident licenses; 155A.27, subd. 10] adds practice categories to the list of practices for which a nonresident can obtain a license, if the licensee meets certain educational requirements, and passes certain examinations. Makes technical and conforming changes.

Section 16 [Reciprocity for barbers; 155A.27, subd. 11] provides for registered barbers to be credited for 500 hours toward the hours of study required for a license in cosmetology or hair technology, after meeting certain conditions.

Section 17 [Continuing education providers; 155A.271, subd. 2] makes technical changes.

Section 18 [Requirements; 155A.29, subd. 2] makes technical changes.

Section 19 [Applications; 155A.30, subd. 3] changes the list of promotional and information materials that a school must provide to the board as part of its school license application and eliminates a requirement to submit materials annually. Under current law the school applicant must provide materials the school uses to solicit prospective students. This section

requires instead that the school provides the board with materials used for prospective student enrollment, including the enrollment contract, the student handbooks, and tuition and fee information.

Section 20 [Verification of application; 155A.30, subd. 4] specifies who, on behalf of a school in the Minnesota State system, may sign an application for a school license. This section eliminates the list of authorized signatories, based on the type of business ownership, and replaces this with “school administrator.” A definition of “school administrator” is added in this bill; that definition includes the list of authorized signatories, based on the type of business ownership, and adds a signatory for the Minnesota State system.

Section 21 [Conditions precedent to issuance; 155A.30, subd. 5] makes technical changes.

Section 22 [Fees; renewals; 155A.30, subd. 6] makes technical changes.

Section 23 [Inspections; 155A.30, subd. 7] makes technical changes.

Section 24 [List of licensed schools; availability; 155A.30, subd. 8] makes technical changes.

Section 25 [Separation of school and professional departments; 155A.30, subd. 9] adds requirements for maintaining separation in providing services through a salon or business that is on the same premises of a school. Staff of the salon or business may not provide services or training in the school space; and staff and students of the school must not provide services or training in the salon space.

Section 26 [Instruction requirements; 155A.30, subd. 11] allows a school to offer online instruction for theory-based portions of training. Authorizes a school to offer activities related to training for industry educations purposes outside of a school building when accompanied by an instructor for a maximum of one percent of the total training hours for a course.

Section 27 [Minnesota state authorization; 155A.30, subd. 12] makes a technical change.

Section 28 [Inspections; 155A.31] makes a technical change.

Section 29 [Display of license; 155A.32] makes technical changes.

Section 30 [Proceedings; 155A.33, subd. 1] makes a technical change.

Section 31 [Legal actions; 155A.33, subd. 2] makes a technical change.

Section 32 [Cease and desist orders; 155A.33, subd. 3] makes a technical change.

Section 33 [Licensing and registration actions; 155A.33, subd. 4] specifies information that must or may be included in an order of the board and provides a process for a person to whom an order is issued to request a hearing. If the person submits a timely request for a

hearing, the order is stayed pending a final order. Specifies that nothing in the chapter precludes the board from resolving a violation through informal disposition. Makes technical and clarifying changes.

Section 34 [Civil penalties; 155A.33, subd. 5] makes technical changes.

Section 35 [Costs; 155A.33, subd. 6] makes technical changes.

Section 36 [Corrective action; 155A.33, subd. 8] provides for corrective action when the board determines that an applicant or licensee has violated law or an order. Lists required contents for an agreement for corrective action between the board and the applicant or licensee. The board may determine the applicant or licensee has successfully performed the corrective action after the person submits a request for dismissal that documents successful performance. An agreement under this section is public data. Authorizes the board to assess a fee to the applicant or licensee for costs related to the corrective action, and the fee must be identified in the corrective action agreement. If an applicant or licensee fails to successfully perform corrective action, the matter may be resolved through an enforcement action (injunction, license suspension or revocation, censure, reprimand and other license actions, civil penalties).

Section 37 [Revisor Instruction] directs the revisor of statutes to change the name of the Board of Cosmetologist Examiners to the Board of Cosmetology throughout the statutes.

Section 38 [Repealer] repeals (a) special event permits for nonpermanent manipulation of hair; and (b) a requirement in 2017 law for quarterly reports by the executive director to the legislature with details on inspections.

Article 16: State Government Miscellaneous

Section 1 [Additional revenues; priority; 16A.152, subd. 2] increases the threshold for deposits into the budget reserve account from \$2,852,098,000 to \$3,421,764,000 when a budget surplus is forecasted. Surplus amounts over that threshold continue to be allocated under existing law to other specified prioritized purposes.

Section 2 [Payroll Reporting Portal and Database; 16C.37]

Subd. 1 [Portal and database] requires the commissioner of administration to develop a payroll reporting portal and database capable of accepting and retaining certified payrolls by a specified (blank) date.

Subd. 2 [Information required; availability to public] requires the commissioner of administration to make available to the public by a specified date certain information about people working for contractors under a contract with the state and for the database to be searchable on specific fields. The information is that which is required under prevailing wage statutes, except for the employee's name. Requires that the reporting portal accept certified payroll forms provided by the commissioner that are

fillable and able to accept electronic signatures. Nothing in the section limits application of the portion of the Data Practices Act that requires maintenance of certain data resulting from a contractual relationship between a government entity and a contractor or subcontractor.

