

Association of Minnesota Counties

Legislative Session Summary



2024



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Association *of*
Minnesota Counties

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Overview

Some Notable Action on County Priorities and No Shortage of Drama in 2024 Legislative Session

The second year of the 2023-2024 legislative biennium commenced on February 12, 2024. While the 2024 session represented the “shorter” legislative year in the biennium, it nonetheless hosted a variety of significant policy and spending discussions along with keeping a healthy—but come to be expected—amount of legislative surprises and drama, including an early year change in Senate leadership due to unfortunate health limitations of Sen. Kari Dziedzic; a late session legislator arrest which created TV-worthy floor and committee discussions; and a dramatic finish to the close of session on May 19 which resulted in a cash bonding bill proposal failing in dramatic fashion when the clock struck 12:01 a.m. prior to passage.

Unlike the 2023 session, where legislators appropriated a majority of the state’s \$17 billion surplus; this year’s fiscal picture limited legislators from pursuing certain ideas and priorities and resulted in legislative leaders and Gov. Tim Walz establishing a firm \$477 million spending target (with \$62 million targeted in the “out” biennium) and a roughly \$980 million bonding package target. GOP leadership pushed back on spending targets along with the overall size and scope of the bonding bill proposal, arguing for more limited spending on core infrastructure packages and laying out demands for no action on an Equal Rights Amendment proposal and a MinnesotaCare Public Option along with a bipartisan election bill agreement and EMS funding in return for an orderly end to session.

By the last weekend of session, it was clear that party tensions had boiled over and the likelihood of a smooth end to session with agreement on a bonding bill was extremely low. Session’s last night saw a dramatic race to finish remaining omnibus bill packages off each floor along with a concerted DFL push of an “omnibus prime” tax bill package—which included over 1,400 pages of various tax, budget spending, and policy language—off each floor with minutes to spare.

Regardless of politically difficult and financially limiting circumstances, counties proved adept at prioritizing impactful policy issues and securing funding commitments on outstanding session priorities (tax forfeiture, SSIS, EMS, mental health, and more).

Barring any special session, a new Legislature will convene on January 14, 2025.



Environment & Natural Resources

For additional information on this section, please contact Brian Martinson, Policy Analyst, at 651-789-4322 or bmartinson@mncounties.org.

OVERVIEW

Despite 2024 being a short session and having tight committee deadlines, committees managed to churn through a lot of legislation. The Environment and Natural Resources Committees passed two omnibus bills this session, policy ([SF2904, Chapter 90](#)) and finance/policy ([HF3911, Chapter 116](#), [fiscal spreadsheet](#), [policy spreadsheet](#)). As usual, many provisions related to environment, land use, and energy were carried in a variety of bills including other omnibus legislation passed this session.

The results of the 2024 legislative session for our Environment and Natural Resources Policy Committee platform and priorities have both positive and concerning items, but the positive may outweigh the negative. Counties succeeded in reaching our goals on priority items related to tax-forfeited property and drainage. On a few items that did pass, AMC will need to remain engaged with the administration to ensure that implementation does not take counties in the wrong direction. We should also be mindful of the many bills that did not pass this year and prepare for those discussions to continue next year.

If you have any questions or would like to discuss legislation from the 2024 session, please feel free to reach out to me at bmartinson@mncounties.org.

AMC PRIORITY: TAX-FORFEITED PROPERTY

Tax-forfeited Property Excess Sale Proceed Distribution ([HF4822/SF4985](#))

In response to the U.S. Supreme Court Decision in *Tyler v. Hennepin*, Minnesota needed to reform our process to deal with tax-forfeited properties. Legislators offered a new process that retains significant portions of Minnesota's existing forfeiture law but will require counties to hold public sales (auctions) for all parcels that are forfeited. Counties will have flexibility in managing sales (timing, total number of parcels, format, etc.), but will need to meet new publication requirements and a requirement to first attempt to obtain the "assessed" value of the property before reducing the property sale to minimum bid. Counties can recoup the administrative costs of the new process through the "minimum bid" which includes all property taxes, fees/assessments, and costs assigned to the parcel during the forfeiture process. Unfortunately, the significant costs of environmental/blight were not addressed but legislators recognize this will need to be discussed in the future. The policy language was included in the massive omnibus bill passed at the close of session.

Status: Signed by the governor ([Chapter 127](#), Article 70).

Tax-Forfeited Lands Settlement Account ([HF5246/SF4936](#))

AMC worked with legislators to fund the state [settlement agreement](#) reached by the attorney general's office and counties to address statewide harms from past takings as brought by a class action lawsuit. This legislation appropriates \$109 million to a settlement account to pay claims, which will be processed and paid by a third-party administrator. Counties will all be considered participants and relieved of liability unless they submit a formal request to not be included by August 1, 2024. Counties will be expected to provide the state with necessary property tax data, agree to make a good faith effort to sell any remaining properties that forfeited during the settlement period (prior to 2024), and remit to the state a portion of the proceeds from those sales. The settlement bill passed each body unanimously and was signed by the governor prior to session's close.

Status: Signed by the governor ([Chapter 113](#)).

AMC PRIORITY: DRAINAGE

Drainage Registry Information Portal ([HF2354/SF2679](#))

A proposal to create a State Drainage Registry Information Portal has been before the Legislature for several years. This proposal intends to require drainage authorities to give a new, early notice to the state of potential drainage projects and reestablishment of records. Stakeholders had worked on new public notice requirements prior to session but failed to reach agreement. The Registry Portal bill was not taken up during the 2024 session. However, a new drainage reporting proposal was pursued (more on that proposal in the [Water Resource Management](#) section of this report). Counties were successful in preventing either of these problematic proposals from passing this year.

Status: Did not pass.

AMC PRIORITY: SCORE/SWMT FUNDING

Solid Waste Management Tax Revenue to SCORE ([HF4915/SF4982](#))

SCORE grants are the primary source of state support for county mandated work to provide for the environmentally preferable management of solid waste. SCORE funding has not kept pace with the programmatic needs, regulatory requirements, or cost of doing this work in the 21st century. Counties are required to provide a 25% match of their SCORE grant, but the reality is many are contributing a 100% (even as much as 500%) match of state resources and are still falling short of state recycling goals.

The Solid Waste Management Tax (SWMT) was designed as a user tax, so the revenues should be directed to waste management purposes. Unfortunately, 30% of the revenues are currently sent to the state general fund. This legislation would have redirected that 30% from the general fund to SCORE grants over the next three years.

The bills had favorable hearings in both the House and Senate Tax committees and score language was carried in both bodies heading into conference committee.

Status: Did not pass.

ANIMAL AGRICULTURE

Manure Management Plans ([HF4320/SF4492](#))

This legislation requires any person who applies manure in a level 2 or higher drinking water supply management area (DWSMA) to follow a manure management plan (MMP) and requires the plan to include the Department of Agriculture's recommended best management practices for that DWSMA. Counties that have delegated feedlot program authority will be watching how this is implemented and enforced, especially who will be helping producers who had not previously been required to have plans to develop their MMPs.

Status: Signed by the governor on April 26, 2024 ([Chapter 90](#), Article 4, Section 6).

Manure Management Plans ([HF4630/SF4581](#))

This legislation created new manure management plan (MMP) requirements for feedlots capable of holding 500 animal units or more along with new inspection/testing requirements, a searchable website of all land available for manure application, and new fines for violations. New minimum setbacks were created for certain feedlots and manure applications. The bill also would have required county feedlot programs to inspect at least 20% of feedlots under their jurisdiction each year and require the MPCA to inspect all feedlots under their jurisdiction each year.

Status: Did not pass.

Manure Management Grant Program ([HF3493/SF3527](#))

The Legislature passed a new manure management grant program for feedlots under 1,000 animal units and targeted to those in areas with high groundwater nitrate levels or geology conducive to groundwater pollution, such as those shown on the Department of Agriculture's vulnerable groundwater area map. If used for expanded storage it must not exceed 12 months of storage. Anaerobic digesters are not eligible. \$850,000 was appropriated for this purpose.

Status: signed by the governor on May 21, 2024 ([Chapter 116](#), Article 1).

EIS Requirements of Large Feedlot Projects ([HF4698/SF4234](#))

This bill would require the Environmental Quality Board to amend its environmental review rules to require that construction of an animal feedlot facility with a capacity of 10,000 or more animal units or the expansion of an existing facility to a total cumulative capacity of 10,000 or more animal units requires preparation of an environmental impact statement (EIS). Allows the board to use the good-cause exemption from rulemaking to amend the rules.

Status: Did not pass.

Abandoned Manure Storage Pits ([HF955/SF965](#))

This proposal would create a new financial assurance requirement for certain feedlots and establish an inventory of feedlots and manure storage areas that have not been properly closed. This would mean a significant amount of work for county feedlot officers that is not part of the current county feedlot program requirements and has limited potential to provide significant water quality outcomes. The bill had been heard in past sessions and was scheduled for a hearing in the Senate Environment Committee this year but was pulled from the agenda and was not rescheduled.

Status: Did not pass.

CLIMATE AND ENERGY

MN Energy Infrastructure Permitting Act ([HF4700/SF4784](#))

This significant piece of legislation is the product of a workgroup with 31 stakeholders assembled by the Public Utilities Commission and includes that group's top 12 recommendations for streamlining the permitting process and creating exemptions for projects of a certain size involving solar, wind or battery storage, and any intended to fulfill the renewable energy or carbon-free standard. Other measures would be designed to streamline the processes for environmental assessment and amending permits with minor alterations.

The permitting reforms allow for a local review option. An applicant can request local government review of certain projects and the local government may accept jurisdiction or request that the Public Utilities Commission take jurisdiction. Projects eligible for local processing include:

1. Large electric power generating plants and solar energy generating systems with a capacity of less than 80 megawatts.
2. Large electric power generating plants of any size that burn natural gas and are intended to be a peaking plant.
3. High-voltage transmission lines with a capacity between 100 and 200 kilovolts.
4. Substations with a voltage designed for and capable of operation at a nominal voltage of 100 kilovolts or more.
5. A high-voltage transmission line service extension to a single customer between 200 and 300 kilovolts and less than ten miles in length.
6. A high-voltage transmission line rerouting to serve the demand of a single customer, if at least 80 percent of the rerouted line is located on property owned or controlled by the customer or the owner of the transmission line.
7. Energy storage systems; and
8. Large wind energy conversion systems with a capacity less than 25 megawatts.

The provisions of this bill were eventually included in Omnibus Agriculture, Commerce and Energy legislation. The bill language passed as part of both that omnibus bill and in the Mega-Omnibus bill ([Chapter 127](#)).

Status: Signed by the governor May 24, 2024 ([Chapter 126](#)).

DEDICATED ENVIRONMENTAL FUNDING

Environment and Natural Resources Trust Fund (ENRTF) – LCCMR Bill ([HF3377/SF3507](#))

The ENRTF is a combination of contributions and investment income, including 40% of the net proceeds from the Minnesota State Lottery. The Legislative Citizens Commission on Minnesota Resources (LCCMR) makes recommendations to the Legislature annual for appropriations of 5.5% of the fund balance.

The 2024 package included appropriations totaling \$77.6 million across 101 projects, marking a record number of projects funded. Funded projects include:

- \$987,000 for Statewide Forest Carbon Inventory and Mapping.
- \$3.2 million to the DNR for county groundwater atlases.
- \$1.236 million to the U of M for county geologic atlases.
- \$2,318 million for Better Futures Minnesota to establish a statewide network for sourcing reclaimed building materials.
- \$4,791 million for matching grants for local parks, trail connections, and natural and scenic areas.

The bill also makes changes to the LCCMR and the use for ENRTF funding. A Tribal representative is added to the council and term limits are set for ten years, including the filling of a vacancy. It establishes requirements for projects that would like to use ENRTF funding for capital projects.

Status: Signed by the governor on April 15, 2024 ([Chapter 83](#)).

Legacy Funding Bill ([HF4142/SF5116](#))

The Legacy Funding bill ([fiscal spreadsheet](#)) makes the appropriations of the voter-approved three-eighths-of-one percent sales tax, which is distributed as 33% to the Clean Water Fund; 33% to the Outdoor Heritage Fund; 19.75% to the arts and cultural heritage fund; and 14.25% to the Parks and Trails Fund. The Outdoor Heritage Fund appropriations are made annually, but for the other funds these are supplemental appropriations due to funds available because of excess sale tax revenues in these accounts.

The **Outdoor Heritage Fund** appropriations were included in Article 1 and followed the funding recommendations of the Lessard-Sams Outdoor Heritage Council, spending \$192.711 million in FY 2025. This year's bill would restore, enhance and/or protect over 61,000 acres of wildlife habitat and 77 miles of shoreline. 38 different organizations will receive funding, including 15 local units of government.

Clean Water Fund (CWF) appropriations added \$25.426 million to fiscal year 2025 spending. There is \$4 million directed to the Department of Agriculture to address Nitrates and water quality in Southeast Minnesota. The Minnesota Department of Health will also get \$2.79 million for Nitrate response in the Southeast. \$1.95 million is going to the Subsurface Sewage Treatment System (SSTS) low-income grant program through the MPCA.

The **Parks and Trails** account will distribute \$9.108 million with \$3.643 million for state parks and trails, \$3.643 million for the Metro Area Regional Parks and \$1.822 million for Greater Minnesota parks and trails.

The **Arts and Cultural Heritage Fund** will spend \$12.209 million in the next biennium across state supporting a variety of local projects and organizations, including children's museums, zoos, historical societies, and the arts.

Status: Signed by the governor on May 17, 2024 ([Chapter 106](#))

ENVIRONMENT AND NATURAL RESOURCE PROTECTION

Community Tree Planting Grants ([HF3738/SF3796](#))

This legislation sought to establish a community tree planting grant program to provide grants to cities, counties, townships, Tribal governments, and park and recreation boards in cities of the first class, for purposes of removing and planting shade trees; replacing trees lost to pests, disease, or storms; or establishing more diverse community forests. Trees planted under the program are required to be climate-adapted species to Minnesota and priority must be given to projects removing and replacing ash trees posing a significant public safety concern. The Omnibus Environment Finance and Policy Bill included \$2 million for state parks and recreation areas, \$5 million for a statewide program, \$3.188 million for a metro area program, and \$1.4 million for metro-area regional parks and trails tree planting.

Status: Signed by the governor May 21, 2024 ([Chapter 116, Article 3](#)).

DNR Shoreland and Public Waters Rulemaking ([HF3596/SF4165](#))

This bill would clarify that the Department of Natural Resources' authority to adopt model standards and criteria for shoreland areas and for issuing and denying water-use permits and public waters work permits is ongoing and not subject to certain time limit restrictions established under the Administrative Procedures Act. The agency attorneys seemed a bit over cautious in requesting this clarification. Counties are not aware of other agencies being hindered in the general rulemaking authority by this provision in the Administrative Procedures Act. With that in mind, AMC does not find this addition to statute to make any functional change to the DNR authority regarding any potential rulemaking in these areas.

Status: Signed by the governor May 21, 2024 ([Chapter 116, Article 3](#)).

Feral Swine/Fur Farms ([HF4844/SF4897](#))

This bill makes a number of changes to state statutes based on recommendations from a *Report on Feral Pigs and Farmed Mink* prepared by the Department of Natural Resources (DNR) as required by a law passed last session. The purpose of the report was to identify and clarify the responsibilities of the DNR, Department of Agriculture (MDA), and the Board of Animal Health (BAH) for managing feral pigs and mink (article 4 section 5- definitions). Provisions that require and enforce release restrictions and notifications, enforcement and penalties related to hogs, and new licensing, management and penalties for fur farms were included in the Omnibus Environment Finance and Policy Bill.

Status: *Signed by the governor May 21, 2024 ([Chapter 116, Article 6](#)).*

MPCA Enforcement Authority Modified ([HF4410/SF4433](#))

This proposal makes several changes strengthening the authority of the MPCA to enforce permit requirements but is largely focused on addressing repeat violators with significant environmental issues. During committee action, an amendment in the House would have allowed private rights of action against permit holders, which became a significant concern for local governments. The provision was dropped before the legislation was sent to the House floor as part of the House Omnibus Environment Bill. The majority of the original proposal was advanced and adopted in the final Environment Finance and Policy Conference Committee Report.

Status: *Signed by the governor May 21, 2024 ([Chapter 116](#)).*

Native Rough Fish ([HF4015/SF4898](#))

This bill makes several changes pertaining to native rough fish based on recommendations from the Department of Natural Resources (DNR) in its recent *Native Fish Conservation Report*, which was required by law last session. One of the recommendations was to change the definition of “rough fish” in statute to “native rough fish” and remove carp from the definition and further define the list of native rough fishes. These changes will provide the DNR with better management tools to protect beneficial native fish. The provisions were adopted as part of the Omnibus Environment Policy bill.

Status: *Signed by the governor April 26, 2024 ([Chapter 90, Article 2](#)).*

Off-Highway Vehicle Trails Regulations ([HF2791/SF1324](#))

This bill would make a number of changes to the state’s off-highway vehicle (OHV) laws, including limiting the use of OHVs on state lands administered by the Department of Natural Resources (DNR) to only roads and trails designated for their use by the DNR; placing restrictions on where future OHV trails may be located; establishing OHV trail planning and local approval requirements; and requiring an environmental assessment worksheet (EAW) for OHV trails with certain exemptions.

Status: *Did not pass*

Wolf Management (multiple bills)

The management of wolves has been a growing topic of interest and community meetings organized by a new advocacy organization in Northern Minnesota spurred extra attention toward this issue this session and resulted in multiple pieces of legislations. Proposed bills included a population survey ([HF4502/SF5013](#)) with an allowance for an open season once federal regulation allows it, creation of a Northeast Deer Management Task Force ([HF3903/SF3988](#)), an open season with restrictions on federal intervention([SF4517/HF4551](#)) and one that declared a state right to an open season under the U.S. Constitution ([SF4479](#)). None of these bills received a hearing.

Status: *Did not pass.*

LAND USE, PLANNING AND REGULATION

Building Permit Review ([HF3974/SF4025](#))

This proposal added the deadline requirements of M.S. 15.99 to building permit reviews. It also included that failure to deny a request for a building permit within 60 days is not an approval of the request, but that processing beyond 60 days from receipt of the application would require a refund of all relevant permitting fees to the applicant within five business days of the date of the decision on the application. This proposal evolved during the process, but the deadline requirements were included in an Omnibus Housing bill that ultimately failed to advance.

Status: Did not pass.

Cannabis Statute Modification ([HF4757/SF4782](#))

The legalization and development of a cannabis market in Minnesota was only established last year but the Legislature was already back to adjust the law. Local governments received some basic regulatory authority in the original law that we feared would be removed or reduced to limit retail businesses based on population, to create basic planning and zoning requirements and to register businesses. The biggest changes made this year were around the effort to give social equity applicants a head start in the market and advance cultivation to ensure product is available when the Office of Cannabis Management is ready to provide active licenses. Counties were successful in maintaining the core local government authorities that were a part of the law. (More on this bill in the General Government section)

Status: Signed by the governor on May 24, 2024 ([Chapter 121](#)).

County Agriculture Inspectors Funding ([HF5366/SF5364](#))

The role of a County Agricultural Inspector is established in state statute, and they perform duties as directed by and in collaboration with the state. In addition to their work implementing and enforcing the states noxious weed law, they often fill roles in seed, feed, fertilizer, pesticide, and insect pest programs. However, these costs must be fully covered at the local level. This legislation requests a modest state distribution to each county office for the performance of their duties and sets basic requirements for eligibility. Minnesota Association of County Ag Inspectors (MACAI) reintroduced this legislation in 2024 to reflect feedback we were hearing from legislators and some counties. While the funding was not secured this year, AMC continued to make progress on the issue with legislators.

Status: Did not pass.

DNR Lands Bill ([HF3508/SF3907](#))

The 2024 DNR lands bill—which covers the sale, transfer, lease or other such ownership and designation changes of land that requires legislative approval—was included in the Omnibus Environment and Natural Resources bill. Provisions in the bill impact land in Aitkin, Chisago, Hubbard, Itasca, Mille Lacs, Mower, Pine, Redwood, Roseau, St. Louis, and Yellow Medicine Counties.

Status: Signed by the governor on May 21, 2024 ([Chapter 116, Article 8](#)).

Emergency Housing Regulation ([HF4931/SF4601](#))

This bill would have limited local government planning, development, and zoning authority to regulate emergency shelter facility by allowing them to only be prohibited in residential or agricultural zones or where other state requirements or state building code limitations would apply. This provision was considered as part of a potential omnibus housing bill that failed to pass the Senate.

Status: Did not pass.

Gas and Oil Regulation and Exploration ([HF5350/SF5048](#))

With the discovery of helium in Northern Minnesota and indicators for potential hydrogen deposits in the area, it was necessary for Minnesota to update regulations to ensure that exploration and extraction is handled properly and that communities benefit from these resources. This bill establishes a regulatory framework for gas and oil production in the state, including requiring the DNR to adopt rules establishing a task force to develop recommendations for a temporary regulatory framework.

Status: *Signed by the governor on May 21, 2024 ([Chapter 116](#)).*

Local Road Wetland Replacement Program (LRWRP) ([HF4708/SF4666](#))

The Local Road Wetland Replacement Program is a requirement of the state to mitigate wetland impacts for local road improvement projects. This program has traditionally been funded through the bonding bill, but due to underfunding several times in recent years, emergency general fund appropriations have had to be made. This legislation was seeking \$15 million in bonds and \$16 million in cash to hold up the program in the short term and start to get it on stable footing in the long-term. Unfortunately, there was no funding appropriated this session and the need and urgency will continue to grow in the year ahead.

Status: *Did not pass.*

Red Lake State Land Transfer ([HF4780/SF5080](#))

This legislation would require the conveyance of state-owned land and real property that the DNR administers within one mile from the lakeshore of the portion of Upper Red Lake and all state-owned land and real property within the boundaries of the Red Lake State Forest. The bill appropriated funds to assess any barriers and make recommendations to the Legislature to address those issues. This legislation was not heard in either body.

Status: *Did not pass.*

Residential Programs Licensing and Zoning Requirements ([HF3938/SF3839](#))

This bill exempts licensed residential programs under the control home and community-based standards and assisted living facilities with a licensed capacity of six or fewer persons from rental licensing regulations imposed by any town, municipality, or county. This provision was moving as part of a housing package that that failed to materialize but was later moved to the Health and Human Service Omnibus package and was passed.

Status: *Signed by the governor on May 17, 2024 ([Chapter 108](#)).*

SSTS Tank Drainage Holes ([HF4103/SF3437](#))

This legislation would require the allowance/approval of Subsurface Sewage Treatment System (SSTS) tanks that have drainage holes for the release of water that are plugged prior to installation. This issue has been brought to the Legislature in the past and was the subject of a MPCA rulemaking. In both cases, there was unified opposition to allowing this to happen. The provision was included in the Senate Environment Omnibus bill heading to conference committee but was not adopted.

Status: *Did not pass.*

Statewide Building Code Enforcement ([HF4241/SF4203](#))

This legislation would require municipalities (including counties) that are not currently required to administer and enforce the State Building Code to adopt the code and administer and enforce the code within its jurisdiction by January 1, 2030, AMC raised concerns on the costs, logistical capacity, and limited available workforce to fulfill this obligation.

