

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

QCX LLC d/b/a Polymarket US,

Plaintiff,

v.

KEITH ELLISON, in his official capacity as
Attorney General of Minnesota; TIM WALZ, in
his official capacity as Governor of Minnesota;
and JON ANGLIN, in his official capacity as
Director of the Minnesota Alcohol and Gambling
Enforcement Division,

Defendants.

Case No.:

**COMPLAINT FOR
DECLARATORY JUDGMENT
AND INJUNCTIVE RELIEF**

INTRODUCTION

1. This action seeks to prevent imminent and irreparable harm arising from Minnesota’s recent enactment and anticipated enforcement of SF 3432—a state law that makes it a felony to operate, facilitate, service, or advertise lawful, nationwide event-contract markets that are federally authorized and subject to exclusive federal regulation. SF 3432 is preempted by federal law and independently violates the First Amendment by restricting truthful speech and the dissemination of information necessary for those markets to function.

2. Plaintiff QCX LLC d/b/a Polymarket US operates a lawful, nationwide designated contract market subject to the exclusive jurisdiction of the Commodity Futures Trading Commission (“CFTC”). Through the Commodity Exchange Act (“CEA”), Congress vested the CFTC with sole regulatory authority over event contracts and other derivatives traded on designated contract markets. Exercising this exclusive,

comprehensive authority, the CFTC regulates exchange-traded event contracts and decides whether to prohibit certain event contracts as contrary to the public interest. 7 U.S.C. § 7a-2(c)(5)(C).

3. The threat to Polymarket US is immediate. SF 3432 is the first law of its kind in the Nation, criminalizing federally regulated event-contract markets. When it goes into effect in less than two months, Polymarket US will face a credible threat of imminent criminal prosecution—forcing it either to cease lawful and constitutionally protected conduct or risk felony criminal liability. *See* Ex. 1 at 36–40 (to be codified at Minn. Stat. §§ 299L.03, subd. 12; 609.75, subd. 3(2); 609.7615 (as amended)).

4. The threat to Polymarket US is concrete. Polymarket US is one of the stated targets of SF 3432. Before the bill was finalized, Representative Emma Greenman, the co-author of SF 3432, told her constituents that she was actively “working on . . . regulating prediction markets like Kalshi and Polymarket.” Emma Greenman, *Legislative Update – Mid-Session Update*, Minn. H.R. (Apr. 17, 2026).¹ And Defendant Minnesota Attorney General Keith Ellison has publicly supported other States’ efforts to enforce state gaming laws against CFTC-designated contract markets. *See infra* at 24 n.12.

5. The resulting harm of the State’s criminal prosecution would be irreparable. Even a meritless state enforcement action would immediately disrupt Polymarket US’s federally authorized operations, fragment a national market, reduce liquidity, jeopardize critical banking and commercial relationships, undermine user trust,

¹ <https://www.house.mn.gov/members/Profile/News/15552/41475>.

and harm Minnesota residents. Even the *threat* of enforcement forces Polymarket US to choose between exercising its federal right to operate nationwide and to speak freely or submitting to unlawful state coercion. Such disruption to a nationally uniform market and to Polymarket US's First Amendment rights cannot be remedied through damages. The chilling effect on lawful activity and the deprivation of Minnesota residents' access to a federally regulated exchange is precisely the harm Congress sought to prevent when it vested the CFTC with sole regulatory authority over derivatives traded on designated contract markets.

6. Any enforcement action under SF 3432 *would* be meritless. In 1974, Congress amended the CEA to grant the CFTC "exclusive jurisdiction" over certain derivatives "traded or executed on a contract market" designated under the Act. 7 U.S.C. § 2(a)(1)(A). Since then, Congress has repeatedly expanded the CFTC's exclusive authority to cover new derivatives—including event contracts—traded on federally regulated contract markets. As the Third Circuit recently recognized, "the text of the Act preempts otherwise applicable state laws that purport to regulate . . . event contracts on CFTC-licensed [contract markets]." *KalshiEX LLC v. Flaherty*, 172 F.4th 220, 228 (3d Cir. 2026).