Subd. 3 [Portal registration] requires all projects covered by state prevailing wage requirements, to be registered in the portal by the project owner and assigned an identifying project number prior to the start of work.

Subd. 4 [Reporting and notice requirements] requires all contractors covered by state prevailing wage requirements to report certified payroll information to the commissioner of administration. Requires the commissioner of administration to provide notice to the project owner when a report is made by a contractor.

Subd. 5 [Fulfillment of other prevailing wage reporting requirements] specifies that making submissions of certified payroll under this section fulfills a reporting requirement under the prevailing wage statute.

Subd. 6 [Local governments and project owner opt-in] allows local units of government and project owners to opt in to participation in the portal and database to collect certified payroll in compliance with local prevailing wage ordinances or labor standards policy.

Effective date. Subdivision 1 is effective July 1, 2026. Subdivisions 2 to 6 are effective July 1, 2027, and are applicable to construction projects that begin on or after that date.

Article 17: Medicaid Fraud

Section 1 expands the authority of the attorney general to issue subpoenas in ongoing legitimate law enforcement investigations to include the following when relating to suspected public benefit fraud: wage and employment records; insurance records related to claim settlement; and specified financial records.

Section 2 makes a conforming change related to **section 3**.

Section 3 adds a new crime of medical assistance fraud (the existing crime is repealed in **section 8**).

Subdivision 1 establishes that a person can commit medical assistance fraud by committing any of eight acts: (1) obtaining medical assistance funds through some sort of false representation made with the intent to defraud; (2) making a claim for reimbursement while knowing that any part of the claim is ineligible for reimbursement; (3) providing false information on an enrollment application, provider agreement, or ownership disclosure; (4) owning or operating an entity that receives medical assistance funds while being prohibited from enrolling as a provider; (5) knowingly allowing someone else to own or operate an entity that receives medical

assistance funds while the other person is prohibited from enrolling as a provider; (6) falsely making or altering a record related to the delivery of medical assistance services; (7) submitting a claim for personal care assistance services, community first services and supports, or other related services, knowing that required supervision services were not provided; or (8) destroying records that are required to be retained under chapter 256B or 245A, or rules adopted pursuant to those chapters, after receiving a lawful request to produce them.

Subdivision 2 establishes penalties for a violation of subdivision 1. Provides that the maximum prison sentence for a violation is five years unless one of the greater penalties applies. Establishes that the maximum prison sentence is 10 years if the violation causes a loss of more than \$10,000 but not more than \$100,000, 20 years if the violation causes a loss of more than \$100,000 but not more than \$1,000,000, and 30 years if the violation causes a loss in excess of \$1,000,000.

Subdivision 3 establishes a gross misdemeanor penalty if a person intentionally fails to maintain medical, health care, and financial records as required under chapter 256B or 245A, or rules adopted pursuant to those chapters.

Subdivision 4 establishes that a violation of subdivision 1 or 3 is a continuing offense for the purpose of calculating whether the statute of limitations has expired.

Subdivision 5 establishes that a violation may be prosecuted in any county where the offense occurred or any county where the entity that received a claim for payment is located.

Subdivision 6 authorizes a court to order restitution for similar acts that are related to the offense but were not charged. Allows an offender to challenge restitution and directs the court to make a determination based on a preponderance of the evidence. Establishes that the burden of proof is on the prosecutor.

Section 4 makes a conforming change related to **section 3**.

Section 5 amends the definition of “criminal act” in the statutes addressing racketeer influenced and corrupt organizations (RICO) violations to include medical assistance fraud under **section 3**.

Section 6 makes a conforming change related to **section 3**.

Section 7 repeals the current crime of medical assistance fraud, which is being replaced in **section 3**.

Article 18: Campaign Finance

This article modifies civil penalties and late fees for campaign finance reports and statements. The bill specifies when a “willful” intent standard applies. In some instances, the bill requires the board to impose penalties that are permissive under current law.

Section 1 [Minn. Stat. 10A.01, subd. 9b; Campaign finance report] provides a definition of “campaign finance report” for purposes of chapter 10A. A campaign finance report is a report or statement filed Minn. Stat. sections 10A.20 (campaign reports), 10A.202 (electioneering communications reporting requirements), or 10A.323 (affidavits of contributions).

Section 2 [Minn. Stat. 10A.01, subd. 16d; Enhanced penalty] provides a definition of “enhanced penalty” for chapter 10A. An enhanced penalty is a late fee or civil penalty imposed by the board that applies after a \$25,000 or \$100,000 threshold is exceeded or is determined using a multiplier or percentage.

Section 3 [Minn. Stat. 10A.01, subd. 26c; Total contributions] provides a definition of “total contributions” for the purposes of chapter 10A.

Section 4 [Minn. Stat. 10A.01, subd. 26d. Total disbursements] provides a definition of “total disbursements” for purposes of chapter 10A.