Status: *Did not pass.*

Tax-Forfeited Property Policy Updates ([HF4822/SF4985](#))

This bill creates a process for individuals to file a claim for monetary compensation of excess proceeds from the sale of their property after the property forfeits and is sold for nonpayment of property taxes. Under the bill, all tax-forfeited property would be offered for sale at a public auction, unless it is withheld from sale by the DNR Commissioner. If the sale results in proceeds in excess of the delinquent taxes and associated costs, penalties, and interest, then any interested party may file a claim for that surplus amount. The bill also creates a process for claims to excess proceeds when mineral interests are forfeited to the state for nonpayment of property taxes. Counties will have some flexibility to manage sales (timing, total number of parcels, format, etc.), but will need to meet new publication requirements and a requirement to first attempt to obtain the “assessed” value of the property before reducing the property sale to minimum bid. Counties can recoup the administrative costs of the new process through the “minimum bid” which includes all property taxes, fees/assessments, and costs assigned to the parcel during the forfeiture process.

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#), Article 70).

Tax-Forfeited Property Settlement ([HF5246/SF4936](#))

The bill appropriates \$109 million to a settlement account to pay claims, which will be processed and paid by a third-party administrator. Counties will all be considered participants and relieved of liability unless they submit a formal request to not be included. Counties will be expected to provide the state with necessary property tax data, agree to make a good faith effort to sell any remaining properties that forfeited during the settlement period (prior to 2024), and remit to the state a portion of the proceeds from those sales.

Status: Signed by the governor on May 17, 2024 ([Chapter 113](#)).

Tax-Forfeited Property: Tribal Right of First Refusal ([HF3783/SF3557](#))

This bill would require a county to offer tax-forfeited land within the boundaries of an Indian reservation to the affected band first at the appraised value and requires the cost of any survey or appraisal to be added to the appraised value. The bill 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. A county must accept the offer if the Tribe offers at least the appraised value. This provision is not effective until July 1, 2025, and only applies to tax forfeiture sales after the first, and newly required, public auction. Read more about the new tax forfeiture process in General Government section.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#), Article 8).

Trapping Without Permission Prohibited on Private Lands ([HF945](#))

This bill would require someone who is setting or placing a snare or trap on private property to get written or verbal permission from the owner, occupant, or lessee of the property first. The requirement would also require written or verbal permission to access private property from waters of the state when the trap/snare is placed or staked in the water. This bill raised significant concerns from trappers and those looking to manage problem animals and did not pass. The only trapping provision included in the Omnibus Environment bill that did pass ([Chapter 116](#)) was a trapper apprenticeship and education option.

Status: Did not pass.

White Earth State Forest Land Transfer ([HF4304/SF3480](#))

This proposal would have repealed the statutes establishing the White Earth State Forest, required the transfer of all state-owned land within the boundaries of White Earth State Forest to the White Earth Band of the Minnesota Chippewa Tribe by August 1, 2029. The DNR would have to establish a White Earth State Forest Transfer Task Force to make recommendations to facilitate the transfer of the following types of land located within the boundary of the White Earth State Forest to the White Earth Band: school trust land, tax-forfeited lands, and land owned by municipalities, counties, or the federal government. The bill received one hearing in the Senate but was laid over and not discussed again during this session.

Status: Did not pass.

SOLID WASTE MANAGEMENT

Bag Ban Prohibition ([HF3345/SF3677](#))

This bill repeals a statute codified in 2017 that provides all merchants in the state with the option to provide customers a paper, plastic, or reusable bag for packaging purchased items or goods and prohibits a political subdivision from imposing a ban on merchant bags. This effort would not have banned any bags but would have opened the door for local governments to impose bans if they wish to. This provision was being discussed late into session but never found a landing spot.

Status: Did not pass.

Battery Product Stewardship ([HF4721/SF4711](#))

The safety and fire hazards of lithium batteries has become a growing concern for waste management transportation and facility operators. The MPCA brought forward a product stewardship proposal that builds on our current battery law and would hopefully lead to better outcomes and increased safety. Unfortunately, this bill was introduced late relative to committee work and did not get a hearing this session.

Status: Did not pass.

Boat Wrap Product Stewardship ([HF3320/SF3427](#))

The program requires producers of boat wrap sold in Minnesota to implement and finance a statewide boat wrap stewardship program that provides for the collection and recycling of boat wrap to reduce the volume of boat wrap disposed of in landfills. Producers will need to get to work organizing and developing a plan as implementation is meant to begin late summer 2025.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#), Article 2).

Container Deposit Recycling Program ([HF3200/SF3260](#))

This legislation was a container deposit recycling program, similar to existing programs in a few other states, where a fee is placed on the beverage container at time of purchase and that fee can be redeemed by the customer when the container is returned through the program for recycling. Minnesota has a robust curbside recycling system with recycling infrastructure in place to manage these products. Counties and other stakeholders worked with the advocates to address our concerns about the impact of the new program on our existing infrastructure and programming resources to address other items in the waste stream. Those issues were never fully resolved. The bill was heard in one committee and laid over.

Status: Did not pass.

Critical Materials Task Force ([HF4550/SF4523](#))

This 15-member task force, which includes a representative from the Minnesota Solid Waste Administrators Association (SWAA), will advise MPCA on options to increase the recovery of critical materials, under the Federal Energy Act 2020, from end-of-life products. The task force will investigate technologies employed to recover critical materials, evaluating the economic, environmental, social costs, benefits, and impacts, and identify options to prevent disposal and identify infrastructure needs. The task force is to submit a report by December 30, 2025.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

Digital Fair Repair - Agriculture ([HF4800/SF5318](#))

Last session, Minnesota passed Digital Fair Repair legislation that requires electronics manufacturers to make tools, parts, and documentation to diagnose, maintain, and repair digital electronic equipment available to independent repair providers and owners. Agriculture equipment was exempted from coverage under the new law. This bill sought to provide farmers with the resources necessary to do these repairs.

Status: Did not pass.

Digital Fair Repair - Equipment ([HF4418/SF4407](#))

Last session, Minnesota passed Digital Fair Repair legislation that requires electronics manufacturers to make tools, parts, and documentation to diagnose, maintain, and repair digital electronic equipment available to independent repair providers and owners. There was a list of exempted equipment that included small appliances and gardening and outdoor equipment. This bill sought to insert coverage for those items in the new law.

Status: Did not pass.

E-Waste Collection and Recycling ([HF3566/SF3940](#))

The costs of the current e-waste recycling program are often falling onto the backs of local governments or users through end-of-life fees. However, when Minnesota passed one of the first e-waste laws in the nation, the intention was for producers to pay for the recycling of their products. SWAA brought forward a proposal to fix the law and see that manufacturers pay for the actual costs of collection, transportation, and recycling of covered products of cover electronic devices (CED). CEDs are the most problematic, toxic products that also have many of the critical materials that we should be collecting and recycling. The bill would have changed our program to include a third party to organization and administrator the invoicing and payment of actual program costs directly to the manufacturer.

Our proposal was merged in this bill with the proposal to collect and recycle all other products that use, store, or generate electricity. This effort would have imposed a fee at time of purchase on all electrical products not covered by the SWAA/CED program. These funds would be placed in an account to reimburse the cost of collection and recycling.

The bill had several committee stops and received positive feedback along the way. It was also a significant policy proposal and a complex system based on the two programs. The bill stalled out in committee, but efforts will continue to bring a revised bill next legislative session.

Status: Did not pass.

Food Waste Management Program ([HF4932/SF4944](#))

This new program would require generators of surplus food and food waste to manage it according to a new food waste hierarchy if they exceed certain thresholds. The program would have started in 2026 with those generating 104 tons of food surplus or waste and ramp up to cover those with six tons or more in 2033. The program itself did not advance, but the new food waste hierarchy was included in the Omnibus Environment Finance and Policy bill.

1. Reducing the amount generated at the source.
2. Upcycling or donating for human consumption.
3. Diverting for consumption by animals or leaving crops unharvested.
4. Composting or anaerobically digesting (with biogas and digestate not disposed of but instead used as a salable product); and
5. Applying food waste to land or anaerobically digesting (with biogas used as a saleable product but digestate is disposed of),

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

Landfill Funds Stewardship ([HF3368/SF3393](#))

This bill states that money in the Closed Landfill Investment Fund (CLIF) or the Metropolitan Landfill Contingency Action Trust (MLCAT) account cannot be spent/transferred for purposes other than what is allowed by statute until there is a public review and comment period and certain county approval. A notice to local governments was the only provision that survived and was passed as part of the omnibus bill.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

Mercury Containing Lighting ([HF3326/SF3345](#))

The bill bans the sale of several types of compact fluorescent lamps in Minnesota by January 1, 2025 (screw- or bayonet-base type), or by January 1, 2026 (pin-base type or a linear fluorescent lamp). Exemptions are made for certain lamps, including those used for image capture and projection; photocopying, printing, and lithography; and film and video projecting.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#), Article 2).

Multifamily Building Composting ([HF4409/SF5258](#))

This pilot program creates an opportunity through grants to local governments, non-profits, or multifamily building owners to create new options at these residences for composting. The Legislature appropriated \$593,000 in onetime funding for the pilot and requested a report back in October of 2027.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

Packaging Waste and Cost Reduction Act ([HF3577/SF3561](#))

The Packaging Waste and Cost Reduction Act is likely one of the most significant solid waste management proposals to pass the Legislature in the last decade. The bill requires producers of packaging and paper products to implement and finance a statewide program, overseen by the MPCA, to provide for the collection and management of used packaging and paper products through waste reduction, reuse, recycling, composting, and product redesign. The first steps of the new law will require needs assessments to be done, cover materials list to be created and the acceptance to a program plan. Cost coverage/reimbursement for recycling will be phased in starting at 50% in 2029 and reaching 90% in 2031. There is much work to be done before full implementation, but it sets us on a path to better outcomes with less cost to the consumer and local governments.

Status: *Signed by the governor on May 21, 2024 ([Chapter 116](#), Article 5).*

Per (and-Poly) fluorochemicals (PFAS) Liability ([HF4567/SF4577](#))

This legislation would provide involuntary conveyors of PFAS with certain liability protections under the Environmental Response and Liability Act. As introduced, the language focused on wastewater treatment and sewage facilities. In conversations with the legislation's chief author, there was agreement that solid waste facilities should be provided the same protections either through this bill or in a separate piece of legislation. However, the legislation was not scheduled for a hearing this year.

Status: *Did not pass.*

Postclosure Care Rulemaking ([HF3416/SF4494](#))

Currently solid waste facilities are required upon closing to be in a period of "post-closure" care for approximately 20 years and to perform work, monitor, and have financial assurance. When certain criteria are met at the end of this period, facilities are able to move out of this regulatory phase, lessening the financial burden of the facility owner. This proposal provided a good cause exemption to rulemaking to allow the MPCA to add to the rule that the MPCA Commissioner must approve exiting the postclosure care period. The agency feels this is merely a clarification that removal from these responsibilities is not automatic at the end of the 20-year period. Counties, as facility owners, felt that a full rulemaking would have been more appropriate to engage with stakeholders and fully vet any changes to postclosure care.

Status: *Signed by the governor on May 21, 2024 ([Chapter 116](#)).*

Restricting Disposable Electronic Smoking Products ([HF5268](#))

Disposable electronic smoking devices (vapes) particularly with embedded batteries can create a variety of challenges because of the management of the vaping product itself (whether nicotine or THC) and the dangers of the battery. This legislation would have banned the sale of a device that has a fixed or embedded battery, including electronic delivery devices containing a battery that is not easily removable by the user. The bill was introduced very late in the session this year and never received a hearing.

Status: *Did not pass*

SCORE Grants and the Solid Waste Management Tax ([HF4915/SF4982](#))

SCORE grants are the primary source of state support for county mandated solid waste management work, and it remains a county funding priority. We were successful in securing a dedication of 3% of the SWMT revenues currently directed to the general in the 2023 session. This bill updated our request to seek the remaining 27% of revenues going to the general fund and redirect them to SCORE. We did have a positive Senate Tax committee hearing and saw some onetime funds included in both the House and Senate Tax bills. However, late session issues derailed most of the tax bill and no additional resources were appropriated.

Status: *Did not pass.*

Solid Waste Capital Assistance Program ([HF5220](#)/[HF5162](#))

The Solid Waste Capital Assistance Program (CAP) has been funded with bonding dollars to support local government investment in solid waste infrastructure. The project requests approved by the agency totaled over \$20 million dollars, not including the more than \$60 million needed for the Northwest C&D proposal. AMC was disappointed that the governor's recommendation included no CAP funding. The issue nevertheless resonated with legislators and at one point the Legislature included some funding for the program and even some direct appropriations to projects. Of course, all work on a bonding bill fell apart at the end of session and even a modest (\$71 million) cash bill for capital investments failed to pass the Legislature.

Status: Did not pass.

Solid Waste Management Tax Redirection ([HF5291](#)/[SF5246](#))

Counties have had support from businesses in the past on our efforts to secure more funding for SCORE. This session some producers with concerns about the packaging product stewardship legislation suggested that Minnesota has untapped solid waste revenue that should be prioritized for recycling. This bill would also capture the revenues from the Solid Waste Management Tax going to the general fund but would dedicate 70% of those dollars to SCORE and 30% to the MPCA. Counties appreciate the support of business interests to dedicate these dollars but prefer our approach.

Status: Did not pass.

Waste Composition Studies ([HF3417](#)/[SF4168](#))

This legislation establishes a requirement for waste disposal facilities including mixed solid waste, construction and demolition, and industrial solid waste landfills; material recovery facilities; transfer stations; and others to perform waste composition studies on a regular rotation. While there was agreement that this information can be valuable, there was no funding provided to do this work. Counties also had questions about the extent to which data was being sought and if it goes beyond what is needed to provide accurate data. AMC did achieve some changes to the proposal by extending the start of this program to 2029 and clarifying that facilities would only need to do the study once every 15 years instead of every 10, as in the original language. AMC also got exemptions for smaller facilities and transfers stations that send their waste to in state disposal.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

WATER RESOURCE MANAGEMENT

Buffer Enforcement Jurisdiction ([HF3550](#)/[SF3559](#))

Counties and Watershed Districts have the ability to accept jurisdiction over the 2015 Buffer law and, where they do not, the state retains that authority through BWSR. The state expressed some concerns that jurisdictions do not make changes to their approved ordinance and fall out of compliance or simply not enforce the ordinance. BWSR wanted the ability in those cases to retract jurisdiction and take over enforcement. We expressed some skepticism with the concerns but advocated that some process and official actions of the board be required to retract enforcement authority.

Status: Signed by the governor April 26, 2024 ([Chapter 90](#)).

Drainage Registry Information Portal ([HF2354/SF2679](#))

The proposed drainage registry portal was first introduced in 2022 in a different form that raised significant concerns. The 2023 Legislature charged the Drainage Work Group with looking at improvements to public notice and reporting back with recommendations. This group made progress on public notice improvements, but before agreements could be finalized, key environmental organization representatives walked away from negotiations. With no recommendations for the Legislature, we prepared for the prior drainage registry proposal to be advanced. This proposal was creating a new reporting requirement of drainage authorities to share drainage project information with the state to be inserted in a searchable database. The bill was not revisited during the 2024 session.

Status: Did not pass

Public Waters Definition ([HF3385/SF3558](#))

The DNR was required by law to develop a list and maps of public waters in the early 1980's. Its purpose was to create more clarity for what waters were subject to public waters regulations. This bill would modify the definition of "public waters" to state that a water's inclusion or exclusion on the public waters inventory does not exclusively determine whether it is a public water or not. Counties expressed concern that this is a step backward since it extinguishes the reasoning behind creating the PWI in the first place and creates new uncertainty. The DNR has the authority to revise the list and maps and has been making updates to make corrections and should further that work if there are problems with the inventory.

AMC negotiated with key committee leaders to support funding for the DNR to do updates to the inventory. Ultimately, funding was appropriated to the DNR to update the inventory and language was inserted in statute to change from permissive to a requirement that the inventory be updated along with a change to the statutory definition. Legislators put a delayed implementation of the definition change to take effect on July 1, 2027.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

Minnesota Public Drainage Manual ([HF3550/SF3559](#))

A definition of the *Minnesota Public Drainage Manual* was added to Minnesota Statutes. This will have no significant or regulatory impact, but it identifies this as one of the tools for drainage work.

Status: Signed by the governor April 26, 2024 ([Chapter 90](#)).

Repair Cost Apportionment Option ([HF3550/SF3559](#))

Five years ago, the Legislature adopted a recommendation from the Drainage Work Group to allow drainage authorities to use an alternative method for apportioning repair costs. That option had a sunset in statute and this legislation extends the sunset for another five years.

Status: Signed by the governor April 26, 2024 ([Chapter 90](#)).

Subsurface Drain Tile Reporting ([HF3389/SF4136](#))

This proposal would have required landowners to report any new or improved drainage tile installations as well as up to nine criteria or data from types of tile and project maps to design flow at outlets and drainage coefficient in inches per day. In response to testimony that a buyer has a right to know where tile is on a property, a recommendation was made to change this to a disclosure requirement.

Throughout session, the proposal was changed to require that county recorders and registrars be prohibited from recording a deed or other instrument of conveyance unless it contains the required drain tile disclosure certificate. Under the proposal, counties would collect a \$50 drain tile disclosure fee, remitting \$42.50 and the disclosure certificate to the state (BWSR). Failure to comply would create liability for up to six years for drain tile repair costs.

This proposal was carried by the House into conference committee. AMC expressed concerns and collaborated with other stakeholders to offer alternatives. Those suggestions were not included but ultimately, we were successful in opposing these changes this session.

Status: Did not pass.

Wetland Conservation Act Changes ([HF3550/SF3559](#))

After the 2023 Sackett v. EPA U.S. Supreme Court Decision and subsequent Water of the United States (WOTUS) rule changes adopted by the federal government to comply with the decision, counties expected some discussion with the state about what state statute changes might need to be considered. In late January 2024, BWSR, DNR, and MPCA released a preliminary assessment of the changes to the federal Waters of the U.S. rule that identified potential policy options to address the new rules. Surprisingly, bill language must have already been drafted as it was introduced on the first day of session. This language was promoted by the state as noncontroversial changes and a response to the new WOTUS rules that only served to cover the gaps created by new federal rules. Counties raised concerns that the proposed changes went well beyond a response to wetland protection gaps. Specifically, the changes would eliminate the old wetland types, modernize the definition of wetland, delete, and modify several of the current exemptions including agricultural, drainage, and de minimis, and include some wetland banking provisions. BWSR is adding updates that reflect and refine the statutory changes to their current Wetland Conversation Act (WCA) rulemaking. Counties will continue to monitor and engage in rulemaking to carry county perspectives.

Status: Signed by the governor April 26, 2024 ([Chapter 90](#)).

Water and Buffer APO Authority ([HF3550/SF3559](#))

This was a provision in the BWSR agency bill that allows for an increased monetary penalty for violation of certain riparian protection requirements in statute, including the buffer law. The increase allows a county or watershed district to apply a penalty up to \$10,000. The previous high was \$500. The application of a penalty in this section is permissive and this figure is a maximum.

Status: Signed by the governor April 26, 2024 ([Chapter 90](#)).

General Government & Taxes

For additional information on this section, please contact Matt Hilgart at 651-789-4343 or mhilgart@mncounties.org.

OVERVIEW

The primary focus of the General Government Policy Committee this year (and session) surrounded reforming Minnesota's tax forfeiture statutes to address the impacts of a US Supreme Court decision (*Tyler v. Hennepin County*) and provide funding for a statewide settlement to close the door on past claims and arising from the outcome of the SCOTUS decision. In this regard, the committee—partnering with the AMC Environment and Natural Resources Policy Committee—had tremendous success, passing not only a “settlement” bill to address outstanding financial liabilities but also outlining a new, constitutional tax forfeiture process that eventually received support by plaintiff counsel and the original suing entity, Pacific Legal Foundation.

Outside this priority, staff worked to respond to a plethora of human resources-related issues surrounding changes to previously passed earned sick and safe time policies, a new unemployment insurance proposal, and legislative discussions surrounding whether to create enhanced early retirement benefits for certain county occupations. Surprisingly, the elections policy arena was another venue of significant deliberations, as the House and Senate both worked to push forward a new Minnesota Voting Rights Act and expanded municipal obligations to host pop-up locations for certain post-secondary education institutions.

Lastly, AMC staff monitored active session deliberations over cannabis regulation policy post-2023 passage of a general legalization bill for recreational cannabis. AMC staff provided input and successfully retained several local control mechanisms fought hard for in the 2023 session and will continue to work alongside the Office of Cannabis Management in an expedited rule making process in 2024-2025.

AMC PRIORITY: TAX FORFEITURE

Settlement Legislation ([HF 5246/SF 4936](#))

New Tax Forfeiture Policy Legislation ([HF 4822/SF 4985](#))

AMC asked the Legislature to resolve two issues related to the impacts of the U.S. Supreme Court *Tyler v. Hennepin* Decision this year. First, the state needed to change Minnesota statutes to respond to the US Supreme Court decision and develop a new approach for dealing with tax forfeited properties going forward that was constitutional, administratively efficient, and enhanced Minnesota's long tradition of protecting home ownership. Second, counties urgently requested the state identify resources to pay for a settlement agreement between the State Attorney General's Office, counties, and plaintiffs regarding past takings and damages under the old system.

The Legislature chose to address each issue separately. The “settlement” bill (HF5246, Chapter 113) passed each body unanimously and was signed by the governor prior to close of session. This bill appropriated \$109 million to a settlement account to pay claims. A third-party administrator will be responsible for processing and paying claims using these funds. Counties will be expected to provide the state with necessary property tax data, agree to make a good faith effort to sell any remaining properties that forfeited during the settlement period (prior to 2024), and remit to the state a portion of the proceeds from those sales. For sales made before June 30, 2027, 75% of the proceeds must be remitted to the state and for sales made between July 1, 2027, and June 30, 2029, the state share will be 85% of the proceeds. After June 30, 2029, any remaining properties can be managed according to the law. Counties will all be considered participants in this settlement agreement unless they submit a formal request to not be included.

The settlement financing legislation was a significant request and represented a large share of the funding that legislative leaders and the governor agreed to spend this session. The passage of this legislation relieves local governments of liability and substantial costs that could have been brought to bear while also getting funds back to former property owners entitled to surplus from past takings.

The “policy” fix bill ran separately from the settlement legislation and did not always move forward on a clear path. Authorship changes and disagreements over jurisdiction resulted in early legislation that did not include several components outlined by the AMC Tax Forfeiture Work Group. By mid-session, however, the Legislature was making gains due to strong authorship (led by Rep. Sandra Feist and Sen. Bonnie Westlin) and help from nonpartisan research staff. HF 4822 requires counties to host a public sale/auction for all future tax forfeited properties while also outlining a new claims process for a taxpayer who believe they are due monetary compensation from excess proceeds resulting from a public sale of their forfeited property. Counties will have some flexibility to manage sales (timing, total number of parcels, format, etc.), but will need to meet new publication requirements and a requirement to first attempt to obtain the “assessed” value of the property before reducing the property sale to minimum bid. Counties can recoup the administrative costs of the new process through the “minimum bid” which includes all property taxes, fees/assessments, and costs assigned to the parcel during the forfeiture process. Unfortunately, the significant costs of environmental/blight were not addressed but legislators recognized this will need to be discussed in the future. While not a perfect policy resolution, AMC was proud of the work done to achieve this feat and was content with bipartisan and bicameral support along with the official backing from Minnesota Legal Aid, Minnesota AARP, and Pacific Legal Foundation, the entity which originally brought the case in *Tyler v. Hennepin*.

Status: Settlement legislation signed by the governor on May 17, 2024 ([Chapter 113](#)). Tax forfeiture policy legislation signed by the governor on May 24, 2024 ([Chapter 127](#), Art 70).