7. Though the most egregious, SF 3432 is just one of a spate of state efforts to undermine the CFTC's exclusive jurisdiction. Currently engaged in a multi-state campaign to defend that jurisdiction, the CFTC has sought preliminary injunctions against regulators in other jurisdictions that are attempting to interfere with contract markets' operations. The only court to rule on such a request to date has granted the CFTC's motion,

concluding that “field and conflict preemption independently bar[red]” state regulation of event contracts traded on CFTC-regulated contract markets. *KalshiEX LLC v. Johnson*, 2026 WL 1223373, at *5 (D. Ariz. May 5, 2026).

8. Not long after SF 3432’s predecessor was signed, the CFTC sued Minnesota in this Court, seeking to halt the State’s efforts to criminalize event contract markets governed by federal law. *United States v. Minnesota*, No. 26-cv-2661 (D. Minn. May 19, 2026), Dkt. 1; *see also id.*, Dkt. 23 (“CFTC Compl.”). The CFTC has sought a preliminary injunction preventing the State from enforcing SF 3432, warning that “Minnesota has no authority to regulate—much less criminalize—event contracts listed on CFTC-regulated markets.” *Id.*, Dkt. 25 (“CFTC PI Mot.”).

9. Preemption is not the only problem with SF 3432. Because Polymarket US is engaged in “lawful activities,” it enjoys the fundamental First Amendment right to “broadcast” truthful advertising about those activities. *Greater New Orleans Broad. Ass’n v. United States*, 527 U.S. 173, 184 (1999). SF 3432 would trample on that right by making it a felony to “advertise[] or market[] financial or technological products that promote transactions prohibited under this section.” Minn. Stat. § 609.7615, subd. 3.

10. SF 3432 would similarly cut off Polymarket US’s access to accurate information. The law criminalizes the provision of “data, information, or verification services, including the provision of event outcomes, directly to a prediction market knowing that the data, information, or verification services will be used to” settle contracts prohibited by SF 3432. Minn. Stat. § 609.7615, subd. 2(4).

11. Polymarket US's event-contract markets rely on accurate, real-time pricing and risk information. Restricting access to that information impairs Polymarket US's ability to exercise its right to speak and could create challenges in satisfying its federal obligation to ensure that information made available on its exchange is accurate and complete. When a State restricts access to truthful information, no one benefits: not those the State regulates, and not the citizens of that State. SF 3432 promises nothing but harm to designated contract markets and potentially devastating consequences to consumers.

12. Defendants, on the other hand, suffer no cognizable harm from being barred from enforcing laws in a domain Congress explicitly removed from state control. The State's asserted local interests are already governed and safeguarded by the CFTC's exclusive federal oversight. And whatever harms the State might imagine will follow from the dissemination of truthful information, "the Constitution requires more speech rather than less." *Price v. Viking Penguin, Inc.*, 881 F.2d 1426, 1446 (8th Cir. 1989).

13. For these reasons, Polymarket US seeks declaratory and injunctive relief to prevent unlawful state overreach, maintain the integrity of the federal regulatory framework, preserve its First Amendment freedoms, and avert imminent harm that cannot be remedied after the fact.

JURISDICTION AND VENUE

14. This is an action for declaratory and injunctive relief brought under 42 U.S.C. § 1983 and the Court's equitable powers, *see Ex parte Young*, 209 U.S. 123 (1908), to enforce the Supremacy Clause and the First Amendment of the United States

Constitution. The federal questions presented are whether SF 3432 is preempted by the CEA, 7 U.S.C. §§ 1 *et seq.*, and whether SF 3432's prohibition on speech violates the First Amendment. This Court has jurisdiction to grant the relief sought in this action under 28 U.S.C. §§ 1331, 2201, and 2202.

15. This Court has personal jurisdiction over Defendants. Defendants are domiciled and perform their duties in Minnesota.