Section 5 [Minn. Stat. 110A.02, subd. 15; Fees and penalties] prohibits the board from waving any portion of an enhanced penalty. Requires the board to deposit the first \$49,000 in fees and civil penalties collected each fiscal year into the general fund and any additional fees and civil penalties into the general account of the state elections campaign account in the special revenue fund.

Section 6 [Minn. Stat. 110A.025, subd. 2; Penalty for false statements] amends the statute on penalties for false statements in reports or statements filed with the board. Establishes a willful intent standard. Requires the board to impose a civil penalty on a person who violates the prohibitions on false statements or omissions. Provides penalties for campaign finance reports, with higher penalties for campaign finance reports where more than \$25,000 was willfully false or willfully omitted. The penalties for campaign finance report violations are determined on a formula. For all other reports, the penalty is up to \$3,000. The board may impose on the principal campaign committee or candidate, party unit, political committee, or association that has a political fund that is affiliated with an individual who violated the prohibition on false statements or omissions an additional civil penalty.

Section 7 [Minn. Stat. 1Minn. Stat. 10A.025, subd. 3; Record keeping; penalty] requires the board to impose a civil penalty on a person who willfully violates the subdivision on record keeping requirements. For violations related to campaign finance reports, the penalty determined by a formula, with higher penalties where the amount reflected on the missing campaign finance records exceeds \$25,000. For all other violations, the civil penalty is up to \$3,000. The board may impose a separate civil penalty on the principal campaign committee or candidate, party unit, political committee, or association that has a political fund that is affiliated with an individual who violated this subdivision.

Section 8 [Minn. Stat. 10A.025, subd. 4; Changes and corrections] requires the board to impose a civil penalty on a person who willfully fails to report a material change or correction. For campaign finance reports, the penalty is determined by formula, with a higher penalty where the amount of the required change or correction exceeds \$25,000. For all other reports, the penalty is up to \$3,000.

Section 9 [Minn. Stat. 10A.025, subd. 5; Reconciliation information; penalty] requires the board to impose a civil penalty on a person who willfully fails to cooperate with the board to reconcile a report discrepancy. The penalty is determined by formula, with higher penalties related to a campaign finance report where the amount of the discrepancy exceeds \$25,000. For all other reports, the penalty is up to \$3,000.

Section 10 [Minn. Stat. 10A.025, subd. 6; Penalty] provides that a late fee or civil penalty related to a campaign finance report assessed to a treasurer or candidate pursuant to this section may be paid by the treasurer's or candidate's principal campaign committee, party unit, political committee, or association that has a political fund.

Section 11 [Minn. Stat. 10A.14, subd. 4; Failure to file; penalty] modifies civil penalties and late fees for failure to file campaign finance reports. In general, the late filing fee is \$50 per day, not to exceed \$1000, commencing on the day after the date the report was due. For pre-primary and pre-election reports on which the total contributions or total disbursements that should have been newly reported exceeded \$100,000, the late filing fee is determined by formula. For pre-election reports, reports on personal contributions, or electioneering communication reports on which the total contributions or total disbursements exceed \$25,000, the late filing fee is determined by formula. For willful violations related to pre-election reports, reports on personal contributions, or electioneering communication reports, the board must impose a higher late filing fee. If a registration statement is not filed within seven days after notice was sent by certified mail, additional civil penalties are imposed based on the type of report and the same monetary thresholds. Provides for escalating penalties of there are multiple violations in a four-year period.

Section 12 [Minn. Stat. 10A.20, subd. 16; Penalty] provides that a late fee or civil penalty assessed to a treasurer or candidate pursuant to this section may be paid by the treasurer's or candidate's principal campaign committee, party unit, political committee, or association that has a political fund.

Section 13 [Effective date] provides that this article is effective August 12, 2026, and applies to reports and statements due on or after that date.

Article 19: Clemency Provisions

Section 1 authorizes the Clemency Review Commission to appoint three member panels to prescreen clemency and waiver applications. After a meeting, a panel may refer an application directly to the Board of Pardons for a hearing or, upon a unanimous vote, recommend that the board deny the application without a commission hearing. Also,

authorizes the use of a panel to review requests for expedited processing of pardon applications.

Section 2 provides that the Board of Pardons is exempt from Minnesota Statutes, section 638.14 (requirements for Clemency Commission meetings) and chapter 13D (open meeting law) when considering requests to waive pardon waiting periods. Under current law, the Clemency Review Commission is already exempt.

Section 3 authorizes the victim of a clemency applicant to request that the Clemency Review Commission treat the victim's written statement as confidential and not disclose it to the public. Authorizes the governor to waive the requirement that an applicant for clemency appear before the commission under specified circumstances.

Section 4 provides direction to the Board of Pardons on permissible actions following the recommendation of a panel. Provides that if the governor waives the Clemency Commission hearing requirement in **section 3**, the Board of Pardons must hold a hearing on the matter.

Section 5 appropriates \$375K to increase the Clemency Commission's capacity to process clemency petitions.



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