TAXES

After last session’s historic \$4 billion plus tax bill, capitol bystanders were not expecting much, if any, significant tax changes to occur this year especially after budget targets were released reflecting budget constraints. That said, there were still an array of tax policy and spending items counties were keeping track of and supporting. While preliminary tax conference committee discussions did provide some optimism of a possible tax bill; unfortunately, a broader deal between tax chairs never did come to fruition, leaving only a small handful of items—child tax credit expansion, moist snuff changes, and a broad minerals article—left in tact even while the tax bill itself, was minimal in length and primarily used as a vehicle for remaining omnibus policy and spending bills needing to be wrapped up with hours left in session. County tax priorities surrounding extending the homeless prevention aid program and addressing a 2024 Minnesota Supreme Court decision regarding *Hennepin v. Alliance Housing* were not included. Positively, both chambers exhibited strong restraint in pursuing policies that would create strong property tax shifts and frequently discussed concerns about continued erosion of tax bases across the state.

Omnibus Tax Bill ([HF 5247](#)/[SF 5234](#))

The House and Senate proposed relatively similar tax policy and spending bills late in March with minor differences compared to the breadth and scope of conversations a year prior. Both chambers focused on spending a majority of their spending target on enhancements to the child tax credit along with a creative minerals article that provided both taconite area-based homestead credit refund expansions and certain capital project bonding authorization for the IRRRB. Outside of these spending items, each chamber had limited priorities, with the House focusing more on a taxpayer assistance program and corporate tax studies while the Senate had significant conversations surrounding the repurposing of the Twins Stadium ballpark tax and construction materials sales tax exemption expediting for a large data center. One of the largest areas of disagreement stemmed from a task force on local sales taxes (covered below). AMC was grateful both chambers limited the amount of property tax shifts/exclusions/exemptions/rate reductions.

Original House tax bill provisions of note:

- Specific language to address *Hennepin v. Alliance Housing* Minnesota Supreme Court to clarify that charitable organizations must occupy and provide services from a property in order to receive an exemption if it is used to provide rental property. By not passing legislation addressing this case, assessors may have to issue personal property tax statements to tenants of qualified nonprofit, low-income rental properties and notice that they will no longer be eligible for a renter's credit.
- A one-time increase to the local homeless prevention aid program of \$4.4 million, of which counties would receive roughly \$4 million while Tribes would get a onetime \$600K bump. In addition--and of most importance--the proposal also eliminated the sunset of the aid program, which is set to expire in 2028.
- One-time increase of \$1.821 million of solid waste management tax proceeds to SCORE funding.
- An assortment of changes to local sales tax authorization statute, providing cities and counties authority to impose local sales taxes to fund certain qualified projects if they abide by stipulated rules and report to state auditor. Counties would be able to use the mechanism (under certain conditions) for jails, law enforcement/justice centers, dispatch centers, and district courts. The Chair did state in later conversations that she was no longer supportive of the county jail allowance.
- Increase in in class 1c ("ma and pa resorts") tiers—tier 1 change from \$600K to \$1.1 million; tier 2 change from \$1.7 million to \$2.6 million.
- A NEW proposal to allow seniors to receive an advance payment of their homestead credit refund in spring and then receive the remaining refund in fall.
- A NEW proposal to allow local units of government to abate property taxes on property that will be used for the development of affordable housing and that is held by a "land bank" organization.
- Clarification on substation and transmission/generation equipment property tax exemption.
- A proposal to have DOR establish an electronic filing system to file individual income tax returns free of charge.

Original Senate tax bill provisions of note:

- A Sen. Weber proposal to exempt property owned by a nonprofit conservation organization that is leased/loaned, or otherwise made available to an individual, corporation, or association for grazing activities that further the nonprofit conservation organization's conservation objectives.
- Same/similar language of House substation exemption.
- Same/similar language on Tribal property tax exemptions.
- Requirement/clarification that income averaging is allowed for class 4d(1).
- Language in the DOR technical bill section of the tax bill that allows value of class 1b property in excess of \$50K to be classified as 4d(2) community trust land in 2025 and thereafter.

- Expansion of class 2 (Ag) rate to property with less than 11 acres with income at least \$5K.
- Same/similar language on House land bank language.
- New public safety aid reporting mechanism.
- Local options sales tax local approval language that is a little different than House's proposal but still included concerns from cities/counties.
- New maintenance of effort on local affordable housing aid (LAHA program) that goes to cities/counties in the metro area.
- Data center construction materials sales tax exemption.

Both Tax Chairs were once again committed to a public/transparent conference committee process with multiple meetings and public facing conversations of proposed offers. A rapid early pace of conversations started to slow once disagreements became clear on a variety of issues, notably the stadium ballpark financing tax, local sales tax authorization policy, and more. As session the space and time for negotiations became limited. Leadership eventually decided to focus on a more limited tax bill while also using the legislation to be a “vehicle” for all remaining budget and policy omnibus provisions that had slim prospects to be debated and passed on each respective floor. Thus, with less than four hours to go before the end of session, a 1400-page omnibus tax bill was released despite the fact the servers were—for a time—unable to process the sheer scope and public views and could not display the text. As readers can see, many of the items discussed above were omitted from the final tax package, which included:

- Expansion of the 2023 childcare credit to included advance payments.
- A broad “Minerals” article that provides additional property tax refunds and \$49m in bond authorizations for IRRRB to fund certain projects.
- AMC-supported tax forfeited property policy changes (Article 70).
- Taxpayer assistance and outreach grants.
- Expansion of tobacco products to include “moist snuff.”

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#))

Homeless Prevention Aid

In March, a group of county commissioners and staff presented in the House Tax Committee highlighting counties' use of Local Homeless Prevention Aid, passed in the 2021 session. Local Homeless Prevention Aid was part of a bipartisan 2021 Tax bill that provides counties and Tribes \$20 million/year to help ensure no child is homeless. Counties started receiving funds (total of \$17.6 million) in July of 2023 and can spend those resources on various projects and programs. County testifiers from Hennepin, St. Louis, Mower, and Anoka Counties testified in support of the program and outlined specific program examples and success stories the aid has provided. House Tax Chair Aisha Gomez expressed gratitude for counties' work and partnership with these critical resources and pointed to positive outcomes based on the legislation's purposeful flexibility to local governments. In April, House Tax Chair Aisha Gomez included a proposal in her omnibus tax bill proposal to provide a one-time, \$4.4m increase to homeless prevention aid of which Tribes would receive roughly \$600K and counties \$4m. Most importantly, the Chair's proposal also eliminated the sunset of the aid program—which is set to expire in 2028—meaning that the \$20m in critical youth/family homelessness prevention support would become an ongoing appropriation. While the Senate omnibus bill did not include either of these proposals, Senate Tax Chair Ann Rest did note agreement with the House position early on in conference committee. AMC was disappointed to see this item not be included in the final tax bill when it was released hours before the end of session.

Status: Did not pass.

Local Sales Tax Authorization Discussions ([HF 5247](#)/[SF 5234](#))

In 2023, the Legislature created a task force to explore how cities and counties might use a streamlined local tax mechanism to fund qualified projects if the local government met certain standards. This task force was a result of bicameral legislative fatigue over an increasing number of local sales tax proposals requiring legislative approval prior to going out for voter approval via referendum. Over the course of six months and over 14 meetings, the Task Force came up with [recommendations](#) to allow cities and counties to utilize local sales taxes—outside the legislative process—if they met certain core qualifications and the projects fell within certain categories. Specifically, the recommendations listed project categories that included county-requested “criminal justice facilities” which would encompass three core projects: correctional facilities, district court offices, and law enforcement centers. AMC task force appointee and Stearns County Administrator Michael Williams participated in this group and supported the ultimate recommendations as a balanced approach to providing local governments tools to invest in critical—and often mandated—infrastructure improvements while also providing transparency, uniformity, and reasonable limits.

The Legislature reviewed these findings and recommendations early in session, but decided to pursue different paths, particularly around authorized projects and discussions surrounding whether there should be a “regionalization” approach. The Senate Tax Committee’s approach, as outlined in SF5424, included many of the task force recommendations, including the ability for counties utilize a local sales tax mechanism under certain conditions and with approval from a local referendum. AMC-appointed task force member and Stearns County Administrator Michael Williams submitted a five-page letter outlining the in-depth discussions held throughout the task force’s four months of meetings as well as an overview of why counties take on these projects. AMC staff testified that many of the county justice projects stem from Department of Corrections orders to improve components of the facility due to safety concerns as well as overall conditions. In addition to state orders, counties also use projects to consolidate multiple public safety and community needs by including courts, dispatch centers, records, and even training in building renovations or capital projects.

Ultimately, the House did not support county-based public safety investments in their proposal, citing concerns about the need for projects to be more regional in nature and for a forthcoming Department of Corrections report to come back that studies jail regionalization. House and Senate disagreements on project categories, regional equity sharing, and more inevitably led any proposal to provide a standardized local sales tax mechanism outside legislative control to fall by the wayside. AMC will continue to monitor how the Legislature plans to move forward local sales tax proposals in future sessions and advocate for considerations that reflect counties’ unique needs while also respecting the Legislature’s desire for regionally based infrastructure and a transparent process for adoption and voter approval.

Status: Did not pass.

Land Value Taxation Districts ([HF 1342](#))

Discussions surrounding Land Value Taxation Districts Idea received renewed discussion this past year and was ultimately included in the House omnibus tax bill. Chief author, Rep. Steve Elkins presented—for the second time in two years—a bill that would allow cities to create “land value taxation districts” to try to deter developers from sitting on vacant or undeveloped land. Under the proposal, a city may designate a land value tax district area where they could focus on valuing potential of land rather than simply the land and improvements on it. House Tax Chair Aisha Gomez expressed her support for the idea, stating that this tool would only be used if the local government wanted to and cited specific examples of developers sitting on empty/vacant lots or even damaged properties without any near-term desire to develop the sites in hope for longer term investment profits. Assessors have spoken in the past about logistical and administrative concerns citing the potential need to develop an entirely new approach to land valuation and questions on impacts for residential properties. The Senate did not carry a similar proposal in their omnibus bill and the topic never came up in conference committee proceedings and was not included in the final omnibus tax bill.

Status: Did not pass.

Nonprofit Housing Tax Exemptions ([HF 5247](#))

In spring, the Minnesota Supreme Court ruled in [Alliance Housing v. Hennepin County](#) that nonprofits who operate and lease real property to individuals with a purpose of providing housing for low-income individuals are qualified as an institution of public charity and thus eligible for property tax exemption. Counties had previously argued that despite a charitable organization's purpose, their tax exemption status did not extend to private use by third parties when renting residences. The outcome of this case not only will create sizable tax shifts (particularly in districts with large nonprofit housing providers) but will also have negative outcomes for the viability of certain TIF-districts and even for renters who might now be sent property tax statements due to the interplays of Minn. Stat. 272.02.

AMC worked alongside the Minnesota Association of Assessing Officers (MAAO) to review and promote property tax policy changes that would provide clarity to the Minnesota Supreme Court ruling, prevent large tax base shifts, and protect renters from losing access to the renter's credit. The House included language in their omnibus tax bill to provide these clarifications by making it clear that charitable organizations must occupy and provide services from a property to receive an exemption. The Senate was open to conversations on this topic, but opportunities to explore potential compromise language was cut short when conference committee conversations stopped. Ultimately, the final tax bill did not include any language to address the decision or ramifications of inaction.

Status: Did not pass.

HUMAN RESOURCES

This year was another significant year for employment and labor law changes. The Minnesota Inter-County Association, Minnesota County Human Resource Management Association (MCHRMA), and AMC worked to clarify a few Earned Sick and Safe Time (ESST) concerns early on in session, particularly related to "base rate" pay and leave permissions for emergency/critical staff positions. A late proposal to amend last year's paid family and medical leave act to require employees with over 80 hours of accumulated leave to utilize some of their acquired PTO prior to the start of the 12-week paid benefit period was stripped out of the bill late in session after labor groups expressed significant concerns. The program's expected costs have already risen, resulting in a recent assessment showing a possible payroll tax increase from the original .70% rate to roughly .88% to fill the funding gap. The program goes into effect January 1, 2026, and employers will be allowed to split the premium 50/50 between employees and employers.

Earned Sick and Safe Time

Along with Paid Family and Medical Leave, Earned Sick and Safe Time (ESST) was one of the most closely watched HR proposals last year at the Legislature. This year, the Legislature made several changes, clarifications, and expansions to the program, including:

- Modifications to employer records and employee statement responsibilities to allow employers some flexibility in how they provide information on total number of ESST hours used and available each pay period (Article 11, section 4 and 12).
- Definition of base rate with clarification that base rate does not include commissions, shift differentials in addition to hourly rate, premium payments for overtime work or weekends/holidays, bonuses, or gratuities (Article 11, section 6).
- Language stating an employee may NOT use ESST during a weather event if they are needed to respond to the public emergency or weather even and the employee is a firefighter, peace officer, telecommunicator, correctional employee, or public employee holding a CDL (snowplow/public works). The section clearly states that the either the qualified employee must be represented by the union with a contract that explicitly references and acknowledges this section OR the employee is not represented by a union, but they are needed by the employer to maintain minimum staffing requirements (Article 11, section 15).

- Modification of definition of employee to not include certain individuals such as volunteer /paid firefighters, elected officials, family farmers, and certain ambulance service personnel (Article 11, section 8).
- Expansion of eligible uses of ESST to include absence needed to make arrangements for/attend funeral services or a memorial or address legal/financial issues that arise after the death of a family member (Article 11, section 9).
- Allowance for an employer to require reasonable documentation that an employee's ESST is being used for an allowable use IF the employee has used time for more than three consecutive work days (Article 11, section 10).
- Clarification that all paid time off and paid leave made available to an employee by an employer in excess of required ESST amount must meet or exceed minimum standards and requirements provided in the law going forward but that an employer may require all paid leave accrued prior to January 1, 2024 to follow the written notice and documentation requirements in the employer's applicable policy/collective bargaining agreement.

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#))

Public Employment and Labor Relations Act Changes

The omnibus tax bill also included several sections of changes to the Public Employment Labor Relations Act including expansions to 2023 passed legislation granting certain union representatives' accesses to new public employees, an ability for an employee with no exclusive representative to request a payroll deduction for a political organization of choice, as well as a requirement to notify an employee's exclusive representative within 20 days after separation or transfer with additional information on why there was a departure from the position. These changes were included in Article 9 of the omnibus tax bill package.

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#))

PENSIONS

2024 saw a continuation of several employee organizations coming to the Legislature requesting pension plan enhancements or structure changes that would provide increased cost of living adjustments, benefit multipliers, and/or earlier retirement. In March, the Public Employees Retirement Association (PERA) board met to discuss legislative initiatives that sought to increase the PERA Correctional Plan retirement benefit multiplier, as well as provide a pathway for early retirement for 911 telecommunicators/dispatchers. While not new, proposals to augment pension benefits and/or create earlier retirement have been gaining steam at the Capitol and are not simply confined to county professions—for example Education Minnesota has been pushing to reinstate a "rule of 90" for teachers as a way to build a workforce for the 21st century and address educator shortages. Unfortunately, the budget target for pensions in 2024 was a mere \$31m, a far cry from last year's \$600m pension target and a limiting factor in the Pension Commission being able to make more significant changes. All that said, it is interesting to note bipartisan interest in exploring additional plan enhancements/early retirement conversations for certain public professions. In fact, outside the pensions bill, PERA staff will be contracting with a consulting agency this summer to provide an actuarial evaluation of a potential new plan outline for telecommunicators that offers some time of early retirement option with the goal to return to the Legislature to continue discussions. It is unclear if the proposed evaluation would include other county/public sector employee groups. Regardless, AMC will be continuing to participate in discussions alongside legislators and stakeholders.

Omnibus Pensions Bill ([HF 5040/SF 4643](#))

The Legislative Commission on Pensions and Retirements (LCPR) spent almost all their \$31m budget target on accelerating the effective date to lower the normal retirement age from 66 to 65 for teachers in the Teachers Retirement Association (TRA) and St. Paul Teachers plan hired after June 30, 1989. Outside, this the bill also provides county correctional plan employees with an increased benefit multiplier (from 1.9% to 2.2%) that will now align with the state correctional pension plan. This change was brought forward by county correctional plan members arguing that county correctional officer postings were at a competitive disadvantage since the state's correctional plan offered a higher rate. The total costs of these enhancements were calculated to be over \$5 million a year with potential to grow/change with payroll changes. AMC requested that the state provide some financial support for the increased benefit and that the effective date be postponed appropriately so that human resources professionals could make payroll changes and counties could effectively budget for the new costs. The Legislature accommodated the latter request but was unable to provide financial support given the smaller budget target, meaning that counties will absorb 60% of the plan costs for the new benefit—estimated to be roughly \$3.5 million in 2025.

Status: Signed by the governor May 14, 2024 ([Chapter 102](#)).

ELECTIONS

Minnesota Voting Rights Act ([HF 3527/SF 3994](#))

Rep. Emma Greenman worked with Sen. Bobby Jo Champion and national advocates to move forward a Minnesota Voting Rights Act (MVRA) proposal in response to a recent 8th Circuit Court of Appeals decision that removed an individual private right of action in voting rights allegations, which proponents argued diluted the power of the historic 1965 Voting Rights Act. AMC, LMC, and MACO worked throughout session in an attempt to make sure local governments were familiar with the proposal's new terminology and definitions, which largely stem from decades of federal voting rights case law. Originally, the bill had local governments responsible for defending voting rights act allegations/violations regardless of whether the outcome was necessitated by a county action vs. a state election policy. Thanks to Secretary of State input, the bill now provides some relief for municipalities by also naming State in certain conditions. The bill also creates a new "pre-suit" notice requirement that forces any individual alleging a violation to first send a notice letter to the political subdivision outlining the potential violation and type of remedy requested. AMC was grateful for the time both authors—as well as the Secretary of State's Office—provided us throughout session to amend the proposal to clarify language and provide protections from having to respond to frivolous pre-suit notice actions. By the end of session, authors had responded to several requests from local governments, allowing local governments to not respond to pre-suit requests if the political subdivision denies the potential violation. Rep. Greenman also created an ongoing funding stream to pay for a certain portion of a local government's legal costs associated with the bill if they successfully remedy a potential violation via the new pre-suit notice process.

Important components of new MVRA:

- Individuals have the right to sue if they believe there is an act of voter suppression or vote dilution by the government.
- There are new statutory definitions of voter suppression and vote dilution with specific factors (12) for courts to use to determine whether a violation has occurred with respect to a protected class.
- Pre-suit notice is required prior to filing a legal action. Specifically, an individual/prospective plaintiff must first contact (via letter) the local government of an alleged violation. The local government must respond within 60 days and work in good faith to identify a remedy. A government can choose to not respond if they believe they have not violated the MVRA or step away from remedy conversations if there is not a path to agreement. In this case, individuals alleging a violation may file an action in the district court where violation took place OR Ramsey County District Court.
- If a local government comes to agreement with a potential plaintiff on a resolution under the pre-suit notice, the local government will be reimbursed for reasonable legal costs up to \$30,000. Importantly, statement, actions, or decisions of a local government in the pre-suit notice process will not constitute an admission of liability or establish the existence of a violation.
- The legislation also grants local governments certain additional flexibilities to both move polling locations and switch to ward-based city/county districts.

Status: Signed by the governor May 17, 2024 ([Chapter 112](#)).

Post Secondary Voting Locations ([HF 3447](#)/[SF 3616](#))

Both the House and Senate offered similar proposals early in session to require cities and counties to provide “pop up,” early voting polling locations for certain post-secondary college. AMC, MACO, and LMC addressed concerns of local election officials and the prospects of additional costs, resource shifting from other voting communities, and asked legislators to give a 2023 law change (which provided flexibility to do pop ups) a chance to reflect if it was successful rather than creating a new mandate. In the end, Elections Conference Committee members narrowed the proposal to reflect some of counties’ concerns by:

- 1) Defining post-secondary institutions eligible for requests to those housing 100 or more students on site.
- 2) Requiring the pop-up location be agreed upon by the education institution and county auditor/municipal clerk and is on the campus OR within one-half mile of the institution’s campus.
- 3) Providing funding to local election jurisdictions that administer post-secondary pop-up locations. Funding will be limited to \$5,000 for one polling location for the first year and \$3,000 for all years thereafter. If requests for reimbursements are more than provided funds, the Secretary of State will reduce reimbursements proportionately.

Status: Signed by the governor May 17, 2024 ([Chapter 112](#)).

VOTER Fund Allocations

AMC was very grateful to see the Legislature return to discussing the importance of funding local election administration. While the elections budget target was only \$500K, leaders in both chambers made a point to spend a majority of their funding availability on putting more dollars into last year's established Voting Operations, Technology, and Election Resource (VOTER) account while also shifting other funding programs over to enhance the total investment to roughly \$5m/year. Rep. Emma Greenman spoke numerous times throughout session about the importance of adequately funding democracy's most sacred task and reminded legislators that it is not appropriate to fund statewide election administration solely on county and city property tax base capacity. VOTER fund dollars are appropriated to all 87 counties (and certain election entities) and can be spent on broad election-related expenses and purchases—from voting technology and security to staffing and ballot printing. While the total funding levels still fall short of the need, AMC is very grateful for increased focus on the topic and hopes to return in future years to both study the remaining fiscal need and ask for additional resources.

Status: Signed by the governor May 17, 2024 ([Chapter 112](#)).

Local website/.gov requirements ([HF 4132](#)/[SF 4039](#))

The Legislature also included a requirement that all city and county entities that administer absentee voting change over to a .gov website address by June 1, 2026. AMC worked with the authors to make sure the implementation date was sufficient for a backlog of federal applications and that there were no financial penalties for violations given the unknown processing timeline of the federal government.

Status: Signed by the governor May 17, 2024 ([Chapter 112](#)).

Ranked Choice Voting (RCV) ([HF 3276](#)/[SF 3868](#))

Sen. Morrison and Rep. Frazier both presented a revised "local option" Ranked Choice Voting (RCV) bills in the Senate and House this year after 2023 efforts for a statewide proposal faded leaving only references to a Secretary of State voting study to look into RCV in the future. The newly revised bill would allow all cities, school district, and counties to adopt RCV through either an ordinance, resolution, or referendum only after the Secretary of State's Office adopts rule making on uniform RCV administration rules. AMC was successful in working with MACO, LMC, and the Secretary of State's Office to include a portion that requires any city or school that wants to utilize RCV but does not administer their own election to first enter into a contract/agreement with the administering county OR they would have to run the election themselves. The new bill also limited RCV from being used in even, statewide-general elections. After these changes, AMC expressed support of the bill. That said, the bill was not included in an omnibus elections package and was not brought up on the Senate floor for stand-alone action.

Status: Did not pass.

Appointments to Fill Certain County Vacancies

A bill to provide county boards additional flexibility if a vacancy occurs with less than two years prior to the expiration of term was included in an omnibus election, and ultimately, state government package. Specifically, the bill will allow a county board to utilize a special election to fill out a remainder of a term if there is a vacancy in the offices of county sheriff or county attorney with more than 84 days prior to the state primary in the year preceding the end of term. The request for this legislation stemmed from concerns from certain counties that felt Board appointments in highly visible positions may create unnecessary tension and infer a specific endorsement of an appointed person if they chose to run at the next election. That said, many counties still appreciate the ability to appoint midterm vacancies and provide smooth transition periods prior to the next election cycle. The language included in the omnibus bill provides space for both approaches and only impacts the offices of county sheriff and/or attorney.

Status: Signed by the governor May 17, 2024 ([Chapter 112](#)).

Other noteworthy elections policies included in omnibus bill:

- Expansion of student identification for same-day voter registration (Article 2, sections 4-5)
- Changes to witness requirements for absentee ballot returns (Article 2, section 12)
- Standardization of election count results and clarification that counties must include absentee ballot vote counts received by 3PM day-of-election to their total precinct counts (Article 2, section 6)
- Modification of voter registration form requirements to require that registration forms must provide space for a voter to provide (write/draw) a physical location of their resident if a voter resides in an area lacking a specific physical address (Article 2, sections 6-7)

Status: Signed by the governor May 17, 2024 ([Chapter 112](#)).