16. Venue is proper in this district under 28 U.S.C. § 1391(b). All Defendants are residents of the State of Minnesota and the events giving rise to these claims occurred in this District.

PARTIES

17. Plaintiff Polymarket US is a Delaware limited liability company with its principal place of business in New York. Polymarket US operates a derivatives exchange and prediction market where users can buy, sell, and exchange financial products known as event contracts. Polymarket US is a contract market that is federally licensed and regulated by the CFTC pursuant to the CEA.

18. Defendant Keith Ellison is the Attorney General of Minnesota. This suit is brought against Attorney General Ellison in his official capacity. The Attorney General of Minnesota is the State's chief law enforcement officer. An enforcement action may be referred to the Attorney General by the Director of the Division of Alcohol and Gambling Enforcement, including for alleged violations of SF 3432. *See* Minn. Stat. § 299L.03, subd. 12(b).

19. Defendant Tim Walz is the Governor of Minnesota. This suit is brought against Governor Walz in his official capacity. The Governor has the authority, “[w]henever [he] shall so request, in writing,” to direct the attorney general to “prosecute any person charged with an indictable offense,” Minn. Stat. § 8.01, including alleged violations of SF 3432, *see* Minn. Stat. § 609.7615, subd. 2–3.

20. Defendant Jon Anglin is the Director of the Minnesota Department of Public Safety’s Alcohol and Gambling Enforcement Division. This suit is brought against Director Anglin in his official capacity. The Director has authority to issue cease-and-desist orders, including to any person who has engaged in or is about to engage in a violation of SF 3432. Minn. Stat. § 299L.03, subd. 12(a). The Director can also sue in state court to enjoin such violations. *Id.* § 299L.03, subd. 12(b).

FACTUAL AND LEGAL BACKGROUND

A. **Event contracts are derivative financial instruments that incorporate real-time information to generate accurate predictions about real-world events.**

21. This case is about derivatives—financial instruments that derive their value from an underlying asset or event. Derivatives, the Supreme Court has long recognized, “are of the utmost importance to the business world.” *Bd. of Trade of City of Chi. v. Christie Grain & Stock Co.*, 198 U.S. 236, 248–49 (1905).

22. One common kind of derivative is a “swap.” Swaps are financial contracts where two parties agree to exchange, or swap, payments with each other based on a pre-agreed formula—say, the price of crude oil, interest rates, or the outcome of a real-world event.

23. An event contract, in turn, is a swap “whose settlement is based on the outcome of an underlying occurrence or event.” CFTC Staff Advisory at 2, CFTCLTR No. 26-08 (Mar. 12, 2026) (“*Prediction Markets Advisory*”); *see also Flaherty*, 172 F.4th at 226 (“‘[S]wap’ includes event contracts.”); *Johnson*, 2026 WL 1223373, at *3–4 (“Event contracts satisfy both elements” of the CEA’s definition of “swap”).

24. Events “may relate to economics, or elections, or climate, or sports, or anything else of potential financial, economic, or commercial consequence.” *See, e.g., Complaint, United States v. Minnesota*, No. 26-cv-02661-KMM (D. Minn. May 19, 2026), Dkt. 1 ¶ 3.

25. Event contracts “are derivative instruments that allow two parties to speculate on future market conditions without owning the underlying asset.”²

26. “[Event] contracts are not novel innovations.” Amicus Brief of CFTC, *KalshiEX LLC v. Schuler*, No. 26-3196 (6th Cir. May 12, 2026), Dkt. 31 at 7 (“CFTC Sixth Cir. Amicus Br.”). “Since 1992, the Commission-regulated exchanges have listed for trading a variety of commodity futures and options contracts with payout terms based on events ‘as diverse as regional insured property losses, the count of bankruptcies, temperature volatilities, corporate mergers, and corporate credit events.’” *Id.* (quoting 73 Fed. Reg. 25669, 25671 (May 7, 2008)). In 1993, for example, the Commission authorized the Iowa Electronic Markets to list contracts pegged to presidential elections. *Id.* at 7–8.