CANNABIS

One of the most visible—and hotly discussed—items of the 2023 legislative session was the legalization of adult-use, recreational cannabis. The eventual passage of HF 100/SF 73 provided adults with legal permission to use and grow a certain amount of home plants, created an expungement process for those who had been convicted of certain cannabis-related offenses, and outlined a rough framework for establishing a state and local regulatory framework for a future cannabis industry in Minnesota. Since then, the newly created Office of Cannabis Management (OCM) has been working overtime to stand up an office, hire critical staff, and start the arduous and time-sensitive rule making process.

The 2024 Legislature largely kept the original cannabis legislation intact while also providing several technical and logistical corrections/updates and a handful of policy changes to the law to address concerns stemming from legislators and certain industry voices who expressed concerns about originally passed timelines. In response, OCM released their own proposal for changes to address technical clarifications and solve concerns about licensing obstacles and delayed permitting timelines. Specifically, their bill offered a process for verified and vetted “social equity applicants” to apply to a lottery-based system that would then provide successful applicants with an early start into retail, manufacturing, and/or growing businesses prior to the January 1, 2025, official license application starting date. Throughout session, cannabis industry leaders were split in their support of OCM recommendations, particularly as they related to a proposed lottery system for qualified social equity applicants to receive “preliminary licenses” prior to the official licensing start date of January 1, 2025. In the end, the Legislature decided to implement both a preliminary license process for a certain amount of qualified social equity businesses along with an early cultivator license which will allow a stipulated amount of growers the ability to start growing cannabis prior to the completion of OCM’s rule making process and the January 1, 2025 date.

AMC was successful in retaining almost all local control measures counties worked so hard for last year and worked with authors and OCM to ensure these local controls would still apply to both preliminary licenses for social equity applicants and early cultivation licenses. Local governments will not be able to count municipal cannabis retail stores in any population limit, however there will be a separate application system for municipal retail stores. The Legislature also clarified that city and county inspection related duties were specifically for zoning and age compliance, not an actual inspection of products which will fall under OCM’s regulatory authority. An AMC-supported amendment to make clear municipal shops (city/county) would not have to participate in the lottery-based system starting January 1, 2025, so long as they met all statutory requirements was also part of the final technical bill. AMC requests to amend the current 1:12,500 retail requirement to also include cultivators along with providing OCM expanded authority to contract with local public health agencies for active inspections were considered but ultimately not included.

AMC has created a [Planning and Zoning Handbook](#) for counties as they consider local planning and zoning regulations and ordinances. This document provides examples of cannabis planning and zoning ordinances from counties and cities in other states with legalized adult-use cannabis and a state statute analysis of the law and scenarios for cannabis retail limitations based on population size. The handbook has been updated as of June 2024. Counties may consider using this document as a starting point for conversations regarding cannabis related ordinances. OCM has released their local government toolkit that contains guidance for local governments as well as a model ordinance.

Status: Signed by the governor May 24, 2024 ([Chapter 121](#)).

OPEN MEETING LAW

Remote Participation in Meetings ([SF4461/HF4554](#))

A bill was introduced and heard that would have amended the Open Meeting Law to allow members of a public body to participate remotely in meetings—including voting—without providing three-day notice. Additionally, members would no longer be required to participate remotely from a location that is open to the public. The bill would lift any restrictions on the frequency with which members could participate remotely, effectively allowing unlimited remote participation.

Current law allows up to three remote appearances per year for a member of a public body, given they have been advised by a health care professional against being in a public place or serving in the military. It also requires that remote participants post and make accessible to the public the location from which they are joining. This law is problematic, in part, because remote participants often join from their home.

The Senate State and Local Government Committee heard this bill and laid it over for possible inclusion in their omnibus policy bill. The bill did not receive a hearing in the House. The bill was not included in any omnibus bill in part because the Senate State and Local Government Committee did not release an omnibus bill this year. We anticipate this piece of legislation will be introduced again next year.

Status: Did not pass.

CYBERSECURITY

Cybersecurity Incident Reporting ([HF4749/SF4874](#))

Cybersecurity attacks on local government networks have been on the rise across the country. MNIT and MNCITLA worked together during the 2024 session to develop a law that requires local governments, schools, and post-secondary schools share information about cyber threats and incidents with MNIT and the Bureau of Criminal Apprehension within 72 hours of an attack or attempted attack. Right now, the state lacks any collective data on cyberattacks on local governments. The law only requires a high-level report: when the incident happened, what the attackers did, and how they got in. The data will be anonymized, compiled, and submitted to the Legislature as well as shared back with reporting entities. There is no penalty for not reporting an incident.

State agencies, once they receive an incident report, will notify all other counties of potential vulnerabilities in their network or a piece of software. It will also give counties data on how many incidents are occurring and how we can better prepare for them. AMC and MNCITLA believe that this information will help us make the case for state financial assistance to local governments for cybersecurity.

MNIT and BCA are working during the 2024 interim to formalize reporting mechanisms and implement the program.

The bills traveled through the normal committee process with unanimous support from each committee. The intent of the bill authors was to include them in a State and Local Government Omnibus Bill. However, the Senate did not produce a State and Local Government Omnibus Bill. During the final days of the 2024 Legislative Session, HF4749/SF4874 were rolled into [HF5216](#), the Judiciary, Public Safety, and Corrections Supplemental Budget Bill, which passed on the final day of session.

Status: Signed by the governor May 24, 2024 ([Chapter 123](#)).

Local Government Cybersecurity Grant Program ([HF5324](#))

AMC and MNCITLA worked together during the summer and fall of 2023 to develop a proposal for a state-funded local government cybersecurity grant program. The goal of the program is to get funding to county IT departments so they can improve their cybersecurity posture. This proposal eventually became HF5324. MNCITLA worked with MNIT and Governor Walz’s staff to have the grant program—including \$20 million in funding—included in the governor’s supplemental budget. Unfortunately, the request came late in their budget assembly process and was not included.

Our goal, then, for the 2024 Legislative Session was to “socialize” the funding proposal and accompanying policy with legislators with the intention of making a strong push for its inclusion in the 2025 state budget. Rep. Kristin Bahner, a leading voice on technology and cybersecurity at the Legislature, agreed to draft a bill and introduce it in the House. The bill received interest and enthusiasm from a group of bipartisan legislators in the House who also agreed that the bill needed more work to be ready for the 2025 session. There was no Senate version of the bill introduced in 2024.

The bill will be reviewed by the Technology Advisory Council and the Legislative Commission on Cybersecurity during the 2024 interim and will be reintroduced in 2025.

Status: Did not pass.

Housing, Workforce, & Economic Development

For additional information on this section, please contact Cate Duin, Policy Analyst, at 651-789-4323 or cduin@mncounties.org.

OVERVIEW

A significant part of this year's housing discussions centered around efforts to curtail or change local government zoning authority around certain housing-specific land use/developments—or as certain advocates stated, “expand the missing middle.” A combination of housing advocates and builders united to argue that the Legislature needed to eliminate or preempt certain city/local government zoning authorities to better allow for the expansion of multifamily residential development. While certain counties were more actively involved in these discussions—alongside the League of Minnesota Cities, Coalition of Greater Minnesota Cities, and Small Cities—AMC largely stayed out of the debate and focused on supporting efforts on additional Housing Infrastructure Bond investments and policy changes to the Local Affordable Housing Aid (LAHA) and Statewide Affordable Housing Aid (SAHA) programs.

Housing Omnibus Budget Bill ([HF 5242](#)/[SF 5284](#))

An omnibus “housing package” was ultimately incorporated into the larger, 1,400+ page tax bill on the last day of session. Included in this package were both spending and policy items:

- AMC-supported additional \$50m Housing Infrastructure Bond authorization with expansion of uses of bond proceeds.
- AMC-supported proposal to include counties as eligible participants for Greater Minnesota Housing Infrastructure Grant Program.
- Additional funding for the Family Homeless Prevention and Assistance Program (one-time, \$8.1m appropriation) and Community Stabilization Program (\$25m, FY 2025 increase) with several *cuts* to Workforce Homeownership Grant Program, Supportive Housing Program, and Challenge Fund Grant Program.
- Changes to LAHA/SAHA programs and reporting requirements (see below)

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#))

Changes to Local Affordable Housing Aid and Statewide Affordable Housing Aid Programs

Legislators entered the 2023 session concerned about reports of local governments using new Statewide Affordable Housing Aid and Local Affordable Housing Aid dollars (created in the 2023 session) to supplant prior, levy-supported housing investments in their communities. Originally, legislators responded with legislation that created a new maintenance of effort (“MOE”) for future spending along with strict and onerous reporting requirements. AMC worked with several counties and legislators to address concerns while also providing flexibility and expanded uses of funding. In the end, the Legislature expanded program spending eligibilities of both programs to include things such as emergency shelter operations, downpayment assistance, rental assistance, supportive and case management housing services, payment of delinquent property taxes/rent/utilities, and more. Legislators also changed MOE and reporting language to better reflect local government concerns. Counties must be committed to using funds to “supplement, not supplant, existing locally funded housing expenditures...” and must certify in an annual report their compliance with this requirement and documentation/reasons for any reductions of locally funded housing expenditures.

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#))

Human Services

For additional information on this section, please contact Matt Freeman, Policy Analyst, at 651-789-4340 or mfreeman@mncounties.org or Angie Thies, Policy Analyst, at 651-789-4321 or athies@mncounties.org.

OVERVIEW

The Human Services area had several significant areas of focus cued up for action in 2024. 2023 legislation dividing DHS into 3 separate agencies required additional fleshing out; several workgroups such as the Priority Admissions Task Force had reports back to the Legislature prompting immediate action; a Star Tribune series on child maltreatment drew several hearings of the Child Protection taskforce; and commitments from legislators and the administration to take action on that issue, and underfunding of summer food benefits all teed up urgent priorities in human services.

As usual, the opportunity for legislative change, and priorities of the caucuses and the administration, are reflected and often most clearly expressed in budget target amounts. The November forecast demonstrated limited resources available, especially for ongoing or long-term funding, which is required for significant change in human services programing. This year, the governor proposed a \$226 million supplemental budget, with three themes: ensuring agency operations, maximizing federal funds, and addressing emerging issues. The Human Services area received about \$62 million of that target, or over \$80 million if you consider summer EBT funding within the human services versus education area.

The House and Senate Joint Budget Targets for the 2024 Session for a supplemental budget was \$477.5 million in 2024-25 and \$62.75 million in 2026-27. The committee targets landed with children and families committee receiving \$34.37 for 2024-25 and \$24.780 million for 2026-27, human services committee receiving \$ \$42.13 million for 2024-25, and \$14.6 million for 2026-27 and health and human services committee receiving \$4.5 million for 2024-25 and \$5 million for 2026-27.

Interestingly, the budget targets ultimately were bolstered in the human services areas by DHS administrative underspending of appropriations made earlier in the biennium – namely unspent funds for staff which they had not yet hired which the Legislature captured and reallocated during this existing biennium. The HS bill included \$2.438 million, the HHS bill included \$1.588 million, and the C&F bill had \$2.774 million in recaptured funds. Nonetheless, none of these human services area targets were particularly large (with even less money in the 2026-27 out years and ongoing) so much of what was funded in 2024 session was tinkering around the edges or trying to maximize one-time spending.

Most of the human services activity AMC monitored over the course of this session revolved around omnibus policy and finance bills. Nearly all the individuals bills that we worked on were rolled into several key bills:

- Children and families omnibus finance bill (eventually combined into a K-12 education bill)
- Human services omnibus finance bill
- Health and human services omnibus finance bill (eventually combined into the gigantic tax bill)
- Human services policy bill
- Direct Care and Treatment (DCT) agency codification bill
- Department of Children, Youth and Families (DCYF) codification bill
- Judiciary, public safety, and corrections omnibus finance bill
- Housing Finance and Policy Bill and Residential Housing Tenant and Landlord Bill

Early session saw codifying bills for DCT and DCYF passed as stand alone. A human services policy bill, stemming from Chair Fischer's policy committee in house and Chair Hoffman's committee in the Senate also passed the floor independently; there was no health and human services stand alone policy bill discussed this session. The remainder of a majority of bills were destined to be included in large omnibus supplemental budget bills.

The final week of session included a series of perfunctory conference committees where most negotiations happened behind the scenes. The resulting conference committee reports often contained at least one nugget of controversy, but there was little opportunity to influence the result. A few conference committees hit the skids over intraparty disagreements between the House and Senate – those committees were held open (or just did not meet) until the final 72 hours of session. Despite protests after previous session that process transparency was a priority, the end of the 2024 session was not overly transparent and open to the public in 2024.

The Human Services conference committee ultimately met late on Friday evening but took very little discussion and nearly no amendments. The Health and Human Services Conference committee never publicly met or discussed publicly any offers or negotiations. And the Children and Families portion of that bill slipped out the side door to travel in the Education Omnibus bill, where it was amended into the host bill section by section at the end of their conference committee (which featured no minority party members on the conference committee) with little discussion and no notice on the final Wednesday of session before passing off both floors the final Friday. Final passage of the other two omnibus was equally haphazard and confusing. The final human services bill had been rather non-partisan and received normal discussion in the Senate on Sunday evening before Senator Hoffman began declining to yield for additional questions and the bill began to be pushed towards a vote with more urgency. It did pass the Senate as a stand-alone bill by a barely bi-partisan vote of 38-27 but was not brought up for any discussion in the House before being voted on and gaveled through to a vote of 68-0 in the last 30 minutes of session. Alongside this bill, and as the clock struck midnight, the bill now known as the “omniblah” bill was passed off the House floor and sent to the Senate floor. This included duplicate language of the human services bill and also included the final health and human services provisions – which were never discussed or voted on independently in either body.

AMC's advocacy at the capitol in human services was very wide reaching, but it centered on the two lead Human Services Priorities: Mental Health/High Acuity and Human Services Systems Modernization.

AMC PRIORITY: HUMAN SERVICES SYSTEMS MODERNIZATION

Resource the County Side of Human Services Modernization Technology ([SF4390/HF4578](#))

Counties have worked tirelessly in coordination with legislators and DHS to advocate for technology modernization as a way to improve human services program delivery. In 2023, the Legislature appropriated over \$100 million for state infrastructure but did not support county systems. This year, MACSSA advocated for county implementation dollars and grants for counties to explore systems innovations.

Because counties have spent years advocating for these investments, lawmakers are well-aware of the request. Because of the simplicity of the request, lawmakers generally are receptive and able to echo their support. Unfortunately, in a non-budget year, this was a difficult request to make happen.

[SF4390/HF4578](#) (Kupec/Virnig) gave voice the county request. The bill asked for county grants for implementation of service delivery transformation requirements and information technology infrastructure, asking for \$5 million and \$50 million each for those investments in county systems. We also asked for DHS to develop a framework to calculate and consider county implementation costs when making any large human services system modernization, recognizing the local costs, and budgeting for it like the state does for their own system costs.

AMC secured a hearing in the Senate Health and Human Services committee on March 27th, where several legislators made supportive comments. Chair Wiklund, not known for extensive reactions, expressed disappointment during the Senate hearing for not being able to include this within her target and encouraged Senator Kupec to bring the issue forward during the next budget session.

The House author of our modernization bill, Rep. Virnig, worked with Dakota County – with the help of AMC, MACSSA, and MICA - to host a demonstration of the limited technological capacity of human services systems on Friday, March 15. This was a strong opportunity to show legislators and DHS staff in real-time the challenges that county workers face trying to navigate these systems and to answer relevant questions about the AMC and MACSSA legislative priority this session around funds for county technology infrastructure.

Looking ahead, counties are well positioned to continue discussions on this at the Capitol and have support from both sides of the aisle. MACSSA also prioritized this issue and will continue to seek support and technical assistance from DHS to support passage in 2025.

Status: Did not pass.

SSIS System Modernization - Children and Families

The topic also came up in many committee hearings on a variety of human services topics, from health care to child welfare. One example was March 24th in the Children and Families committee in the House. The Minnesota Department of Human Services, along with Patty Harrelson (Minnesota Prairie County Alliance/MACSSA) and Laurie York (White Earth Nation), [presented on SSIS](#) (Social Services Information Systems) in the House Children and Families Finance and Policy committee. Legislators were surprised to learn that SSIS is involved in so many (~30) different social services programs, not just child welfare. Member discussion touched on whether Minnesota will create our own system to replace SSIS or look to what other states are using, the need for more transparency in how funding to update systems is being spent, and issues for Tribes accessing information due to data sovereignty issues. Due to strong work of counties across the state during interim and ongoing, there was bipartisan support for investing in SSIS updates this session. We know that replacement of the system is estimated to cost the state \$40-50 million (plus a federal match).

With ongoing commitment and interest in addressing disparities in child welfare, counties' continued messaging around the need for adequate technology, and support from other advocacy groups acknowledging the limitations that old technology puts on outcomes, we were able to secure \$10 million for SSIS upgrades and a directive to DHS to work with counties on implementation.

The language accompanying the appropriation requires that it be used to develop and implement a modernization plan for SSIS that addresses priorities established through collaborative planning with counties and Tribal Nations that use SSIS. Priorities must take into consideration available funding and have a direct impact on child welfare casework. The appropriation must not be used for changes to SSIS that are not part of the modernization plan or for other Department of Human Services information technology systems. This is a onetime appropriation.

Status: Signed by the governor May 20, 2024 ([Chapter 115, Article 22](#))

SSIS System Modernization -Targeted Case Management ([SF5351](#))

In addition, with the assistance of Chair Noor, AMC was able to secure a small modernization appropriation for SSIS related to Targeted Case Management (TCM) redesign of \$532,000 in fiscal year 2025. There is a direction to the commissioner to consult with members of MACSSA to improve case management information systems and identify the necessary changes needed to comply with regulations related to federal certified public expenditures. The changes must facilitate transition to use of a 15-minute unit rate or improved financial reporting for fee-for-service targeted case management services provided by counties. The Social Service Information System and adjacent systems must be modified to support any increase in the intensity of time reporting requirements prior to any implementation of proposed changes to targeted case management rate setting, reimbursement, and reconciliation processes.

SSIS and its limitations are a major concern for the next step in a broad and complex TCM redesign. A county goal this legislative session was to work with DHS on a next steps proposal that would address process, technology, and role definition concerns prior to full implementation of TCM redesign. DHS had indicated that draft legislation was submitted into the Walz administration's process for consideration in a supplemental budget proposal, which was released in March. Unfortunately, this initiative was not part of the governor's package, leaving counties in a bit of a lurch with the legislative session already underway.

We introduced legislation – [SF5351](#) (Utke) – fairly late in the session. The proposal did not move forward for several reasons – complexity made it difficult to get traction in a short legislative session, the fact that the governor did not prioritize the proposal as urgent, and related interest in technology funding in the context of a different legislative proposal (SSIS in child welfare conversations).

On a positive note, the legislation spurred deeper conversation between AMC staff, MACSSA members and DHS staff as it highlighted the urgency and priority that counties place on these issues. Additionally, we were able to highlight this as a concern with key lawmakers who took some initiative to lay a marker of intent this session with the directive to the Commissioner of DHS. We hope to partner with Chair Noor on more work in this area in 2025.

Status: Passed 5/15, Signed by the governor May 22, 2024 ([Chapter 125, Article 6, Section 6](#))

AMC PRIORITY: MENTAL HEALTH/HIGH ACUITY

Codify the Priority Admissions Taskforce Recommendations ([HF4366](#)/[SF4460](#))

Our AMC work this session on mental health and high acuity primarily was cued up by the work of the Task Force on Priority Admissions to State-Operated Treatment Programs. The recommendations of the taskforce were the Backbone of the Mental Health work done this session. Stearns County Commissioner Tarryl Clark was appointed by the Association of Minnesota Counties to serve on that taskforce and helped lead our efforts. She moved forward joint county priorities by creating a county coalition with other taskforce members appointed from counties: Bryan Welk, Cass County Sheriff, appointed by the Minnesota Sheriff's Association, Angela Youngerberg, Blue Earth County Human Services Director, appointed by the Minnesota Association of County Social Service Administrators, and Kevin Magnuson, Washington County Attorney, appointed by the Minnesota County Attorneys Association. The taskforce dove into heated discussion and negotiations on the issues around the 48-hour rule and the current capacity crisis.

The Task Force on Priority Admissions to State-Operated Treatment Programs concluded its work just as session began, on Friday, February 9, 2024. The recommendations included 9 Priorities:

- Immediately begin to increase capacity of Direct Care and Treatment.
- Form Joint Incident collaboration to actively facilitate discharges for DCT patients.
- Approve an exception to the Priority Admissions law.
- Create and implement new Priority Admissions criteria to the Direct Care and Treatment facilities.
- Increase access to services provided in the community.
- Provide funding to administer mental health medications to individuals in custody.
- Relieve counties of some cost for individuals awaiting transfer to other DCT facilities.
- Expedite Minnesota's Section 1115 Waiver Application for Individuals in custody; and
- Increase Forensic Examiner accessibility.

Importantly, the task force did not take a position to eliminate the 48-hour rule – Counties continue to support the urgency to get individuals to an appropriate placement, reflected in the origins of the 48-hour rule. Thus, we supported policy that reflects urgency of admission after commitment, not just “when a medically appropriate bed is available.”

At the release of the recommendations a drafting workgroup was convened by Rep. Heather Edelson to seek to codify and pass a bill that codified the taskforce recommendation. This group met several times a week throughout session to work toward an agreement that could pass this session – recognizing the lack of consensus on some issues and details and limitations regarding funding available. The goal was for investments to represent an initial downpayment on capacity in a non-budget year. This language moved forward in bills in both the House and Senate, HF4366 (Edelson) SF4460 (Mann), which were ultimately rolled into the omnibus human services bills.

The top two priorities for counties were an immediate increase of capacity at DCT and to include relief for county “Did Not Meet Medical Criteria” (DNMC) costs for individuals awaiting transfer between DCT facilities. Both were uphill climbs due to limited budget targets, concern and opposition from NAMI and DHS to more institutional beds, and concern that relief to county costs would not be impactful to our current crisis.

Counties continued to urge through testimony, meetings, and bill language negotiations that urgent action by the Legislature is needed to expand capacity in our state operated system and within our communities to meet the acute mental health needs of individuals in jails, hospitals, and in the community. We believe all people living with mental health disorders are entitled to have care when and where they need it. Specifically, people who are civilly committed should have access to the court-ordered treatment they require to achieve recovery.

Counties held strong that that capacity increases must happen before policy changes are made to the 48-hour rule or pressures in the system will just shift, not be relieved. Even with limited budget resources, counties believe that creative solutions can be brought forward to more fully leverage one-time funds to expand DCT capacity.

Final Priority Admissions Taskforce Related Language, Total costs: \$15.752 million (FY25); \$8.989 million (FY26-27), included:

- The bill includes a minor investment in capacity at DCT facilities. The bill includes a suspension/closure of CARE Saint Peter SUD facility, transitioning that facility to 16 additional forensics beds. There was \$6.75 million in 2024 and 2045 and \$13.224 million in 2026 and 2027 and ongoing. The bill did not include the expansion of beds to the degree as recommended by last year's Bed Prioritization Task Force. The chairs acknowledged the limited budget target they received and will return to this issue next session.
- \$1 million was appropriated as incentives for transitioning staff from CARE St. Peter to forensic mental health program.
- There is one-time appropriation for \$1.796 million for redevelopment of a currently closed wing at the Anoka Metro Regional Treatment Center (AMRTC), the Miller Building, for additional bed capacity. This was championed by counties – recognizing that if you do not plan for capacity, you will delay any future investment the Legislature can make in capital and staffing.
- The bill created new criteria for prioritizing the waitlist into AMRTC for people awaiting transfer from jails. The bill keeps those on the waitlist limited to only those from jails or in a competency restoration program. AMC successfully advocated for not expanding the admissions waitlist criteria beyond those who transfer from jails until sufficient bed capacity is added to DCT to be able to accommodate additional populations.
- The bill calls for the Commissioner of Human Services to immediately approve an exception to add up to ten patients who have been civilly committed and are in hospital settings to the waiting list for admission to medically appropriate direct care and treatment beds. This is meant as a relief valve for some of the highest acuity individuals and was a negotiated compromise.
- Legislation extends the current Priority Admissions task force, renaming it (Priority Admissions Review Panel) and charging it to continue to meet to evaluate the 48-hour rule and to determine recommendations for prioritization for beds and triggering event or timeline for beds prioritization. The task force must submit their written recommendations by February 1, 2025. Membership is essentially the same as last year's task force membership plus one additional union representative appointed by joint representatives of AFSCME, MAPE, MNA, and SRSEA.
- Language was included requiring additional notice from DCT about the referrals of those committed to DHS and the DHS process and status of the determination of their priority status and pending admission.
- The bill includes forgiveness of county does not meet medical criteria (DNMC) bills, or reimbursement for funds already paid, regarding two particular Beltrami and Todd County situations around cost of care payments for particularly challenging DNMC individuals outside of the parameters of the two year's waiver of specific DNMC costs passed in last year's legislation.
- Unfortunately, the report does not make permanent the elimination of certain DNMC county cost share. This temporary elimination of county cost share is still in effect for civilly committed persons who has a mental illness and is dangerous to the public until March 30, 2025. We were able to expand the criteria of this exception for between April 1, 2025, and June 30, 2025 – during this period counties are not

responsible for costs of care for a person civilly committed awaiting transfer to a facility owned by DOC, to another state facility if the patient meets criteria for that state facility and that facility is the facility or program that can reasonably serve the person. We hope this language can be revisited in 2025, during the budget year, and made permanent. This short-term policy change will save counties statewide an estimated \$1.010 million (FY25) reduction of DNMC county cost share payments.

- The bill establishment of a Mentally Ill and Dangerous (MI&D) Civil Commitment Reform Task Force to evaluate current statutes related to mentally ill and dangerous civil commitments and develop recommendations to optimize the use of state-operated mental health resources and increase equitable access and outcomes for patients. This task force includes members from MACSSA and AMC and MN County Attorney's Association, among others.
- The bill funds Voluntary Engagement Services Pilot Grants to provide grants to counties or certified community behavioral health clinics that have a letter of support from a county to provide engagement services to engage individuals with mental illness and their families to participate in voluntary activities and provided services eligible for medical assistance to attempt relieve pressure outside of forensic beds. There is \$1.25 million allocated one-time in 2025 for counties to apply for this grant. There is also a specific allocation for Otter Tail County to participate as one of the pilot counties. This was a top NAMI priority and will allow for study of the efficacy of a new community engagement counties received authority for in a previous session, but which has no ongoing funding source.
- The priority admissions task force proposal around establishing a County Correctional Facility Long-Acting Injectable Antipsychotic Medication Pilot Program was included in the bill. This provides payments to counties to support county correctional facilities in administering long-acting injectable antipsychotic medications to prisoners for mental health treatment. Counties can use payments for reimbursement for both long-acting injectable antipsychotic medications for prisoners in county correctional facilities; and health care costs related to the administration of long-acting injectable antipsychotic medications for prisoners in correctional facilities.
- DCT will also be receiving additional operations funding of \$2.448 million (FY25); \$31,000 (FY26) to begin a pilot program seeking to support increased use of antipsychotic medications in jails.
- Direct payments were made to Beltrami and Todd counties to reimburse costs related to county share for mentally ill and dangerous individuals one-time totaling \$724,000 in FY25.
- An additional \$1.321 million (FY25) was invested one-time in Mental Health Innovation Grants, which counties and organizations partnering with counties can apply for during the next 2-year grant cycle.
- By January 15, 2025, the Direct Care and Treatment executive board must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services finance and policy with options for increasing inpatient substance use disorder beds operated by the executive board.
- \$1 million was reallocated for start-up funds to intensive residential treatment services providers to provide treatment in locked facilities for patients meeting medical necessity criteria and who may also be referred for competency attainment or a competency examination. This was a recapture of previous funds that had not been spent but were expiring, with an expansion of eligible use with the hope to jumpstart new Locked Intensive residential services providers to pursue the service.
- Also included was \$4.817 million (FY25); \$8.037 million (FY26-27) funds for DHS to apply for and launch an 1115 medical assistance demonstration project reentry demonstration waiver – this was funded and will be discussed in greater detail in a later section. This included the costs for the pilot at 10 sites for Department of Corrections, DHS, and local correctional facilities, plus a reentry services workgroup with an AMC appointed, and \$2.5 million in medical assistance reentry demonstration grants for capacity building and implementation of the waiver at pilot sites.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 49 – Sections 1-13 (Priority Admissions and Civil Commitment), Article 53 – Appropriations)

Behavioral Health Cost Share ([SF5282/HF5135](#))

Both wrapped up in the priority admissions work, and running separately as a long time county priority, was work to amend current state statute to include an exception to billing when a patient is awaiting another DCT placement and policy to direct the Department of Human Services (DHS) to review situations where a county has no authority to approve a new placement to determine whether a downward adjustment of charges is appropriate.

Counties successfully worked with Sen. Jim Abeler (R-Anoka) and Rep. Dan Wolgamott (DFL-Saint Cloud) to author our legislation. At the same time as our legislation was being introduced, recommendations from the Priority Admissions task force were being released and those became a legislative focus. Because of the overlap and existing county involvement in those discussions, the AMC and MACSSA standalone bill served as a discussion point with committee members but did not move forward on its own.

A limited human services budget target made it nearly impossible for committee chairs to consider this full request; however, the topic was focal to the priority admissions work throughout session. This was session was an opportunity to elevate this as a topic for all human services committee members and to discuss the state's limited supply of suitable placement options for those exiting DCT and how the cost share limits counties' ability to make additional serious investments in our continuum of care.

The final language included in the human services omnibus finance bill (SF5335) contained one-time debt relief for cost of care payments for Beltrami and Todd counties totaling \$724,000 in FY25. The two-year reprieve from does not meet medical criteria (DNMC) county cost share for those individuals committed as MI&D and awaiting transfer to another DCT was passed last legislative session. That language was amended for the final three months of the reprieve (from April 1, 2025, through June 30, 2025) to include waiving costs related to all individuals awaiting transfer between state-operated facilities or a facility operated by the Department of Corrections. MACSSA sought to apply these new criteria to a larger period of time, but due to a \$4 million per year fiscal note, budget targets would not accommodate either an extension of the reprieve or a longer period for the new criteria. MACSSA hopes to return to this language next year, now that the criteria are in law, to extend it going forward.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 4, sections 3-4 (cost of care relief), Article 4, Section 8 (Beltrami County and Todd County language).

MAJOR HUMAN SERVICES-RELATED BILLS FROM 2024

Children and Families Finance Omnibus ([HF2476](#)) & Omnibus Health and Human Services Supplemental Budget and Policy Provision ([SF4699/HF4571](#)) and Education Supplemental Budget Bill ([SF3567/HF3782 CHAPTER 109](#))

Jurisdiction of human services issues remained confusing during this biennium. In the House, children and families' issues fell within the jurisdiction of Rep. Dave Pinto's (DFL-Saint Paul) Children and Families Finance and Policy committee. In the Senate, the issues fell within the jurisdiction of the Health and Human Services committee chaired by Sen. Melissa Wiklund (DFL-Bloomington) which also includes jurisdiction over health care and other issues that align with other House committees. This mismatch of jurisdictions often led to some confusion about bill paths and end of session negotiations.

As mentioned above, omnibus bill provisions related to children and families were ultimately gathered and moved out of the omnibus health and human services bill and inserted in the omnibus K-12 education finance bill in the final days of session. This included not only child welfare, child protection and child support issues in Angie Thies's purview, but some additional economic supports and housing related issues and SSIS modernization funding. This was a maneuver decided on as the fate of the larger health and human services finance bill was murky and because the governor and lawmakers did not want to risk not passing some key children and family's priorities.

The final legislation spends \$35.22 million (FY24-25), \$25.47 million (FY26-27) across all agencies on children and families' priorities.

Omnibus Human Services Supplemental Appropriations (SF5335/HF5280)

For the most part, human services jurisdiction in the Senate and House aligns under the House Human Services Policy committee, House Human Services Finance committee, and the Senate Human Services committee (encompassing both policy and finance). Committee chairs Sen. John Hoffman and Rep. Mohamud Noor had different approaches to priorities this session and while they found alignment on big picture ideas, their strategies to get there are quite different. This led to intense end of session negotiations, most of which happened behind closed doors without a lot of public input. This session, like last, included some surprises thrown into the final bill that had not been publicly vetted.

The final deal on the human services finance bill was released on the last Friday of the session and quickly passed the next day. It was signed into law by the governor on Wednesday, May 23. The entirety of the bill was also included as part of the gigantic tax bill which was passed and signed after the human services bill. Technically speaking, the last bill signed by the governor is the version to become law.

The final legislation is \$42 million (net over FY24-25) and \$14.9 million (FY26-27). In a somewhat uncommon maneuver, the bill also pulls \$10 million from a fund within the Department of Employment and Economic Development (DEED) for \$5 million in food security spending and \$5 million for a Cedar Riverside neighborhood center located in Chair Noor's district. This comes somewhat at the expense of a \$7.3 million cut local public health grants to counties for cannabis education. [2024 MN Session Law Chapter 125](#)

Omnibus Health and Human Services Supplemental Appropriations and Policy Provisions SF5335/HF5280 (Chapter 125)

As noted above, health and human services committee jurisdiction between the House and Senate are somewhat confusing. Sen. Wiklund's Senate Health and Human Services committee aligns not only with Chair Pinto's children and families committee but also Rep. Tina Liebling's (DFL-Rochester) Health Policy and Finance committee. Chairs Wiklund and Liebling often align in their commitments to public health investments and some mandated insurance coverage proposals but tend to have different approaches to some larger policy issues like the public option for health insurance. Disagreements on major policy elements of their omnibus bill led to delays in the final negotiations, making this omnibus bill one of the last to leave conference committee.

Due to this timing, a conference committee report never emerged and the totality of the bill was inserted into the gigantic tax bill. For ease of reference, we have final documents on the conference committee and the bill summary refers to that version. The below links are to the final legislation that was signed into law.

The overall bill spends just \$1.5 million (net over FY24-25) and shows a savings to the state of \$875,000 over the FY26-27 biennium, despite \$6.3 million in spending in FY27. After some political back and forth, the bill does not contain policy advancing a public option health plan. [2024 MN Session Law Chapter 115](#)

Omnibus Human Services Policy Bill SF4399/HF4392 (CHAPTER 108)

The human services policy was developed by Sen. Hoffman and Rep. Fischer and reflected many DHS policy bills and other stakeholder-driven initiatives that had no costs. A point of contention between the Senate and House/governor was the elimination of subminimum wage. The governor had proposed a phased-out approach to ending the subminimum wage, which the Senate rejected. Ultimately, the bill did not address any changes to subminimum wage. [2024 MN Session Law Chapter 108](#)

HUMAN SERVICES-RELATED VEHICLES

Direct Care and Treatment Codification ([HF3987](#) / [SF3936](#))

Early in the legislative session, DHS introduced legislation necessary to codify the new Direct Care and Treatment agency and transfer duties. This bill did not include modifications to the agency's governance structure and was quite technical in nature. It passed the House 83-46 and the Senate 37-28 and was signed into law on 3/21. It became the language infrastructure to house additional DCT policy changes passed later in session. [2024 MN Session Law Chapter 79](#)

Department of Children, Youth and Families (DCYF) Codification ([HF3646](#) / [SF3770](#))

Similarly, a bill to move the new DCYF agency into statute moved separately from the omnibus bills early in the session. The intent of these bills was not to create new policy but rather to codify intended practice into statute and align state law. It passed the House 85-44 and the Senate 40-25 and was signed into law on 3/21. [2024 MN Session Law Chapter 80](#)

Emergency Medical Services ([SF4835](#) / [HF4738](#))

This bipartisan priority bill finally made it to the finish line, despite limited budget capacity this session. A final deal on establishing a new Office of emergency Medical Services (replacing the current Emergency Medical Services Regulatory Board) was reached. The final legislation also funds a \$6 million alternative response pilot program (one site in Otter Tail or Grant County, one in St. Louis County) and \$24 million in emergency rural ambulance services. Out of caution, the conference committee report on this legislation was passed 119-11 and 66-0 and the provisions were also included in the gigantic tax bill. The bill was signed on 5/23. [2024 MN Session Law Chapter 122](#)

Judiciary, Public Safety, and Corrections Omnibus Finance Bill ([HF5216](#) / [SF5337](#))

During the legislative session, MACSSA engaged on a proposal that sought to continue work of the Task Force on Holistic and Effective Responses to Illicit Drug Use. The task force has been working to solicit reports and data on various approaches to addressing illicit drug use. We worked to ensure that county human services had a voice on this task force. The final judiciary, public safety, and corrections bill includes \$150,000 to the Office of Addiction and Recovery to officially establish this task force, which includes a MACSSA appointment. The task force will report back in February 2025 and expire on June 30, 2025.

The final bill also carves out funding from the community crime and violence prevention account of \$500,000 for Anoka, Hennepin, and Ramsey counties for youth support services grants. There is a formula and criteria for eligibility included. [2024 MN Session Law Chapter 123](#)

K-12 Education Omnibus Finance Bill ([SF3567](#) / [HF3782](#))

In addition to the children and families' issues outlined above, the K-12 education finance bill contains a few provisions that AMC and MACSSA watched during session. First is a student attendance pilot program that is established to support districts in development and implementation of innovative strategies to improve student attendance. Reports on this work will be submitted to the Legislature beginning December 31, 2024. The bill also creates a legislative study group to look at student attendance and truancy with a report due December 31, 2024. The bill includes modifications to the services provided by a school social worker and the special education evaluation/assessments within a family service plan or individualized education program (IEP). The bill also extends Medical Assistance coverage for psychotherapy for crisis. The overall omnibus bill passed the House 107-19 and the Senate 34-33 on party lines. [2024 MN Session Law Chapter 109](#)

Residential Housing Tenant and Landlord Provision ([SF3492/HF3591 \(CHAPTER 118\)](#) + [HF4194/SF4158](#) - [HF5242/SF5284](#)(Transportation Omnibus) and [HF5247/SF5234](#) (Tax Omnibus))

Two housing bills passed in 2024. One modifies residential housing tenant and landlord provisions. Amongst other things it allows conditions for erasing an eviction notice from records, would allow tenants to organize and create tenant associations, and bar denying a rental application based on a pending eviction or evict a tenant who has terminated their lease. The other housing bill included \$50 million in Housing Infrastructure Bonds to build more affordable homes to rent and to own, \$50 million investment to preserve affordable multi-family housing where renters are at risk of displacement, and \$8 million added to emergency rental assistance and fund Family Homelessness Prevention Assistance Program (FHPAP). It also included worker protections and developer accountability when public dollars are used to finance affordable housing projects, created task force for analyzing the impact of homeowner's associations on the affordability of homes, and reforms to increase the speed and efficiency of the delivery of emergency rental assistance. These reforms came out of the Workgroup on Expediting Rental Assistance that was created by the 2023 Legislature, which includes recommendations regarding both MHFA and DHS/DCYF programs. Missing from the agreement is a provision to ensure housing assistance recipients can utilize public assistance housing vouchers, which did not have support in the Senate. [2024 MN Session Law Chapter 127](#)

2024 COUNTY IMPACTING HUMAN SERVICES PROVISIONS

County-administered Rural Medical Assistance (CARMA) Bill ([HF3533/SF3372](#)) ([SF4699/HF4571](#))

County Based Purchasing (CBP) and AMC championed the county-administered rural medical assistance (CARMA) bill legislation carried by Rep. Peter Fischer and Sen. John Hoffman. It is the result of a year-long process of collaboration among AMC and Minnesota's three county-based purchasing (CBP) plans, in cooperation with the Minnesota Department of Human Services (DHS). The bill directs DHS, in close collaboration with AMC and the state's CBP plans, to meet over the interim to develop a new and improved county-based model, county-administered rural medical assistance proposal (CARMA). The resulting detailed proposal will be presented to the 2025 Legislature with the goal of future enactment. An appropriation of \$272,000 in 2025 was included to provide a facilitator for this work. Numerous county commissioners and AMC staff testified with support for the proposal, which earned bi-partisan support. Ultimately, the proposal was included in the omnibus health and human services finance and policy bill and signed into law by the governor as part of the mega omnibus bill.

Status: Signed by the governor May 23, 2024 ([Chapter 127](#), Article 54, Section 10).

For-Profit Hospitals and Insurance Providers, Prior Authorization ([HF3268/ SF2331](#))

In a reversal back of a law change from several years ago, the Legislature once again determined that for-profit health maintenance organizations are prohibited for public health insurance programs. The commissioner must ensure that state paid hospital, medical, and dental benefits are not provided to eligible employees by a health maintenance organization (HMO) which is not a nonprofit corporation organized under Chapter 317A or a local governmental unit, as defined in section 62D.02.

In addition, significant changes were made limiting when prior authorization could be required by a health carrier. This includes prohibition of prior authorization requirements when outpatient mental health treatment or substance use disorder treatment, except for treatment which is a medicine. Nor can authorization for treatment of a chronic condition expire unless the standard of treatment for that health condition changes. The DHS commissioner must publish the prior authorization requirements for fee for service online. Data will also be gathered and annually reported on by the MDH commissioner regarding prior authorizations.

Status: Signed by the governor May 22, 2024 ([Chapter 127](#), Article 57 Section 1(no for-profit HMOs), Section 7, 25, 26, 31(Prior Authorization)).

DCT Governance and Policy Bill ([HF4692](#)/[SF4726](#))

Along with an early bill codifying language for the new state agency of Direct Care and Treatment, the Walz administration also brought forward a larger DCT governance and policy bill. This updated and outlines the powers and duties and composition of the executive board and determined that the executive board would appoint the CEO in consultation with the governor and with the advice and consent of the Senate. Who would select the CEO was of great debate in the Senate, where Sen. Rassmussen raised concerns about removing political accountability from the person making important decisions like whether to discharge an individual who has served time for a sex offense to community.

The DCT Executive board is made up of a nine-member executive board with seven voting members and two nonvoting members:

- The DHS commissioner is joined by six members who are appointed by the governor with advice and consent of the Senate with the following qualifications:
 - One must be a licensed physician with experience serving behavioral health patients (initial term of two years).
 - Two must have experience serving in a hospital or nonprofit board (initial term of three years).
 - Three must have experience working in delivery of behavioral health services or care coordination or traditional healing, as a licensed health care professional, within health care administration, or residential services (initial term of four years).
- There are also two nonvoting members that must be appointed: One member appointed by AMC/One member with an active role as a union representative representing DCT staff (joint appointment from public unions).

AMC advocated that, as local mental health authorities, counties play a crucial role in care coordination and delivery of deep-end services that affect individuals before, during, and after they are served in a state-operated facility. We felt strongly that, because of this role, counties should have a voting member position on the new executive board but were rebuffed by opposition from the administration who argued that there was an inherent conflict of interest for counties, who could benefit from placing an individual in a DCT facility. Building on this conflict-of-interest concern, a voting member of the executive board must not be (or have been within one year of appointment) a DCT employee; a county employee or commissioner; active employee or labor representative of DCT; or member of the state Legislature.

As a concession to counties and other groups concerned about lack of representation on the executive committee, legislators did fund a DCT advisory Council, which will have an AMC appointee, at the cost of \$482,000.

Status: Signed by the governor May 24, 2024 ([Chapter 127](#), Article 50).

Federal Reentry 1115 Medicaid Demonstration Waiver ([HF3642](#) / [SF3509](#)) ([HF4616](#) / [SF4463](#)) ([HF3639](#)/[SF3969](#)) ([SF4399](#)/[HF4392](#))

Currently, Minnesota's Medical Assistance (MA) behavioral health service continuum does not cover populations that are incarcerated. The federal Medicaid inmate exclusion policy limits Medicaid reimbursement for incarcerated individuals to only inpatient care at approved settings, such as hospitals. In 2023 the U.S. Department of Health and Human Services (HHS) released new guidance to encourage states to apply for New Medicaid Reentry Section 1115 Demonstration Opportunities to increase health care for people leaving carceral facilities. This opportunity aligns with a longtime and top federal AMC and NACO priority regarding allowing Medicaid healthcare coverage eligibility for those in county jails. During the 2023 Minnesota legislative session the human services committee passed administrative funding and a directive to DHS to explore pursuing and applying for a Section 1115 waiver.

This legislative session Chair Noor continued moving these efforts forward by having informational hearings on the issue and bringing forward legislation to fund and direct DHS to pursue a waiver for jail reentry healthcare services. This priority was also included in the governor's supplemental budget proposals. At the advocacy of counties, exploring these waivers was a top recommendation of the Priority Admissions Task Force as well. AMC testified in support of both pursuing a jail reentry waiver and an 1115 waiver for the Pre-Trial status individuals, highlighting the benefits of both and that two states have already submitted Pre-Trial 1115 waivers to the federal government Oregon and Arkansas.

The legislation that passed this year in the human services omnibus bill directs DHS to submit a waiver application for an MA demonstration project to provide health care and coordination services to bridge community-based services for individuals in state, local or Tribal correctional facilities. The legislation also creates a Reentry Services Working Group that includes appointments from AMC and MACSSA (effective July 1, 2024) and directs DHS to establish capacity-building grants for local correctional facilities to prepare to implement demonstration services. \$2.5 million was also allocated for pilot participants. The pilot will be 10 counties and include for correctional facilities that will be identified in coordination with the Minnesota Sheriffs' Association and AMC.

DHS also grouped with this proposal funding for an ongoing jail reentry program with this proposal. Ongoing administrative funding for statewide implementation of the Bridging Benefits program provides people identified as having a "high" or "very high" risk of recidivism with access to early connection to public assistance benefits (cash, emergency aid, food, or housing) prior to their release from incarceration. This program is a collaboration between Minnesota's Departments of Corrections (DOC) and Human Services. Overall appropriations for reducing recidivism and preventing overdoses/federal reentry 1115 Medicaid waiver and bridging benefits was \$4.817 million (FY25); \$8.037 million (FY26-27).

Controversially, Chairs Noor and Hoffman framed the funding of the 1115 waiver as a reallocation of cannabis funds that were appropriated in 2023 to go to local public health for local education programs. This was not something supported by, or even discussed with, counties prior to it appearing in the final conference committee bill language.

Relatedly, Chair Noor also promoted a social determinants or Health-related social needs 1115 waiver through [HF3639](#) this session. While work on this proposal was not ready for a full plan development and submission, \$709,000 in planning dollars were allocated and language directs the commissioner of health to seek a federal waiver for unmet health-related social needs, including nutrition, housing support, case management and violence prevention.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 48 Section 12-14, 17, 18 & Article 53 (reentry waiver) and Article 51 (social determinants)).

Substance Use Disorder Services (SF5335/HF5280) ([HF5329](#))

Significant discussion occurred throughout session about the need to support substance use disorder providers and services. Providers raised concerns about the viability of rates and there was strong concern about closures of state operated SUD facilities like the Carleton CARE facility when it was proposed.

In this area, there was mild progress in rate increases with language that Directs DHS to increase rates for residential SUD services by 3% for the 1115 demonstration base rates in effect as of January 1, 2024. However, significant rate studies and increases were pushed off to future budget years.