² *Chairman Michael S. Selig: Op-Ed: States Encroach on Prediction Markets*, Commodity Futures Trading Comm’n (Feb. 17, 2026), <https://www.cftc.gov/PressRoom/SpeechesTestimony/seligstatement021726>.

“Years later, HedgeStreet, now known as Nadex, became the first marketplace to offer event-driven binary contracts that allowed retail traders to speculate on mortgage rates and gasoline prices.” *Chairman Selig: Op-Ed, supra.*

27. Event contracts often have a “binary payoff structure.” *Prediction Markets Advisory* at 2. One party takes the position that a particular event will occur (the “yes” position), and the other takes the position that the event will not occur (the “no” position). The terms of the contract specify its payout and expiration date. For example, the parties might take a position on whether Saint Paul will get more than 4 feet of snow (the approximate yearly average) in 2026. At the end of the year, the party that correctly predicted the outcome is paid the agreed amount by the party that did not. If 2026 turns out to be an especially snowy year and Saint Paul sees 5 feet of snow, the party that took the “yes” position on the weather contract would be paid and the party that took the “no” position would not.

28. Event contracts have any number of uses. For example, they can be used “to hedge event-driven risks.” *Chairman Selig: Op-Ed, supra.* A hardware store in Saint Paul might purchase an event contract predicting that the city will have a particularly dry year. If the weather turns out as the owner predicted, the payout from the contract could offset the owner’s loss of income from replacement gutters. *See Johnson, 2026 WL 1223373, at *5* (“[W]eather events produce commercial consequences for a wide range of market participants.”).

29. Event contracts can have enormous predictive value. Because they may be purchased and sold at any time before the expiration date, the price will reflect the

trader's own expectations about the likelihood of a particular outcome. Consider a contract that pays out \$1 based on whether the Vikings win the Super Bowl. As traders buy and sell positions on that contract, its price changes to reflect traders' overall perception about the contract's value. If traders think the outcome is increasingly likely, demand for "yes" positions will increase and so will the price. When the outcome seems less likely, the opposite will occur: Demand for "yes" positions will drop, and the price will drop with it. The result is that the price of the contract will reflect the overall market's view, in real time, about the probability of the outcome. And those probabilities are set by trading activity, not unilaterally fixed odds.

30. Prediction markets, where event contracts are traded, are "used by tens of millions of Americans." *Chairman Selig: Op-Ed, supra*. As the CFTC observed in its advisory letter to designated contract markets, prediction markets "are rapidly increasing in popularity with the American public both as a financial asset class and as a proven source of reliable information for news media, sports leagues, financial institutions, and everyday Americans." *Prediction Markets Advisory* at 1. They generate valuable public information about the most important real-world events—finance, weather, news, technology, and sports, to name a few. Because traders put capital at stake, prediction markets incentivize accurate predictions. And because prediction markets enable real-time trading on a nationwide basis, they aggregate diverse perspectives and rapidly incorporate new information. As a result, prediction markets regularly outperform pundits and polls.

31. When it comes to "sports forecasting," for example, empirical studies show that prediction markets "significantly outperform" the experts. *E.g.*, M. Spann & B.

Skiera, *Sports Forecasting: A Comparison of the Forecast Accuracy of Prediction Markets, Betting Odds and Tipsters*, 28 J. Forecasting 55, 65 (2009).³

32. The same is true of elections. For example, although pollsters initially dismissed Zohran Mamdani as a candidate in the New York Democratic mayoral primary, prediction markets accurately predicted Mamdani's eventual victory.⁴

33. Event contracts, like other derivatives, provide significant financial value and generate rich information. They allow parties to mitigate risk, although others are equally free to trade; more participants means more liquidity, more efficient trading, and a greater predictive function. Event contracts supply investment opportunities for traders willing to put time and effort into thinking through the likelihood of occurrences in the real world. And, through the collective wisdom of these efficient, transparent markets, event contracts provide precise, real-time information about events that matter to the public at large.

B. Over the past century, federal regulation of exchange-traded derivatives has become extensive—and exclusive.

34. For about as long as derivatives trading has existed in the United States, however, individual States have attempted to regulate or prohibit it as unlawful gambling.

³ <https://tinyurl.com/2zm5axpc>.

⁴ Newsweek, *Zohran Mamdani's Chances of Beating Eric Adams, According to Polls* (June 25, 2025), <https://www.newsweek.com/zohran-mamdani-chances-beating-eric-adams-new-york-mayor-odds-polymarket-polls-2090431>; Vince Dioquino, *Polymarket Nails NYC Democratic Mayoral Primary Upset, Nears \$1B Unicorn Valuation*, Decrypt (June 25, 2025), <https://decrypt.co/326892/polymarket-nails-nyc-democratic-mayoral-primary-upset-nears-1b-unicorn-valuation>.

“[T]he long history of federal regulation” in this area, *Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran*, 456 U.S. 353, 393 (1982), is a direct result of those “coarse attempts” to manage our increasingly “complex society,” *Christie Grain*, 198 U.S. at 247–48; *see also* CFTC Compl. ¶¶ 47–51 (summarizing the history of state interference with derivatives markets as “gambling”).

35. The federal government first intervened in 1922, requiring futures transactions for grain to be “consummated on an exchange designated as a ‘contract market’ by the Secretary of Agriculture.” *Merrill Lynch*, 456 U.S. at 360–61.

36. Congress buttressed this federal scheme a decade later with the CEA but initially left the States a role in regulating these kinds of derivatives. It provided that the federal law would not “impair” the enforcement of “any State law applicable to any transaction” covered by the Act. Pub. L. No. 74-675, § 5, 49 Stat. 1491, 1494 (1936). States were therefore free to “supplement[] or bolster[] the federal scheme.” *Rice v. Bd. of Trade of City of Chi.*, 331 U.S. 247, 255 (1947).

37. By the 1970s, however, exchanges had become too important to the national economy to permit “[v]aried and often conflicting” state laws to interfere with national exchanges subject to federal control. 119 Cong. Rec. 41333 (1973). So Congress created the CFTC and enacted “a comprehensive regulatory structure to oversee the volatile and esoteric futures trading complex.” *Merrill Lynch*, 456 U.S. at 356, “to do away with the patchwork of state regulations and bring futures trading on [designated contract markets] under the exclusive jurisdiction of the CFTC,” *Flaherty*, 172 F.4th at 230; *see also* CFTC Compl. ¶¶ 50–51.

38. To that end, Congress granted the CFTC “*exclusive jurisdiction . . . with respect to accounts, agreements . . . and transactions involving . . . contracts of sale of a commodity for future delivery . . . traded or executed on a contract market designated*” under the CEA. 7 U.S.C. § 2(a)(1)(A) (emphasis added). “The purpose of this was to separate the functions of the new CFTC from those of the SEC and other regulators,” including state regulators. *Leist v. Simplot*, 638 F.2d 283, 314 (2d Cir. 1980); *see also Kelly v. Carr*, 691 F.2d 800, 803 (6th Cir. 1980) (“The idea that the C.F.T.C. should regulate the area was firmly expressed.”). As the CFTC itself has explained, “[p]reemption was an express goal of the CFTC Act.” CFTC Sixth Cir. Amicus Br. 7.

39. Courts immediately recognized “that state regulatory agencies [were] preempted by the ‘exclusive jurisdiction’ of the CFTC” from encroaching on the CFTC’s federal authority. *Jones v. B.C. Christopher & Co.*, 466 F. Supp. 213, 220 (D. Kan. 1979); *accord, e.g., Leist*, 638 F.2d at 322; *United States v. Brien*, 617 F.2d 299, 310 (1st Cir. 1980); *Westlake v. Abrams*, 504 F. Supp. 337, 343–44 (N.D. Ga. 1980); *Hofmayer v. Dean Witter & Co.*, 459 F. Supp. 733, 737 (N.D. Cal. 1978).