Of note, the Opiate Epidemic Response Fund allocation was modified this session and legislation passed that eliminates OEARC sunset. This was a topic of heated discussion in committee and on the House floor, where Rep. Dave Baker and Rep. Liz Olson spoke to different histories of the deals made to pass the landmark opioid legislation.

Equally, peer recovery services were in the headlines after several articles questioning the fidelity of several providers. Several new regulations and requirements for the industry were passed and DHS was directed to convene a working group to develop recommendations on peer recovery services, including reimbursement and billing models. A representative of county social services agencies is amongst the appointees.

Lastly, a two-year youth peer recovery support services pilot was funded with a \$500,000 grant to Hennepin County. The pilot project must be conducted in partnership with a community organization that provides culturally specific peer recovery support services to East African individuals and that is working to expand peer recovery support services for youth in Hennepin County. Hennepin will provide a report to the Legislature following the pilot providing recommendations on expanding youth peer recovery support services statewide.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 48, Section 1,20 (sunset), Section 16 (peer recovery workgroup), Section 19 (increase in SUD services rate) and Article 53).

Behavioral Health Changes ([HF3495/ SF3451](#))

The Legislature has long been involved in the transition from state, local and regional suicide prevention and crisis response to the national 988 suicide prevention and crisis system. The Legislature set the telecommunications fee at 12 cents per month for each consumer access line for the operation and maintenance of the 9-8-8 suicide prevention and crisis system.

The Legislature this year also directed the commissioner of human services to consult with providers, advocates, Tribal nations, and other interested community members to develop a covered benefit under medical assistance 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. The DHS commissioner is required to report findings to the Legislature by October 1, 2025. This effort was led by Olmsted and Scott County advocacy and testimony.

The commission of human services was directed to develop a First Episode Psychosis Coordinated Specialty Care (FEP-CSC) medical assistance benefit, reporting back to the Legislature by December 2026. The commissioner was also directed to consult with MMB, counties, mental health providers, and advocacy groups to develop recommendations for moving from the children's and adult mental health grant funding structure to a formula-based allocation structure for mental health services. The recommendations must consider formula-based allocations for grants for respite care, school-linked behavioral health, mobile crisis teams, and first episode of psychosis programs.

Status: Signed by the governor May 22, 2024 ([Chapter 127](#) Article 57, Section XXXX (988) Article 61, Section 29 (First Episode Psychosis Benefit), Section 30 (Childrens mental health crisis), Section 33 (formula vs grant).

MnCHOICES Administrative Simplification ([SF4955/HF4949](#))

In response to workforce concerns, one of MACSSA's and AMC's priorities this legislative session was to provide flexibility for counties related to the backlog of MnCHOICES assessments and create a more streamlined reassessment process that was shorter and would lead to staff time savings.

Four provisions made up the county priority: 1) allowing to contract assessors to continue completing assessments for PCA service plan recipients 2) eliminate the requirement for annual reassessments or create a streamlined reassessment for individuals who are unlikely to have a change in condition 3) extending the validity of an initial assessment from 60 to 365 days 4) adjusting the timeline for counties to initiate a preliminary assessment from 20 calendar days to 20 working days.

[SF4955/HF4949](#) (Abeler/Fischer) was introduced in March. In the House, the bill received a hearing just ahead of the combined first and second committee deadline but was not included in an omnibus bill. In the Senate, the bill was added to the Senate human services policy omnibus bill, [SF4399](#) (Hoffman) via

amendment. It was removed on the Senate floor because of its potential fiscal impact. During the markup for the Senate omnibus human services finance bill, [SF5335](#) (Hoffman), these provisions were added via amendment. However, counties requested that the portions related to creating a streamlined reassessment be added as a separate amendment so that if it were stripped out of the bill because of DHS concerns the purely policy items could live on. Ultimately, this is what happened. The provisions allowing to contract assessors to continue completing assessments for PCA service plan recipients, extending the validity of an initial assessment from 60 to 365 days, and adjusting the timeline for counties to initiate a preliminary assessment from 20 calendar days to 20 working days was passed into law as part of [SF5335](#) (Hoffman/Noor), the human services omnibus supplemental appropriations bill.

DHS and the Minnesota Hospital Association agreed with and also carried bills with language extending the validity of an initial assessment from 60 to 365 days. However, the other provisions were county-only priorities. DHS also brought a provision forward that counties supported: Eliminating a requirement for two years of home and community-based services experience for MnCHOICES assessors, to assist with the workforce challenges.

It is worth noting that the bill as introduced set a January 1, 2024, effective date for all provisions. Effective dates were changed during the committee process as a technical amendment at the request of DHS. The contract assessors for PCA recipients' provision is effective July 1, 2024, while the provisions providing timeline flexibility for counties are not effective until July 1, 2025.

The Arc provided powerful testimony in support of the county bill and pared down reassessments during the House hearing, however DHS expressed concerns over federal compliance as well as a potential fiscal impact with committee chairs to prevent any action on a shortened reassessment this session. County-State workgroup will continue dialogue on MnCHOICES during the interim.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 1, Sections 13-16).

Acute Care Transitions and Aging services, and Hospital Decompression (HF5280/SF5335)

Transitioning those with acute mental and behavioral health needs from hospitals to a more appropriate setting is an issue that remains tied closely to the 48 rule and the priority admissions taskforce work. Equally, challenges transitioning individuals with disabilities and complex support needs, such as medical complexity, to community-based services remains a persistent challenge for hospitals.

Complexity of support needs remains a challenge. An Acute Care Transitions Taskforce was included in the 2023 human services legislation and that group has been working on recommendations for needs in our broader continuum. DHS and the administration successfully brought forward a proposal this session to develop alternative care transition planning, support those on elderly waivers with high behavioral support needs, and to allow disability waiver workers and PCAs to work in acute care hospitals. The proposal included seeking amendments to federal approved disability waiver plans for rate exceptions and developing and applying for Tribal vulnerable adult and developmental disability targeted case management medical assistance benefits as well as grants for rural early intensive developmental and behavioral intervention providers. Final legislation also included increasing the allowance from \$3,000 to \$5,000 the Transitional Supports Allowance, helping HCBS waiver individuals with their needs in transitioning to the community. In total, acute care transitions for people with disabilities and complex health conditions was funded at \$940,000 (FY25); \$6.2 million (FY26-27).

Related, the Minnesota Hospital association brought legislation seeking to address these challenges that counties raised concerns with and testified against. [SF3989/HF4106](#) sought to ease the administrative timelines for assessments and required authorizations that hospitals see as one of the barriers to discharge. However, counties testified that just requiring a tighter deadline without the administrative simplification or the workforce available to do the work was not going to effectively address the problem.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 1, Section 30 (PCA), Section 36 (disability waivers), Section 40 (Transitional allowance) Section 41 (Tribal) Section 38 (Rural EIDBI).

Aging Services (HF 5280/SF 5335)

The shortage of community providers for those aging and needing home and community-based services continues to be a challenge. Seeking to address this, a new process was established for requesting elderly waiver budget exceptions and elderly waiver rate exceptions for individuals awaiting discharge from a hospital whose needs cannot be adequately met in the community without additional resources. These changes will be effective January 1, 2026, and will require assisted living facilities supervisors and direct care staff to provide training on mental illness and de-escalation to better meet the needs of residents. Additionally, legislation requires DHS to perform an analysis and submit to the Legislature by December 31, 2025, recommendations to reform the home and community-based services system to better serve older adults with high support needs. Lastly, funds that were originally dedicated last session for the financially distressed nursing facility loan program (now that it has completed its first RFP) will be transitioned to be eligible for use for long-term services and supports.

Status: Signed by the governor May 22, 2024 ([Chapter 127](#), Article 47 Section 6-7 (De-escalation), Section 16 (LTSS loan program), Section 17 (Budget exceptions)).

Dakota County Disability Services Workforce Shortage Pilot Project ([HF4940](#) / [SF4931](#))

Dakota County received one-time funding of \$603,000 (FY25) to develop a Dakota County Disability Services Workforce Shortage Pilot Project. The funds are to be used to develop innovative solutions to the disability services workforce shortage, with up to \$250,000 of this amount must be used to develop and test an online application for matching requests for services from people with disabilities to available staff, and up to \$250,000 of this amount must be used to develop a communities-for-all program that engages businesses, community organizations, neighbors, and informal support systems to promote community inclusion of people with disabilities.

Status: Signed by the governor May 22nd, 2024 ([Chapter 127](#), Article 53).

Guardianship Liability and Immunity and Taskforce ([HF3483/SF3438](#)) ([HF5216/SF5337](#))

Following recent legal action on a 2022 case *Zika v. Elder Care of Minnesota*, the Minnesota Legislature took up and discussed the immunity awarded legal guardians based on language of Minn. Stat. § 524.5-313. There were several very heated committee hearings across judiciary and human services jurisdictions on this issue, as disability advocates and guardians disagreed on the appropriate level of liability and immunity. Advocates were successful in getting the Legislature to eliminate blanket immunity for guardians who abuse those under their care, changing the law to waiving liability “except for acts or omissions that result in harm to the person subject to guardianship and that constitute reckless or willful misconduct, or gross negligence.” Guardians spoke to concerns about the viability of finding and contracting with guardians with changes to liability and immunity.

A taskforce was created to look further into the broader status of guardianship in Minnesota. Counties rely heavily on outside guardianship agencies and contracts for services, so sought a MACSSA participant on the taskforce created in legislation alongside the change in law. The task force must make recommendations to address concerns and gaps related to guardianships and less restrictive alternatives to guardianships in Minnesota and will report to the Legislature by January 14, 2027.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 46 Section 39 and [Chapter 123](#), Article 15).

Food Security, Summer EBT and SNAP Expansion ([HF5267/SF5386](#)) ([HF4517/SF4402](#))([HF5317/SF5385](#)) ([HF4571/SF4699](#))

One of the top administration priorities this session was for the Legislature to allocate funds to provide the required 50 percent state administrative funding match for Minnesota to participate in the new U.S. Department of Agriculture (USDA) Summer Electronic Benefit Transfer Program (Summer EBT), which officially launches in summer 2024. Although Summer EBT eligibility figures are not final, FNS estimates that over 400,000 children in Minnesota will be eligible for Summer EBT benefits. Under Summer EBT, participants would each be eligible for a benefit of \$120 over the summer months. Summer EBT benefits will come in the form of pre-loaded cards that families can use to purchase groceries. Participation is estimated to bring in more than \$49 million in federal funds annually to benefit Minnesota families. Summer EBT program will become a responsibility of the new DCYF agency once it is operational. While

Summer EBT will be administered by the state rather than county human services agencies, it does dovetail with the other economic supports provided to children and families through the county. This was funded with an annual \$10.2 million appropriation to DHS, with the Summer EBT program also funded at DCYF with \$3.424 million (FY24-25); \$1.144 million (FY26-27).

In additional food security legislation, the Children and Families bill made an additional \$5 million one-time appropriation to fight food insecurity, with \$2 million going to food shelves, \$2 million to food banks, and \$1 million to the American Indian food sovereignty funding program. With last minute amendments to the Human Services Omnibus bill, this funding was matched in that bill with \$1 million to the American Indian food sovereignty funding program, \$1.4 for the Minnesota food shelf program, and \$2.6 for regional food banks.

[SF4402](#) also saw reforms to how SNAP is administered in Minnesota. SNAP eligibility for students in higher education was reformed with new guidance to be provided to lead agencies about eligibility for students. DHS must also design a new application for higher education institutions. This stemmed from advocacy from several student groups and Legal Aid. AMC supported technical changes to ensure administration of the new benefits would not create a new undue burden for county staff. The bill saw SNAP \$95,000 (FY25); \$222,000 (FY26-27) for SNAP eligibility to be expanded for college students, with most costs being born by federal benefits paid.

Status: Signed by the governor May 18, 2024 ([Chapter 115](#), Article 13, Sections 1-5 (Higher Ed SNAP), Article 22 (Summer EBT)) and May 22, 2024 ([Chapter 127](#), Article 53).

Housing and Homelessness ([HF5036/SF5205](#)) ([HF4950/SF5032](#))

Housing and Homelessness issue find their home in many different areas. Within the human services budgets, several provisions moved forward this year. Rep. Heather Keeler led advocacy for studies into Emergency Shelter Needs Analysis for LGBTQIA+ Youth Experiencing Homelessness and a Pregnant and Parenting Homeless Youth Study. These will be administered by Propel Non-profits and the Wilder Foundation. There will also be a Needs analysis done of emergency shelter needs for transgender adults experiencing homelessness, which was appropriated \$102,000 to complete.

A workgroup was also established to examine simplification of supportive housing services. The workgroup of 19 members is charged with producing a report due January 15, 2026. It does not include an AMC appointment but includes representatives from Hennepin and St. Louis Counties.

A legislative directive was also given to DHS to work with the Minnesota Housing Finance Agency to report on various agency activities to reduce homelessness and report back by January 15, 2025. The legislation also includes declarative statement that homelessness is a pressing public need.

There was significant discussion as to where the human services related housing programs should be housed – DCYF or DHS. A proposal was made in conference committee to create a new Assistant Commissioner level position on housing at DHS. While legislation on this issue ended up aligning with the Administration’s original DCYF structure proposal, soon after session the administration reallocated several economic supports housing programs to a new structure at DHS that very much mirrored the legislation proposed.

Status: Signed by the governor March 20, 2024 ([Chapter 115](#) Article 14, Sections 1&2 (studies), Article 22) and May 22, 2024 ([Chapter 127](#), Article 51, Section 4 &5 (workgroups)).

Human Services Response Contingency Account ([HF5280](#) / [SF5335](#))

The governor’s 2024 supplemental budget included \$10,000 from the general fund to establish a Human Services Response Contingency Account. This account would be available to respond to emerging or immediate needs related to supporting the health, wealth, or safety of people and for which non other funding source is available. Modeled after funding in MDH for the Public Health Response Contingency Account, DHS’s commissioner sought nimbleness and flexibility to respond to emergencies that take place outside legislative session and the biennial budget process – particularly motivated by the experiences of the COVID-19 pandemic and the utility of the State Fiscal Recovery Funds from the American Rescue Plan.

This funding was criticized by the minority party as a “slush fund” with little accountability, with arguments that this circumvents the legislative role of legislators and does not have clear or narrow enough parameters for eligible uses. The uses as defined are for “services, supplies, and equipment to support the health welfare or safety of people; training and coordination with service providers, Tribal nations and local government entities; communication and outreach to impacted people; information technology, or staffing.” DHS is also allowed to transfer money within DHS and to the Department of Children, Youth and Families for eligible uses. DHS must report on use of the funds annually to the Legislature on March 1 each year.

Interestingly, there is a trigger in legislation to allow for the MMB commissioner to transfer money from the Minnesota forward account or the Minnesota climate innovation authority account, or the state competitiveness fund account to respond to emergent needs or maximize federal funding opportunities – capped at \$100,000,000.

Chair Noor indicated this funding’s eligibility to be shared or spent with counties for their needs is part of the legislative intent and that counties could explore utilizing this money for issues like emergent homelessness needs.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 52).

Administrative Requirements in Targeted Case Management and Disability Services ([HF4360/ SF4176](#)) ([HF4203/ SF4268](#)) ([SF3736/HF3940](#)) ([HF4568/SF4420](#)) ([HF5280/SF5335](#))

Several items proposed this year fell into the category of creating additional requirements for counties in the area of disability or aging services. Chair Noor brought forward a proposal to require counties that contract for targeted case management to initiate an RFP at least every two years and ensure evaluation criteria included maintaining culturally specific programs to meet the needs of the population of the county. In working with the Chair and DHS, AMC was able to amend the language to address concerns this onerous process would impact the desired effect of increasing the availability of culturally appropriate services. While the final bill language expanded which case management types this would apply to, the requirement for counties that already RFP for contracted case management to ensure that the county maintains a culturally responsive program for case management services adequate to meet their population needs, it doesn’t require counties to RFP or do it on a specific timeline.

Additionally, there were several advocacy groups that raised concerns about counties creating barriers to access to services or informed choice services such as technology. At request of Legal Aid a new mandate was created for lead agencies to share with a waiver participant and/or legal representative an explanation of how the participant's consumer-directed community supports services budget was calculated, a copy of the formula used to calculate the budget, and information about the participant's right to appeal. At request of ARRM, lead agencies were also explicitly barred in legislation from creating or implementing policies in addition to or inconsistent with DHS policies or federal law around consumer-directed supports. Lastly, at request of Healthy-Med, a new allowance was made for counties to establish partnerships with enrolled MA providers to evaluate the benefits of informed choice in accessing assistive technology home and community-based waiver services; this language was permissive and exploring this type of partnership was not required.

Status: Signed by the governor May 22, 2024 ([Chapter 125](#), Article 46, Sections 12,17,20,27 (Contracted TCM), Section 22 (lead agency communication mandate), Section 23 (lead agency policies), Section 33 (technology in HCBS)).

CHILD WELLBEING

Children and Families Finance ([HF 2476](#)/[SF2437](#))

In the House, children and families' issues fell within the jurisdiction of Rep. Dave Pinto's (DFL-Saint Paul) Children and Families Finance and Policy committee. In the Senate, the issues fell within the jurisdiction of the Health and Human Services committee chaired by Sen. Melissa Wiklund (DFL-Bloomington) which also includes jurisdiction over health care and other issues that align with other House committees. This mismatch of jurisdictions has often led to some confusion about bill paths and end of session negotiations. And this year was no different.

For the most part, Sen. Wiklund and Rep. Pinto had many shared priorities this session which resulted in fairly smooth waters for discussion on children and families' issues. Ultimately, omnibus bill provisions related to children and families were gathered and moved out of the omnibus health and human services bill and inserted in the omnibus K-12 education finance bill in the final days of session. This was a maneuver decided on as the fate of the larger health and human services finance bill was murky and because the governor and lawmakers did not want to risk not passing some key children and families' priorities.

The final legislation spends \$35.22 million (FY24-25), \$25.47 million (FY26-27) across all agencies on children and families' priorities.

Several provisions that AMC and MACSSA worked on are reflected as part of this final deal:

- \$10 million for SSIS and an accompanying policy directive to the Department of Human Services (DHS) to consult with counties.
- \$136,000 for an SSI/RSDI reporting tool and report.
- \$136,000 for a child maltreatment reporting system study.
- Small funding for Minnesota Indian Family Preservation Act (MIFPA) modifications.
- \$275,000 (FY24-25) and \$638,000 (FY26-27) for Child Mortality Review Panel modifications.
- \$1 million for the Supreme Court Council on Child Protection.

Additional items of note include:

- \$10.2 million (FY24-25) and \$10.3 million (FY26-27) for summer EBT programming.
- \$5.4 million (one-time) for food security grants – divided between food shelf programs, American Indian food sovereignty and Minnesota food banks.
- \$1.02 million (FY24-25) and \$8.1 million (FY26-27) for DCYF, including funding and staff for an intergovernmental advisory council (IAC).

- \$1.6 million (FY24-25) and \$3.2 million (FY26-27) for additional transition dollars to DCYF.
- Supplemental Nutrition Assistance Program eligibility, expanded for college students.
- \$102,000 for a pregnant and parenting homeless youth study.
- \$1.1 million (one-time) for childcare improvement grants.
- Reduction of \$2.8 million for DHS Central Office administration.

Unfortunately, counties had consulted on and supported a bill that would direct DHS to contract with a third party to conduct a comprehensive child welfare fiscal analysis that did not move forward.

Reference Materials:

- [2024 MN Session Law Chapter 115](#)
- [Spreadsheet of final agreement](#)

Status: Signed by the governor May 18, 2024 ([Chapter 115](#)).

African American Family Preservation and Child Welfare Disproportionality Act ([HF912/SF716](#))

For the last several sessions, AMC and MACSSA actively engaged with advocates seeking solutions to disparities in our state's child welfare system. Heading into this session, SF716/HF912 (Champion/Agbaje) contained elements that counties found difficult to support, particularly around the standard for statewide implementation of active efforts to all African American families and children by 2026 and permanency provisions that we believe would have resulted in kids languishing in care. There was also ambiguity in how case plans would be utilized moving forward and the need to create definitions for the expanded category of children and families disproportionately represented in the Minnesota Child Protection system.

Counties' work and significant stakeholder work is reflected in the final bill which includes:

- Phased implementation beginning with Hennepin and Ramsey counties in 2025 and statewide implementation slated for January 2027.
- Clarification of permanency language.
- \$5 million to support early implementation.
- Funding to support the African American Child Wellbeing Unit at DHS and development of culturally responsive programming.
- Formation of an ongoing workgroup to inform statewide implementation which includes MACSSA, AMC, the Minnesota Inter-County Association, MN County Attorneys Association, Ramsey and Hennepin Counties, and others.

Finally, AMC and MACSSA will continue to work with the legislative budget office (LBO) and DHS on a local impact assessment and continue to build broad legislative support to make sure that county needs are adequately addressed moving forward.

Status: Signed by the governor May 21, 2024 ([Chapter 117](#)).

Children's Mental Health ([HF5247](#))

Several children's mental health provisions were passed as part of the omnibus health and human services finance bill, which did not pass on its own. Instead, the conference committee report was rolled into the omnibus tax bill in the final hours of the legislative session. References in this review are from the session law reflective of the tax bill.

- Section 3: Modifies eligible children's respite services for grantmaking purposes.
- Section 10: Requires children's day treatment services license holders to maintain policies and procedures related to medication storage and observe self-administration of medication. Requires programs allowing self-administration to maintain documentation from a licensed prescriber regarding the safety of medications held by clients.
- Section 23: Expands MA coverage for skills training related to child and family psychoeducational services.
- Section 24: Technical change related to children's therapeutic services eligibility.
- Section 25: For children's therapeutic services and supports, allows treatment by multiple providers within the same agency at the same clock time if one service is provided to the child and the other service is provided to the family or treatment team without the child present.
- Section 30: Directs the commissioner of human services to consult with providers, advocates, Tribal Nations, and other interested community members to develop a covered benefit under medical assistance 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. This section further requires the commissioner to report findings to the Legislature by October 1, 2025.
- Section 33: Requires the commissioner of human services to consult with the commissioner of management and budget, counties, Tribes, mental health providers, and advocacy organizations to develop recommendations for moving from the children's and adult mental health grant funding structure to a formula-based allocation structure for mental health service. Requires the recommendations to consider formula-based allocations for grants for respite care, school-linked behavioral health, mobile crisis teams, and first episode of psychosis programs.

Reference Materials:

- [Conference committee report](#)
- [Final spreadsheet](#)
- [Session law, as passed in the omnibus tax bill](#)

Status: Signed by the governor May 24, 2024 ([Chapter 127](#))

Public Health

For additional information on this section, please contact Kari Oldfield-Tabbert, Policy Analyst, at 651-789-4354 or koldfield@mncounties.org.

OVERVIEW

Public health-related provisions were included in numerous omnibus and standalone bills passed this session. AMC and the Local Public Health Association (LPHA) advocated to ensure local public health needs and priorities were represented in areas across various committees. Of note, discussions elevated significantly throughout session related to the safety of drinking water, with provisions impacting drinking water quality passing through numerous committees and being included in several omnibus bills. Advocacy continued this session focusing on the importance of investing in local public health, the need for investment in upstream prevention to prevent challenges before they start, cannabis and substance use prevention, local public health workforce needs, and addressing community-specific health needs.