40. State officials protested this change. A state securities commissioner from Minnesota bemoaned that, because the CFTC had “the authority to regulate” commodity markets “exclusively,” courts had “precluded the application of state securities laws to any transactions involving commodities.” *Extend Commodity Exchange Act: Hearings on H.R. 10285 Before the Subcomm. on Conservation & Credit of the H. Comm. on Agric.*, 95th Cong. 363–64 at 383 (1978). By “giv[ing] exclusive jurisdiction over commodities regulation to the Commodity Futures Trading Commission,” one Texas

commissioner complained, Congress had “dismantled an effective regulatory system within the states.” *Id.* And another Secretary of State demanded that Congress “abolish the exclusive jurisdiction of the CFTC and the consequent preemption of state action against commodity-related fraud.” *Id.* at 379.

41. Following the 2008 financial crisis, Congress again changed the regulatory landscape. The Dodd-Frank Act of 2010 innovated and expanded CFTC authority in two ways relevant here.

42. *First*, the Act added exchange-traded swaps to the types of derivatives within the CFTC’s exclusive jurisdiction. As a result, the CFTC now exercises “exclusive jurisdiction . . . with respect to . . . transactions involving swaps . . . traded or executed on a contract market designated” by the CFTC. 7 U.S.C. § 2(a)(1)(A); *see also* Motion for Preliminary Injunction, *KalshiEX LLC v. Johnson*, No. 2:26-cv-01715 (D. Ariz. Apr. 8, 2026) (“CFTC Arizona PI Mot.”), Dkt. 49 at 10–11.

43. Event contracts are covered by the Act because payment for event contracts is “dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence.” 7 U.S.C. § 1a(47)(A)(ii) (defining “swap”).

44. *Second*, the Act introduced what is known as the “Special Rule,” which supplies the CFTC the discretion—but not the obligation—to prohibit the trading of “[e]vent contracts” involving subjects including “terrorism,” “assassination,” “war,” and “gaming,” if it determines that they are “contrary to the public interest.” 7 U.S.C. § 7a-2(c)(5)(C). “By creating a specific public-interest review process, Congress signaled that

these contracts belong within the [CFTC]’s exclusive regulatory purview, not the States’.” CFTC Compl. ¶ 63. All told, the CEA grants the CFTC “exclusive jurisdiction” to regulate exchange-traded event contracts, to determine whether they involve “gaming,” and to prohibit them based on the CFTC’s view of the public interest. 7 U.S.C. §§ 2(a)(1)(A), 7a-2(c)(5)(C). And its “text is designed to account for financial innovation,” albeit under the watchful eye of the CFTC. *Chairman Selig: Op-Ed, supra*.

C. The CEA sets forth the comprehensive regulatory framework for event contracts.

45. The CFTC exercises its exclusive jurisdiction through a comprehensive regulatory framework. Certain derivatives trading in the United States must take place on a board of trade that the CFTC has designated as a contract market. 7 U.S.C. §§ 2(e), 6(a)(1), 7(a). That designation reflects a rigorous federal determination that the contract market satisfies extensive requirements governing market integrity, transparency, financial safeguards, and customer protection.

46. The CFTC-designation process is a demanding one because contract markets are charged with a broad array of functions that the CFTC itself would otherwise have to perform. To obtain approval to operate a designated contract market, an entity must demonstrate to the CFTC that it complies with the CEA’s 23 “core principles.” 17 C.F.R. § 38.3(a)(2); *see* 7 U.S.C. §§ 7(d), 8(a). Core principle 1 requires the contract market to comply with *all* CFTC regulations. *See* 17 C.F.R. § 38.100(a)(2). And core principle 2 requires that the entity be “transparent” in its criteria for accessing the market, *id.* § 38.151(b)(1), prohibit abusive, “manipulative[,] or disruptive trading practices,” *id.*

§ 38.152, “maintain an automated trade surveillance system capable of detecting and investigating potential trade practice violations” based on “specific trade execution patterns and trade anomalies,” *id.* § 38.156, and “conduct real-time market monitoring of all trading activity on its electronic trading platform(s) to identify disorderly trading and any market or system anomalies,” *id.* § 38.157.

47. The remaining core principles provide further protection against contract manipulation, ensure that risk controls are in place to limit market disruptions, and require daily publication of the price and volume of actively traded contracts. *See* 17 C.F.R. §§ 38.200–38.301; 7 U.S.C. § 7(d)(8). For example, a designated contract market must “establish, monitor, and enforce compliance with the rules of the contract market,” including “access requirements,” “the terms and conditions of any contracts to be traded on the contract market” and “rules prohibiting abusive trade practices on the contract market.” 7 U.S.C. § 7(d)(2)(A). And those rules must provide “impartial access to its markets and services” using “[a]ccess criteria that are impartial, transparent, and applied in a non-discriminatory manner.” 17 C.F.R. § 38.151(b). These rules, the CFTC has explained, “play” an “important role . . . in promoting the integrity of derivatives markets.” *Prediction Markets Advisory* at 2.

48. In short, to obtain designation as a contract market, applicants must show that they can be trusted to establish, monitor, and enforce rules for the markets they operate. As CFTC Chairman Michael S. Selig has explained, contract markets “aren’t the Wild West”—they are “self-regulatory organizations that are examined and supervised by experienced CFTC staff.” *Chairman Selig: Op-Ed, supra; see* 7 U.S.C. § 5(b) (purpose of

the CEA is to “serve the public interest[] . . . through a system of effective self-regulation of trading facilities”); CFTC Compl. ¶ 45 (explaining how the CFTC exercises regulatory oversight over designated contract markets).

49. Designated contract markets may not list new kinds of contracts on their exchanges without first submitting the contract for CFTC approval or certifying that the contract complies with federal law and the CFTC’s requirements. 7 U.S.C. § 7a-2(c)(1). The most common method of certification is known as self-certification. Before listing a new contract, the designated contract market must supply the CFTC with a “certification . . . that the product to be listed complies with the [CEA]” and CFTC regulations, as well as “[a] concise explanation and analysis”—with accompanying documentation—“with respect to the product’s terms and conditions” and “the product’s compliance with applicable provisions of the Act, including core principles, and the Commission’s regulations,” among other things. 17 C.F.R. § 40.2(a); *see* 7 U.S.C. § 7a-2(c)(1).

50. Self-certification is permissible only because “self-regulatory organizations such as contract markets possess a form of delegated” government authority, *Barry v. Cboe Glob. Mkts., Inc.*, 42 F.4th 619, 625 (7th Cir. 2022), a privilege earned only after demonstrating the extensive regulatory compliance necessary to receive CFTC designation. The CFTC retains authority to investigate, stay, or amend the contract even after it has been listed. 17 C.F.R. § 40.2(c).

51. More broadly, the CFTC wields considerable tools for enforcing the CEA and its regulations. For example, the CEA empowers the agency to subpoena testimony and documents, 7 U.S.C. § 9(5), bring administrative enforcement actions, *id.* §§ 9(4), 13b,

and sue in federal court for injunctive relief, monetary penalties, the appointment of receivers, disgorgement, restitution, the rescission of contracts, and the imposition of trading and registration bans, *id.* § 13a-1.

D. The CFTC licenses Polymarket US as a designated contract market subject to federal law and the CFTC’s exclusive jurisdiction.

52. The CFTC granted Polymarket US its designation as a contract market on July 9, 2025, finding that the platform now doing business as Polymarket US could and would comply with the CEA and the CFTC’s regulations. Order of Designation, *In re Application of QCX LLC for Designation as a Contract Market*, Commodity Futures Trading Comm’n (July 9, 2025).