Health and Human Services Provisions ([SF 4699](#)/[HF 4571](#))

The 1,400+ page omnibus “tax bill” containing provisions related to numerous areas also included Health and Human Services Supplemental Budget provisions. The following provisions of interest to local public health were passed in that bill:

- **340B Drug Pricing** – Requires that 340B Drug Pricing Program entities register with the commissioner and sets reporting provisions for covered entities. Reporting includes aggregated cost for prescription drugs, aggregate payment amount received for drugs obtained under the program, and number of units dispensed. It also establishes a fine for failure to report and requires an annual report to the Legislature.
- **988 Line** - Updates language from last session related to the 988 telecommunications fee and imposes a 12 cent per month telecommunication fee to fund and maintain the 988 line.
- **Community Health Assessment Reporting Requirements for Hospitals** - Requires nonprofit hospitals to make available to the public and submit to the commissioner of health, by January 15, 2026, the most recent community health needs assessment. Each time the hospital conducts a subsequent community health needs assessment, the hospital must make it available to the public and submit to the commissioner. They are also required to submit activities identified as community health improvement services with a cost of \$5,000 or more and create and make available a community benefit implementation strategy.
- **Fetal Movement Tracking Program** - Creates a pilot program related to providing education on tracking of fetal movement for stillbirth prevention with materials for the program shared through various means including WIC clinics. It also requires that data be tracked related to the number of materials distributed or obtained, reach of the program, and data on fetal death rates in Minnesota.
- **Insulin Manufacturer Registration Fee** – Requires the Minnesota Board of Pharmacy to assess each insulin manufacturer an annual registration fee of \$100,000. Funds will be deposited into an insulin safety net program account to reimburse manufacturers for insulin dispensed under the insulin safety net program.
- **Loan Forgiveness for Physicians** - Adds physicians serving rural or underserved communities to the health professional education loan forgiveness program.
- **Pharmacists Administration of Vaccines** - Permits pharmacists to administer influenza and COVID-19 vaccines to those over three years of age and other FDA approved vaccines to those over six years of age. Also requires the pharmacist to inform the adult accompanying a minor of the importance of a well child visit. Further, it ensures that Medical Assistance covers vaccines initiated, ordered, or administered by a licensed pharmacist.

- **School-linked Behavioral Health Grants** - Provides \$3,000,000 in FY 2025 for school-linked behavioral health grants.

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#)).

Opiate Liability Provision ([SF 5335/HF 5280](#))

The Human Services Finance bill contained a provision AMC and LPHA were supportive of that released liability for distribution and administration of opiate antagonists. The language specifically states: "A local unit of government, if acting in good faith, may distribute and administer an opiate antagonist that is obtained pursuant to paragraph (a) without being subject to civil liability or criminal prosecution for the act."

Status: Signed by the governor on May 24, 2024 ([Chapter 125](#)).

Cannabis Funding Reduction for Public Health Prevention Funds ([SF 5335/HF 5280](#))

Last session, local and Tribal public health were funded at \$10 million per year, on an ongoing basis, focused on cannabis prevention beginning in FY 2025. The 2024 Human Services Finance Conference Committee language was released publicly the Friday evening before the end of session, approximately 2.5 hours prior to it being heard in conference committee. The conference report included a new provision that cut \$3.6 million per year of the \$10 million in local and Tribal public health cannabis prevention funds away from local public health and put the funds towards other programs. The legislation included language that requires the reduced funds only come from the local public health share; the Tribal share will not be reduced. This cut to the local public health funds begins in FY 2026, leaving \$6.4 million in base funding in FY 2026 and beyond. AMC and LPHA quickly responded to express significant concerns with the provision and advocate for restoration of the funds. This change generated significant discussion in committee and on the floor. The reduction in the cannabis prevention funds (by more than a third) will result in a significant reduction in the prevention-focused outreach that local public health will be able to do beginning in FY 2026.

Status: Signed by the governor on May 24, 2024 ([Chapter 125](#)).

Changes Around Eligible Uses for Local Public Health Cannabis Funding ([HF 4757/SF 4782](#))

The Cannabis-focused bill contained language changing how the local and Tribal cannabis funding can be spent. Specifically, it widens eligible uses of the funds to add preventing use of other substances, including cannabis, using the following language: "The commissioner of health shall distribute grants to local health departments and Tribal health departments for the departments to create prevention, education, and recovery programs focusing on substance misuse prevention and treatment options. The programs must include specific cannabis-related initiatives." It also makes similar changes to MDH's youth prevention focused funding to expand use to additional substance prevention and treatment. The language also clarifies that MDH may withhold a total of \$1,094,000 from the \$10 million in local and Tribal grants for the administration of the grants.

Status: Signed by the governor on May 24, 2024 ([Chapter 121](#)).

Human Services Policy Rental Inspections Provision ([SF 4399/HF 4392](#))

Language in the Human Services Policy bill exempted licensed assisted living residential programs under the control of a service provider licensed under statutes governing home and community-based standards and assisted living facilities, with a licensed capacity of six or fewer persons, from rental licensing regulations imposed by any town, municipality, or county.

Status: Signed by the governor on May 17, 2024 ([Chapter 108](#)).

Commerce Policy Vapor Provisions ([SF 4097](#)/[HF 4077](#))

The Commerce Policy bill language contains a provision related to vapor products. Particularly, it focuses on changing the definition of “minor” to clarify that it is someone under 21 years of age, further defines “vapor products”, and goes on to state that vapor products should not use deceptive marketing practices by imitating a product that is not a vapor product such as food/candy or attempting to conceal the nature of the vapor product from parents, teachers, or other adults.

Status: Signed by the governor on May 21, 2024 ([Chapter 114](#)).

Clean Water Fund ([HF 4142](#)/[SF 5116](#))

The Clean Water Fund had several appropriations to various departments. Of interest to local public health, there was an allocation of \$384,000 in FY 2025 to the Minnesota Department of Health for developing health-risk limits for contaminants in Minnesota drinking water, to certify private laboratories to conduct analyses for contaminants, and to increase the capacity of the MDH’s laboratory to analyze for contaminants. It also provides \$2,790,000 in FY 2025 for managing a voluntary program in southeast Minnesota 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 and report on progress.

Status: Signed by the governor on May 17, 2024 ([Chapter 106](#)).

Arts and Cultural Heritage Fund ([HF 4142](#)/[SF 5116](#))

The Arts and Cultural Heritage Fund section included a funding provision dedicating \$100,000 to the Community Identity and Heritage Grant Program for a grant to an organization to provide boxes of essentials to mothers in the state. The organization must consult with the commissioner of health to develop and distribute the boxes.

Status: Signed by the governor on May 17, 2024 ([Chapter 106](#)).

Education Policy Bill ([SF 3567](#)/[HF 3782](#))

The Pre-K and K-12 Education Policy Omnibus bill contains the following provisions of interest:

- **Mental Health Education** - Starting in the 2026-2027 school year, school districts and charter schools must provide mental health instruction.
- **Access to Space for Mental Health Care** - Beginning October 1, 2024, to the extent space is available, a school district or charter school must provide a secondary school student with access to space during regular school hours, and to the extent staff is available, before or after the school day, so a student may receive mental health care through telehealth from a student's licensed mental health provider. A secondary school must develop a plan with procedures to receive requests for access to the space.
- **Nurses in Schools** – Makes changes to requirements related to administration of medications by school or licensed nurses. It also permits registered nurses to administer epinephrine auto-injectors in a school setting according to a condition-specific protocol.
- **Eating Disorder Education** - The State High School League must provide school coaches with eating disorder prevention education resources developed specifically for school coaches about the nature and risks of eating disorders, consistent with current medical research.

Status: Signed by the governor on May 17, 2024 ([Chapter 109](#)).

Education Supplemental Budget Bill ([HF 5237/SF 5252](#))

This child-focused omnibus bill contains several provisions of interest to public health, including:

- **Health Education Standards** – Requires the state to enter into a rule making process to set health education standards. The following items must be included in the statewide standards: CPR and automatic external defibrillator education, vaping awareness and prevention, cannabis and substance use education, sexually transmitted infections education, and mental health education. There are several other topics that may be included such as child sexual abuse prevention and violence prevention.
- **Cardiac Emergency Plan** – Permits a school board or a charter school to adopt the model cardiac emergency response plan.
- **Immunization Policies in Day Care Settings** – Permits licensed childcare centers or family providers to adopt a policy prohibiting a child over two months of age from enrolling or remaining enrolled in the childcare center or family childcare program if the child has not been immunized in accordance with Minnesota Rules and is otherwise not exempt from immunizations.
- **Minnesota Food Assistance Program** – Extends the availability of unexpended funds for the Minnesota food assistance program from FY 2024 to make them available until June 30, 2025.

Status: Signed by the governor on May 18, 2024 ([Chapter 115](#)).

Environment and Natural Resources Omnibus ([HF 3911/SF 3887](#))

This bill contains the following provisions related to public health:

- **Polyfluoroalkyl Substances (PFAS) Removal Report** – Requires, by January 15, 2025, the commissioners of the Pollution Control Agency and Health to submit a legislative report with recommendations for strategies and mechanisms to require companies that manufacture, use or release PFAS to pay for the cost of providing safe drinking water to those that have had contaminated drinking water. It also requires inclusion of strategies or fees that the state may use to require companies to prevent or remove PFAS from municipal wastewater facilities and pay for treatment and disposal of PFAS from wastewater facilities.
- **Researching Climate Adaption** - The commissioner of the Pollution Control Agency must research and report the projected costs in Minnesota of climate change adaptation and resilience measures needed to mitigate the projected impacts for at least two different future scenarios. The report must identify what research, data, modeling, stakeholder engagement, and other resources are needed. It specifically highlights the requirement that it include information related to public health, including but not limited to impacts related to emergency response, asthma, heat exposure, and vector-borne illnesses.

Status: Signed by the governor on May 21, 2024 ([Chapter 116](#)).

Jobs and Economic Development ([SF 5289/HF 5205](#))

This omnibus bill contains a provision establishing the Center for Nursing Equity and Excellence within the University of Minnesota, in collaboration with Minnesota State Colleges and Universities. The Center is charged with addressing nursing workforce needs, including issues of health equity, recruitment, retention, and utilization of nursing workforce resources that are within the current scope of the practice of nurses. The center must complete an analysis of workforce needs, develop educational recommendations, gather data, pilot projects, and develop distance learning infrastructure.

Status: Signed by the governor on May 24, 2024 ([Chapter 120](#)).

Food Security Funding ([SF 5335](#)/[HF 5280](#))

The large omnibus tax bill also contains policy and funding for several areas, including several food security-focused provisions including:

- **American Indian Food Sovereignty** - \$1,000,000 in FY 2025 for the American Indian food sovereignty funding program.
- **Minnesota Food Shelf** - \$1,390,000 in FY 2025 for the Minnesota food shelf program.
- **Emergency Food Assistance Program** - \$2,610,000 in FY 2025 is for contracts with Minnesota's regional food banks for the purposes of the Emergency Food Assistance Program (TEFAP). Funding must be distributed in accordance with the federal TEFAP formula and guidelines of the United States Department of Agriculture and must be used by all regional food banks to purchase food that will be distributed free of charge to TEFAP partner agencies. Funding must also cover the handling and delivery fees typically paid by food shelves to food banks.

Status: Signed by the governor on May 24, 2024 ([Chapter 127](#)).

Public Safety & Corrections

For additional information on this section, please contact Emilio Lamba, Policy Analyst, at 651-789-4335 or elamba@mncounties.org.

OVERVIEW

The 2024 Minnesota legislative session was notable for significant advancements in judiciary and public safety. With a larger target than many other committees due to the familiar merging of the Judiciary and Public Safety committees, we saw extensive investments in the Minnesota District Courts system and direct funding for crime victims' services. After adding on an operating adjustment for the Department of Corrections, there was not room for many others asks, including several of AMC's priorities this session.

PUBLIC SAFETY AND JUDICIARY OMNIBUS ([HF5216](#)/[SF5337](#))

Public Safety Appropriations

The 2024 public safety omnibus bill includes \$71 million in funding along with extensive policy changes that aims at improving the delivery of public safety and judiciary systems across the state of Minnesota.

While this session did not include as significant amount of funding for counties compared to last session, there were still notable appropriations that benefit the counties.

- Crime Victim Service Grants – \$9.4 million, one time.
- Digital GIS School Mapping – \$7 million, one time.
- Minnesota Management and Budget (MMB) Office of Addiction and Recovery Task Force – \$150,000, one time.
- Mediation and Restorative Justice Grants – \$50,000, one time.
- Therapy Dogs for First Responders – \$100,000, one time.
- Task Force on Traffic Stops – \$133,000, one time.
- Task Force Domestic Violence and Firearms – \$50,000, one time.
- The Minnesota Supreme Court, Minnesota District Courts, and the Minnesota Department of Corrections received the larger bulk of appropriations this session.
- Expanded Access to Forensic Examiners – \$21.2 million+ \$1.1 million for rate increases, one time.
- Ensuring Access to Court Interpreters – \$5.1 million + \$405,000 for rate increases and travel, one time.
- Safe & Secure Courthouse Grants – \$500,000, one time.
- Enhancing Cybersecurity – \$5.2 million, one time.
- Department of Corrections Labor Contract Settlement Adjustment – \$22.1 million, one time.

Crime Victim Services

\$9.4 million is allocated for fiscal year 2025 to support organizations providing direct services and advocacy for victims of sexual assault, domestic violence, and child abuse. The funding is designated for direct client assistance, competitive wages for service staff, housing-related supports, culturally responsive programming, and prevention initiatives. The intention is to ensure comprehensive support for crime victims, particularly in underserved communities impacted by violence. This is a one-time appropriation that adds to any previously allocated funds, addressing immediate needs and enhancing the support network for victims across Minnesota.

Safe & Secure Courthouse Grants

Safe and Secure Courthouse Initiative received \$500,000 for fiscal year 2024 to enhance courthouse security through a competitive grant program. These grants are intended for various security improvements, including security assessments, installation of bullet-resistant glass, upgrading security equipment, and implementing advanced security measures like key card readers and duress alarms. The initiative aims to protect the safety of courthouse staff and visitors, ensuring that courthouses across Minnesota are secure and accessible. The grant program requires a dollar-for-dollar match from the counties, either in cash or services, to maximize the impact of the funding provided.

Clemency Review Commission

This session the Minnesota Clemency Review Commission completed its establishment and transferred its assets out of the Minnesota Department of Corrections. The Clemency Review Commission continues to reflect Minnesota's ongoing efforts to reform its criminal justice system by providing a mechanism for evaluating clemency applications.

DOC Labor Contract Settlement Funding

The Minnesota Department of Corrections' main legislative ask this session was specific to ensuring the labor contract settlement and was ultimately fully funded. Included within the governor's recommend budget was \$22 million to the DOC for the AFSCME labor contract which was negotiated to include historic wage increases to address the critically low staffing levels and enhance overall recruitment and retention of correction officers. Correctional officers will see pay raises ranging from 18% to 34% over the course of a 10-month period, the largest wage increases ever secured for these positions. AMC was able to verify with the DOC that the operating adjustment is specific to corrections officer positions and has no impact on community supervision positions such as probation agents.

POLICIES FOLDED INTO JUDICIARY & PUBLIC SAFETY BUDGET BILL

With three days left to the end of session, there was little movement on the omnibus bill and only rumblings of what might take place. Late Friday, the conference committee was called and acted to fold numerous policies into the budget bill. The following policies were included within the Judiciary and Public Safety Omnibus Budget bill:

Restorative Justice Program in Place of Court Fees

With an increase in the removal of fees assessed within the criminal justice system sweeping through last session, this session picked up in a similar fashion. Rep. Sandra Feist presented [HF3991/SF3987](#) in February and presented it to the Public Safety Finance and Policy committee in March. The bill gained support from both sides of the aisle and was laid over for possible inclusion during conference committee.

The bill that found its way into the Judiciary and Public Safety Omnibus that passed removes the requirement for courts to impose fines on juveniles found to be delinquent and authorizes the Office of Restorative Practices to issue grants to provide restitution funds that allow a victim of a juvenile offense to obtain monetary compensation to satisfy the restitution obligations of a child who participates in a restorative program.

Delinquency Age Change

Originally introduced by Rep. Dave Pinto & Sen. Sandra Pappas as [HF3671/SF3694](#), was the change in the age of delinquency from 10 to 13. The new law will change the definition so that children under 13 will no longer be subject to juvenile delinquency proceedings. Advocates argued these changes were needed in hopes of shifting the focus towards more age-appropriate interventions and support services. While AMC supports the focus on increasing age-appropriate interventions, many variables are left unaddressed, and the change will inadvertently lead to children falling through the cracks without adequate oversight or intervention. Due to constraints at the Legislature on funding, AMC was unsuccessful in establishing a workgroup of key stakeholders to address various variables that are left unaddressed with the passage into law.

AMC was able to successfully obtain an effective date kicked out until 2026, allowing opportunity for the 2025 session to see changes.

Telecommunication Report Due

Following suit of the state agencies, two bills were introduced this session ([HF4438/SF4387](#) & [HF4439/SF4388](#)) by Sen. Oumou Verbeten and Rep. Esther Agbaje which aimed to eliminate telecommunication fees for incarcerated individuals in confined facilities. AMC's goal was to ensure that the removal of these fees would not cause a removal of programming or overall shortfall of the facilities that would impact the quality of confinement. AMC worked with the Minnesota Sheriff's Association and the author of the bill, Sen. Oumou Verbeten to analyze the immediate impact.

As a result of the collaboration, it was determined that [HF4438/SF4387](#) which is specific to state operated facilities would be included in the Public Safety Omnibus Bill for passage. [HF4439/SF4388](#) which extends the removal to county and Tribal operated facilities, would require a report to be due to the commissioner of corrections on the total number of phone calls, text messages, video visits, etc. and the revenue generated from the collection of fees. Additionally, the use of the commission generated will be included in the report.

The elimination of telecommunication fees is part of a broader effort to address inequities within the criminal justice system. AMC supports the growing recognition of the importance of maintaining family ties and providing supportive resources to those affected by incarceration while also standing firm that the Legislature fills any funding and programming gaps left by the displacement of telecommunications revenue streams, just as the Legislature did with state facilities a year earlier.

Digital GIS School Mapping

This legislative session saw significant advancements on the application of Geographic Information Systems (GIS) technology through new legislation. The bill that was passed into law mandates the integration of GIS technology to enhance the mapping of local schools. The largest driving factor behind this legislative shift is need for improved emergency response systems. This law would aim to improve decision-making and resource allocation by utilizing mapping databases that will be strictly only accessible to defined state agencies and local governments.

The \$7 million in allocated funding intended to be utilized for the development and maintenance of these GIS databases, will ensure they remain current and accurate as well as provide for training of government staff in the use of GIS tools.

Status: Signed by the governor May 24, 2024 ([Chapter 123](#)).

SCHOOL RESOURCE OFFICERS

Grounds for Reasonable Force Clarification ([HF3489/SF3534](#))

In March 2024, Minnesota Governor Tim Walz signed into law a bill that clarifies the use of prone restraints by School Resource Officers (SROs). This legislation was introduced to address the confusion and operational challenges caused by a 2023 law that restricted the use of physical restraints by school personnel, including SROs. The new bill clearly specifies that SROs, who are not considered school employees, can use prone restraints when necessary to prevent harm to students or others. Additionally, it establishes statewide standards and mandates training for SROs, which will be provided free of charge by the Minnesota Department of Public Safety.

The 2023 law had unintended consequences, leading many law enforcement agencies to withdraw their officers from schools due to fears of potential lawsuits and prosecution for using prone restraints. This mass withdrawal left schools without essential security personnel, prompting concerns about student safety. Attorney General Keith Ellison issued a legal opinion attempting to clarify that the changes did not alter the standards of reasonable force for officers, but confusion persisted. As a result, nearly 40 police agencies had not returned their officers to schools by early 2024.

The passage of the 2024 bill was driven by the need to restore clarity and ensure the safety of students and staff in schools. Lawmakers emphasized the importance of SROs in maintaining a secure learning environment, with bipartisan support recognizing the necessity of clear guidelines and proper training. The legislation, which received input from law enforcement, education leaders, and youth advocates, was seen as a necessary compromise to balance enforcement of safety measures with respect for students' rights. The bill also instructs the Peace Officer Standards and Training Board to develop a model policy for SROs, incorporating feedback from various stakeholders to ensure comprehensive and effective implementation.

Status: Signed by the governor March 14, 2024 ([Chapter 78](#)).

EMERGENCY MEDICAL SERVICES

EMS Emergency Aid ([HF3992/SF3886](#))

\$24 million in emergency aid to EMS operations in rural Minnesota, \$6 million for a sprint medic pilot project, and a new state agency to replace the EMSRB were combined into a single bill that passed the Legislature this session. AMC's focus this session was supporting emergency funding for rural EMS operations. The funding and agency bills traveled separately all session until they were combined into [HF4738](#) late in the session.

\$30 million is a far cry from the \$120 million advocates requested at the beginning of session, but nearly double the recommendation of \$16 million in the global budget agreement between the House, Senate, and governor mid-session. The formula used to distribute funds will go exclusively to license holders in rural parts of the state where financial break-even is nearly impossible. Here is how the formula works:

Policy:

- Excludes the seven-county metro ambulance services except for Ridgeview (mostly rural western Hennepin County).
- Excludes all multiple license holders in the other 80 counties except for Essentia, North Memorial, and CentraCare (excludes Mayo and Sanford mostly).
- After that there are 182 eligible applicants for the emergency aid.

Formula:

- \$24 million (less up to \$60,000 for Department of Revenue to administrate).
- All calculations are done post application window.
- Initial 20% is divided equally amongst all qualified applicants.
- Next 40% is awarded based on square mileage formula (pushes more funding toward larger areas with lower run volumes).
- Last 40% is awarded based on run volume—the “point system” (again, pushes more funding toward rural systems with lower run volumes).

The logic behind this formula is that rural PSA's—large geographic areas, low run volumes, high government payer ratios—are the systems in the most trouble and will benefit most from the aid.

Status: Signed by the governor May 24, 2024 ([Chapter 122](#)).

Transportation & Infrastructure

For additional information on this section, please contact Emily Murray, Policy Analyst, at 651-789-4339 or emurray@mncounties.org

OVERVIEW

AMC's Transportation & Infrastructure Policy Committee priority for the 2024 session focused on support for a bonding bill that included funding for transportation-related programs, including the Local Road Improvement Program, the Local Bridge Replacement Program, the Local Government Road Wetland Replacement Program, and the Busway Capital Improvement Program. Last session, the Legislature passed a record-breaking \$2.6 billion capital investment package with \$1.5 billion in bonding and \$1.1 billion in cash. Last year's capital investment package passed during a non-traditional bonding year, after no bonding bill passed in 2022. Typically, the second year of the biennium – the even numbered year – is considered the bonding year – but as we have seen of late there has been several exceptions to that rule. So, while last year's bill was one of the largest if not the largest bonding bill passed in state history, it was also seen as a makeup bill, which is why we still anticipated another bonding bill to pass this session. Capital Investment Committees in the House and Senate toured projects across the state throughout the fall and winter, and it seemed the stage was set for another successful bonding year. While this did not end up being the case, bonding was still a major topic of discussion throughout session.

On the flip side, after last year's passage of a significant, comprehensive transportation funding bill, it was assumed that any supplemental budget bill would be light in terms of funding additional transportation needs. While some additional transportation policy passed this session, the supplemental funding outlook rang true. Below is a more detailed look at what happened with bonding and transportation issues this session.

BONDING

While AMC was disappointed to see another bonding year end without the passage of a bonding bill, it is starting to seem like the term "bonding year" is somewhat of an anomaly. In recent history, the following bonding years have all adjourned the regular session without the passage of a bonding bill: 2016, 2020 (a significant bonding bill passed during a fall special session that year), 2022, and now 2024. Because a traditional general obligation bonding bill requires a 3/5ths majority vote for passage and therefore requires members of the minority party in both bodies to deliver votes in support of the bill, bonding always becomes a major sticking point during negotiations at the end of session and this year was no different. Despite intentions from the capital investment committee chairs in the House and Senate as well as the minority leads on the committee, bonding did not make it across the finish line during the final days of session. For the statewide transportation programs typically funded in a bonding bill, it was an uphill battle from the start. Here is a look at how things started and eventually ended with regards to bonding.

Governor's Capital Budget Recommendations

In mid-January, before the 2024 legislative session even started, the governor announced his 2024 capital budget recommendations. While his recommendations totaled close to \$1 billion in investments, counties were disappointed to see very little included for statewide transportation programs, with most of the funding going to state agency asset preservation. Of note in his recommendations were the following investments in transportation programs:

- \$4.5 million for the Local Government Road Wetland Replacement Program (\$2.5 million GO bonds and \$2 million GF cash)
- \$40 million for High Priority Bridges (Trunk Highway bridges only)
- \$37 million for the Busway Capital Improvement Program

We were hoping to see continued funding for the Local Road Improvement Program (LRIP) and the Local Bridge Replacement Program (LBRP) to build off the success from last year. It was clear that once session started, counties would need to continue to make a strong case for these programs and the statewide funding need that still existed. At the start of the 2024 session, Speaker Hortman was quoted as saying the House wanted to continue the work started last year, focusing on what Minnesotans care about most, and “what that means this year is really investing in the state’s infrastructure,” examples she cited included wastewater treatment and **local roads and bridges**.

By mid-March, the governor updated and released revised capital budget recommendations in light of the February budget forecast. These revised recommendations included an additional \$10 million – \$8.558 million in general fund cash and \$1.442 million in GO bonds – to the Minnesota Board of Water and Soil Resources for the Local Government Road Wetland Replacement Program, bringing the total to \$14.5 million. AMC was happy to see this increase before the Legislature unveiled their proposals.

2024 Capital Budget Bills ([HF5220](#)/[HF5162](#))

After the disappointing numbers included for transportation in the governor’s capital budget recommendations (except for the governor’s revised recommendations for the local Government Road Wetland Replacement Program as noted above), AMC was hoping that the Legislature would come through in its proposals and provide funding for local roads and bridges.

In the meantime, legislative leaders in both the House and Senate introduced individual bills [([SF3605](#) (Dibble)/[HF3703](#) (Brand))] that would appropriate \$200 million from the bond proceeds account in the state transportation fund to both the Local Road Improvement Program (LRIP) and the Local Bridge Replacement Program (LBRP). SF3605 was heard in the Senate Transportation Committee and AMC/MCEA shared information on the continued need for each program:

On local bridges: Over the next five years, local agencies have identified 948 priority bridge replacement projects, requesting approximately \$282 million in state bridge funds, with approximately \$740 million in total construction costs.

On local roads: During the 2023 LRIP competitive solicitation process, MnDOT State Aid received 378 applications requesting \$417.1 million in LRIP funding for the \$103 million appropriated last session. In total, the LRIP Advisory Committee approved 86 projects for grant funding to counties, state aid cities, non-state aid cities, townships, and Federally Recognized Indian Tribes for construction, reconstruction, or reconditioning projects.

Fast forward to Sunday, April 28, when the delete-everything amendments were posted for what would become the 2024 GO Bonding Bill (HF5220) and the 2024 GF Capital Investment Bill (HF5162) and **unfortunately, the amendments included zero investments in LRIP, LBRP, and the Busway Capital Improvement Program and only \$3.862 million in GO bonds for the Local Government Road Wetland Replacement Program**.

It should be noted that the House and Senate delete-everything amendments included \$37 million in GO bonds for the Major Local Bridge Replacement Program, which allows for grants to political subdivisions for replacement or rehabilitation of a major local bridge with a total bridge cost estimate of \$7 million or more. While this funding would go towards local bridges, it would not go to as many projects as would be funded under the LBRP generally.

Eventually during adoption of the delete everything amendments in the House Capital Investment Committee, HF5220 was amended to include the following for AMC-supported local road and bridge programs, which was a significant improvement and step in the right direction for statewide transportation programs:

- Local Government Road Wetland Replacement Program: \$2.5 million GO bonds.
- Local Road Improvement Program: \$36.161 million GO bonds.
- Local Bridge Replacement Program: \$20 million GO bonds.
- Major Local Bridge Replacement Program: \$35 million GO bonds.

The House Ways and Means Committee took up the bills with the above numbers and recommended them to pass. The Senate Capital Investment Committee eventually adopted the same numbers for these programs during a hearing in the final week of session. On the same day, the House and Senate Capital Investment Committees held a joint hearing to discuss a local project spreadsheet. Since the day the bills were unveiled, there had been a placeholder appropriation of \$300 million in general obligation bonds for Library Construction Grants. This placeholder was to be divvied up by each caucus in the House and Senate and appropriated for priority local projects. During the joint hearing, Chairs Lee and Pappas released a local project spreadsheet that included projects in both DFL and Republican districts, but they did not have any input from minority leads Rep. Urdahl or Sen. Housley on the list. Rep. Urdahl and Sen. Housley stated in committee that they were hesitant to reveal their priority local project list until there was a bonding target.

In the final few days of session, the Senate Finance Committee met to take up the two bonding bills. Senate Capital Investment Committee Chair Pappas presented an updated spreadsheet that reflected continuing negotiations with the administration, which included a need for additional funding for asset preservation for the University of Minnesota and Minnesota State, which required cuts to other areas, including wastewater treatment and local roads and bridges in particular. Below are the numbers that were presented during the Senate Finance Committee hearing:

- Local Government Road Wetland Replacement Program: **eliminated funding** (was at \$2.5 million GO bonds).
- Local Road Improvement Program: \$25.578 million GO bonds (was at \$36.161 million).
- Local Bridge Replacement Program: \$14 million GO bonds (was at \$20 million).
- Major Local Bridge Replacement Program: \$25 million GO bonds (was at \$35 million).

The Senate Finance Committee laid the bills over, noting that the committee did not need to take any official action since bonding bills must originate in the House. We expected the final bonding package to reflect the investments included above and presented in Senate Finance, though they were never officially adopted by the House or Senate.

It was a tumultuous battle to maintain funding for local roads and bridges within the bonding proposals throughout session. The chairs made several comments during committee hearings referencing the significant investments made in the 2023 bonding bill as a reason why some programs weren't seeing the funding they were hoping for in this year's bill. While true, the 2023 bonding bill was also a makeup bill for no bonding in 2022. We know that Capital Investment Committee Chairs and leadership in the House, Senate, and administration were negotiating bonding up until the very last minutes of session, but negotiations must not have made it to a place where either the House or Senate felt they had a supermajority of votes to pass a bonding bill, which is what ultimately led to the last minute attempt to pass a cash-only bill (see below).

Capital Project Preservation Fund (HF3582/SF3782)

In the first weeks of session, before the 2024 Capital Budget Bills were introduced, House and Senate Capital Investment Committee Chairs – Rep. Fue Lee (DFL-Mpls.) and Sen. Sandy Pappas (DFL-St. Paul) – introduced a policy proposal that would require local governments that receive state funding for capital projects to establish a replacement fund to maintain and replace those projects. At the start, it was not clear which projects would require a capital project replacement fund. AMC argued that because many of these capital projects that receive state funding have a **statewide or regional significance**, the local entity should not be fully responsible for the maintenance and replacement fund. In addition, we voiced concerns that this requirement would divert taxpayer dollars throughout the life cycle of the project that could be used for other local projects or needed purposes, hindering counties flexibility to address the most pressing needs of their communities. In essence, this would limit local government’s ability to make the most of out of limited state and local resources and could result in project delays or fewer projects being completed in a similar timeframe.

As session went on, these individual bills received hearings in several committees and the language was amended to provide some additional clarity to which projects would be required to create an account, but the concerns remained the same. AMC staff had several conversations with the two chairs voicing our concerns with the language as well as discussions with Rep. Dean Urdahl (R-Grove City), the minority lead on the House Capital Investment Committee. Because the two Capital Investment Committee Chairs were the authors behind this idea, it was a legitimate proposal and we needed to ensure county concerns were voiced, but we also heard repeatedly that the idea was in flux and might continue to be scoped down.

After the two 2024 Capital Budget Bills were unveiled at the end of April, the initial proposals did not include this policy provision, which was a positive development (though short lived). A few days later, when both the House and Senate Capital Investment Committees held hearings for markup of the two bills, this language was added via amendment to HF5162/SF5201.

There were some notable changes to the language that was included in the two 2024 GF Capital Investment Bills from what was initially introduced in the underlying bills earlier this session. The biggest change was that the requirement to create these accounts would only apply to a grantee that receives a **direct appropriation of state money** for a capital project. This means it would not apply to a project funded through a state agency grant program, like LRIP or LBRP, **but would apply to any earmarked project unless one of the exceptions applies**. The two exceptions of note that were added would not apply to:

- (1) a grantee that assesses the condition and replacement value of its capital projects through a capital funding budget process which includes an annual long-term budget schedule or capital improvement plan for maintaining capital projects subject to section 16A.642, 16A.695, or 16A.86; and
- (2) to a political subdivision grantee that has an adjusted net tax capacity per capita that is less than the median adjusted net tax capacity per capita of all political subdivisions that are the same type of political subdivision as the grantee.

While the change to a direct appropriation and the exceptions included were seen as an improvement, the language was still vague and concerning. The minimum amount needed to deposit into the account was still undetermined and would be up to the Commissioner of the Department of Administration to determine by capital project type. Furthermore, language assessing a penalty for failure of a grantee to comply was still included.

Going into the final week of session, the House Ways and Means Committee included this policy language in the final version of HF5162 that was sent to the House floor as did the Senate Capital Investment Committee during the committee's final hearing of the session. The language limiting this to direct appropriations and the exceptions remained, but the exception that allowed for a grantee with a CIP to be exempt was updated to state that a the capital improvement plan document forecast **at least ten years** of known capital projects for use in budget forecasting (when a typical CIP forecasts for five years). Additionally, we found out through conversations with the Department of Administration that it was likely the minimum deposits would be less than 1% of the appropriation of state money, as the fine/penalty for noncompliance would be 1% of the appropriation of state money.

HF5162 which contained this language was added the House Calendar for the Day on Saturday, May 18 but was never brought up. The companion bill, SF5201 was heard in the Senate Finance Committee but was laid on the table. Surprises can happen on the last weekend of session and as you read below, this policy language reappeared in the cash-only bill that was brought up on the House and Senate floor in the final minutes of session, but ultimately did not pass.

Capital Investment General Fund Bill (SF4225)

On May 18, the 2024 House Capital Budget Bills, HF5220/HF5162 were placed on the House Calendar for the Day but were never taken up for a vote. By Sunday afternoon, the chances for a bonding bill seemed slim, though leaders mentioned during press availability that negotiations were still taking place. Ultimately, in the final minutes of the 2024 session, SF4225 as amended, became the "Cash-Only" Capital Investment General Fund Bill and was brought up on the House floor. A delete-everything amendment was posted on the House floor Amendments page, but the webpage was unavailable to show the language. According to comments on the House floor, members had access to a spreadsheet for the bill, but nothing was available to the public.

AMC staff were unable to see the language of the bill (that had already been voted on!) until the next day. The bill totaled \$71 million in general fund cash investments but included **zero funding for local roads and bridges** or the Local Government Road Wetland Replacement Program. The bill **did include the Capital Project Preservation Fund** policy language.

While the House passed the bill by a vote of 70-0, by the time it reached the Senate the vote did not have enough time to make it through before midnight. Since we did not see the language before it was up for a vote, it was hard to know whether it was a win or a loss that it did not pass. Ultimately, with no investments in the AMC priority statewide transportation programs *and* with the inclusion of the concerning policy language, it seems like a small win in some regards, but it also adds 2024 to the list of bonding years that ended **without the passage of a cash or bonding bill**.

Status: Did not pass.

TRANSPORTATION SUPPLEMENTAL FUNDING

The 2023 session was a historic year for transportation funding with the passage of the first comprehensive transportation funding bill that included increases to the constitutionally dedicated transportation funding sources since 2008. Because of this, it was expected to be a light year for supplemental transportation funding in 2024. Much of the focus on transportation funding this session was tied to policy provisions with a corresponding funding element, which were included in the Transportation Supplemental Budget Bill as well as a separate Transportation Policy Bill that you will read about below.

Transportation Supplemental Budget Bill (HF5247)

This session, transportation supplemental funding provisions were combined with Housing and Labor to become [HF5242](#) the Omnibus Transportation, Housing, and Labor Supplemental Appropriations Bill. The conference committee for HF5242 wrapped up its work on Wednesday evening during the final week of session. Fast forward to the final weekend of session – after reaching a compromise on the Uber/Lyft driver pay provision late on Saturday, May 18 – it was announced that the HF5242 Conference Committee Report would be opened to include this compromise language. The conference committee met on the final day of session to adopt this language and then in the final hour of session, it was announced that the Transportation, Housing, and Labor provisions would be added to the mega-omnibus Tax Bill, HF5247, which is where the language finally resides. Below are a few highlights of the transportation supplemental finance provisions included in the bill as well as some of the policy provisions that AMC worked on throughout session.

Transportation Supplemental Finance Provisions

When budget targets were first announced, transportation was only given a \$2 million general fund target for supplemental spending. By the end of session—when the final conference committee report was released—the number had doubled to just over \$4 million in total general fund spending. However, in order to fund some of the provisions that were included, they relied on canceling appropriations that were made last session.

- **\$4.043 million** total general fund target.
- **\$3 million** from the Trunk Highway Fund for statewide and regional travel demand modeling related to GHG Impact Mitigation Assessment.
- **\$800,000** from the Trunk Highway Fund for grants to metropolitan planning organizations outside the metro area for modeling activities related to GHG Impact Mitigation Assessment.
- Authorizes new Trunk Highway Bonds to allow for **\$15 million** for State Road Construction and **\$15 million** for Corridors of Commerce.
- **\$11.35 million** for Small Cities Assistance (cancels a 2023 appropriation of \$11.35 million for federal IIJA discretionary grant matching funds)

Transportation Policy Provisions

The following are a handful of policy provisions included in the supplemental funding bill that AMC worked on directly throughout session.

MN Advisory Council on Infrastructure – this language was the result of the work of the Infrastructure Resilience Advisory Task Force that was created during the 2023 session and met throughout the interim. Clay County Commissioner Paul Krabbenhoft represented AMC on the task force. The purpose of the MN Advisory Council on Infrastructure is to define and maintain a vision for the future of Minnesota’s infrastructure that provides for its proper management, coordination, and investment. AMC is listed as one of several interested stakeholders that will provide appointment recommendations to the voting membership, which will be chosen by the governor, Senate Majority Leader, Senate Minority Leader, Speaker of the House, the House Minority Leader, and the MN Indian Affairs Council.

Transportation Greenhouse Gas Impact Assessment – AMC and the Minnesota County Engineers Association (MCEA) worked closely with legislators throughout session to update language that first passed last session relating to Greenhouse Gas (GHG)/Vehicle Miles Traveled (VMT) assessment. The language that passed last year would require an assessment of greenhouse gas emissions for all grade separated interchange projects and capacity improvement projects **on the trunk highway system** that are not in the Statewide Transportation Improvement Program (STIP) or have not submitted a layout to MnDOT for approval by

February 2025. It would apply to capacity improvement projects with a cost of \$15 million or more in the metro area and \$5 million or more in Greater Minnesota. If the project is not in conformance with the GHG reduction targets and the VMT reduction targets, there must be a change in the scope or design of the project and perform a revised assessment, interlink sufficient impact mitigation, or halt the project development and disallow inclusion of the project in the STIP.

During the interim, Anoka County Engineer Joe MacPherson and Carver County Engineer Lyndon Robjont represented counties on the Transportation Greenhouse Gas Emissions Impact Mitigation Working Group. The efforts of the working group culminated in recommendations included in its final report to the Legislature. Rep. Larry Kraft (DFL-St. Louis Park) the author of last year's bill, introduced legislation this year ([HF4988](#)) that was mostly comprised of the working group's recommendations. AMC and MCEA as well as representatives from the City Engineers Association of Minnesota (CEAM) met with Rep. Kraft several times throughout session to provide input and background on some of the working group recommendations in addition to suggestions to the language that was introduced. The language in HF4988 that was included in the HF5242 Conference Committee Report builds off the working group recommendations and is a step in the right direction from where things left off last session. There were a few differences between the House and Senate versions, but what ultimately passed in the Omnibus Tax Bill are as follows:

- **Includes** language that would move the assessment from a project-by-project basis to a portfolio approach.
- **Creates** a Technical Advisory Committee (TAC).
- **Includes** language from the Senate creating a transportation impact assessment and mitigation account in the special revenue fund for future mitigation funding.
 - No funding is provided for the account now, but the creation is a good start for the future.
- **Includes** appropriations from the House that total \$3.8 million from the Trunk Highway Fund for statewide and regional travel demand modeling needs.
- **Does not include** language from the Senate that would specifically include one member from MCEA and one member from CEAM on the TAC but does allow for up to four members who are not employees of the state, **with no more than two** who are employees of a political subdivision.
- **Does not include** language from the Senate that would have allowed the Commissioner to exempt certain safety projects from the assessment requirements if the project would result in a reduction in fatal or serious injuries.

Traffic Safety Camera System Pilot Program – creates a four-year traffic safety camera system pilot program for the City of Minneapolis, the City of Mendota Heights, and a work zone pilot program on at least two, but no more than four, trunk highway work zone segments. Requires a report to the Legislature at the completion of the pilot program.

Metropolitan Counties Sales Tax Uses Reporting – expands what must be included in the existing legislative report due on February 15 of even-numbered years detailing a metro county's transportation local option sales tax collections. Also includes a **new report**, due on February 15 of even-numbered years, detailing a metro county's use of funds received from its portion of the metro sales tax authorized in 2023.

LRT Construction MnDOT Staff Assistance – requires MnDOT to provide staff and project assistance to the Metropolitan Council for review and oversight for major transitway projects. Does not apply to the Southwest LRT project.

Bus Rapid Transit Project Scope and Funding – requires the Metropolitan Council to design, fully scope, and construct each arterial bus rapid transit project with (1) sidewalk curb ramps and pedestrian signals that meet current ADA standards at the four intersection quadrants of an intersection adjacent to a bus rapid transit station; (2) transit pavement markings, as applicable; and (3) traffic signal transit priority modifications, where feasible and reasonable. For costs resulting from these requirements, the council must pay 50% and the unit of government with jurisdiction over the road must pay 50%.

Status: *Signed by the governor on May 24, 2024 ([Chapter 127](#)).*

TRANSPORTATION POLICY

Omnibus Transportation Policy Bill ([HF3436](#))

Before the supplemental funding bill was put together, which includes the various policy provisions mentioned above and more, there was a separate Omnibus Transportation Policy Bill that passed in early/mid-May. On the Senate floor, the bill passed unanimously, proving that it was a direct result of bipartisan collaboration. At the start of session, this bill included mostly non-controversial provisions brought forward by MnDOT and eventually included several other provisions that did not have a funding component attached to them. Notable provisions included in the bill:

- Changes to Chapter 216D regarding the excavation notice system that MCEA worked on directly with the Associated General Contractors and other interested stakeholders.
- Language that would require the Commissioner of Transportation to adopt revisions to the MnMUTCD regarding the criteria for setting speed limits in Section 2B.21 *now* instead of waiting for the next full revision.
 - AMC and MCEA worked directly with Rep. Steve Elkins (DFL-Bloomington) over the past few years to scale down his initial desire to allow counties the authority to implement speed limits on county roads (other than what is included in statute) by board resolution. We persuaded Rep. Elkins to wait until the most recent version of the federal Manual on Uniform Traffic Control Devices (MUTCD) was implemented late last year to see what language might be included. The decision to adopt section 2B.21 now was the result of these negotiations over the years and is a positive end result for counties.
- Sewage septic tank truck weight provisions and a special permit for hauling sugar beets on a proscribed route in Polk County.
- Requires MnDOT to conduct a study to assess speed limits in cities that adopted speed limits on city streets under the provisions provided in Minnesota Statutes, section 169.14, subdivision 5h.
 - The commissioner must conduct the assessment on all cities that have instituted speed limit changes to determine whether the cities are setting the appropriate speed limit for the roadway based on engineering principles, safety considerations, and traffic flow.

Status: *Signed by the governor on May 15, 2024 ([Chapter 104](#)).*

Broadband

For additional information on this section, please contact Nathan Zacharias, Policy Analyst at 715-222-2824 or nzacharias@mncounties.org

Broadband Prevailing Wage and Safety Standards ([HF4659](#)/[SF4742](#))

Labor unions came to the Legislature in February with a proposal to apply prevailing wage to all publicly funded broadband projects in Minnesota, including \$652 million in federal funding set to arrive in 2026. They had additional proposals to increase safety and training regulations for broadband installers, particularly those doing underground directional boring and other highly skilled broadband work. This legislation also appeared—in various forms—in many other states across the country, with several states adopting prevailing wage for the upcoming federal BEAD broadband program.

AMC has supported the existing prevailing wage exemption for broadband infrastructure projects since it was enacted during the 2016 legislative session. We made our position crystal clear to bill authors, committee chairs, state agencies, and the governor: do not apply prevailing wage to federal or state broadband funds. Additional organizations working in the broadband policy space—including providers and other local government groups—were also opposed to this bill.

[HF 5242](#), the Transportation, Housing, and Labor Supplemental Budget Bill, contains the final compromise and was eventually rolled into an even larger omnibus bill, [HF5247](#). During the presentation of HF5242 on the House floor, Rep. Mike Nelson, Chair of the House Labor Committee, called the compromise a “truce in the valley”—an apt way to describe a four-month fight where everyone walked away with something they could consider a win.

However, broadband providers have indicated that the safety and training standards are too onerous, and they may not participate in the BEAD program if these standards are kept in place. The BEAD program is entirely voluntary and Minnesota’s ability to receive funding depends on the Office of Broadband Development submitting a plan to the federal government that outlines how each home in the state will receive service. In other words, if the broadband providers stay on the sidelines, Minnesota may not receive that funding.

AMC secured a full exemption of prevailing wage for the \$652 million in federal funds and several other state-funded broadband grant programs.

The full details of the agreement:

Prevailing Wage

- \$652 million in BEAD funding fully exempted from prevailing wage requirements.
- Lower Population Density Grant Program fully exempted from prevailing wage requirements.
- Line Extension Grant Program fully exempted from prevailing wage requirements.
- Border-to-Border Grant Program: The Commissioner “shall endeavor” to fund up to 50% of grants to applicants using prevailing wage labor.

*Note: The language in this section is purposefully **not** a requirement. The language also does not apply to any funds currently managed by OBD (i.e., all previously appropriated funding and subsequent grants issued will not be subjected to this language). Further, the Border-to-Border program will likely not have any funding while OBD is administering the federal BEAD funds, and the Legislature will be hesitant to spend state dollars with \$652 million in BEAD funding available.*

Reporting by Grantees (Effective January 1, 2026)

- Must report the number of installation hours performed by direct employees.
- Must report the number of installation hours performed by contractors and subcontractors with subtotals for hours worked by MN residents, people of color, Indigenous people, women, and people with disabilities.
- Must report the percentage of total workforce that is paid more than \$25 per hour, insurance, and retirement benefits.
- DEED may investigate failures to report and render the grantee ineligible for future broadband grants.

Safety and Training Standards

- By July 1, 2025, all installation of underground telecommunications infrastructure in the seven-county metro area must be performed by safety-qualified underground telecommunications installers.
- By January 1, 2026, the above standard applies to the entire state.
- Installers are required to complete a 40-hour initial safety and training course and complete an exam.
- Complete a four-hour refresher course within three years of the initial course and every three years thereafter.
- Training courses must be approved, but not developed, by DLI.

Status: Signed by the governor May 24, 2024 ([Chapter 127](#)).



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