53. Today, Polymarket US specializes in contracts concerning real-world events of public interest. Since September 30, 2025, Polymarket US has self-certified various financial, election-related, and sports-related event contracts. *See* 7 U.S.C. § 7a-2(c); CFTC, Designated Contract Market Products (listing self-certifications for contracts).⁵

54. These event contracts fall within the heart of the CFTC’s exclusive jurisdiction. Payment on one of Polymarket US’s listed event contracts is “dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence.” 7 U.S.C. § 1a(47)(A)(ii).

⁵ <https://tinyurl.com/yamausyk>.

55. One example is event contracts based on which political party will control the United States Senate or United States House of Representatives following the November 3, 2026, elections. Businesses, investors, financial institutions, and consumers routinely adjust their behavior based on which party will control Congress because legislative control can affect taxation, spending, regulation, and other matters with significant economic effects.

56. Another example is event contracts based on the winner of the Super Bowl. The Super Bowl's "associat[ion] with a potential financial, economic, or commercial consequence" is obvious. 7 U.S.C. § 1a(47)(A)(ii). Winning the Super Bowl causes a team's valuation to surge, retailers' sales of merchandise of that team to skyrocket, and hometown sales to spike. In 2025, for example, the Eagles took in over \$1 billion in revenue from their 2025 win, with Philadelphia restaurants, retailers, and hotels also able to capitalize off the team's success.⁶ Retailers also regularly tie promotions to game results, including the identity of the winning team, final score, and game duration.⁷

⁶ See, e.g., Rachel Moore, *Eagles to generate \$1.2B Economic Impact with Super Bowl Parade Season*, PHL17 (Feb. 13, 2025), <https://phl17.com/phl17-news/eagles-to-generate-1-2b-economic-impact-with-super-bowl-parade-season/> (last visited June 3, 2026); Jensen Toussaint, *Philadelphia Eagles Valuation Likely to Skyrocket After Second Super Bowl Win*, Philadelphia.Today (Feb. 15, 2025), <https://philadelphia.today/2025/02/philadelphia-eagles-valuation-to-rise/> (last visited June 3, 2026).

⁷ See, e.g., *Minnesota Twins*, Facebook (July 15, 2023), <https://www.facebook.com/Twins/posts/832380038247891/> (last visited June 3, 2026) (promoting a Papa John's discount following a Minnesota Twins win); *Minnesota Vikings*, Promotions, <https://www.vikings.com/fans/all-promotions> (last visited June 3, 2026) (offering Hy-Vee fuel-credit rewards tied to the number of points scored by the Minnesota Vikings).

E. The CFTC has vigorously defended its exclusive jurisdiction over designated contract markets.

57. The CFTC has resisted States' attempts to encroach upon its exclusive jurisdiction over designated contract markets. It has publicly advocated for its exclusive prerogative to regulate event contracts, assertively pursued litigation, and acted as an amicus in support of private parties' fights against states' jurisdictional overreach.

58. Earlier this year, CFTC Chairman Selig reiterated that "prediction markets" and "event contracts" "have operated within the CFTC's regulatory perimeter for more than two decades" and have played an "important role . . . in the broader financial system."⁸ He warned that state litigation against federally regulated markets injects uncertainty that "has not served our markets well" and harms "the public interest." To protect its jurisdiction, he directed the CFTC to reassess its litigation posture in cases implicating jurisdictional boundaries, emphasizing that where "jurisdictional questions" arise, "the Commission has the expertise and responsibility to defend its exclusive jurisdiction over commodity derivatives." *Id.* "The CFTC will no longer sit idly by," he admonished, "while overzealous state governments undermine the agency's exclusive jurisdiction over these markets by seeking to establish statewide prohibitions on these exciting products." *Chairman Selig: Op-Ed, supra.*

59. The CFTC has followed through with this warning. In recent months, the Commission has sued numerous States that have sought to outlaw, regulate, or otherwise

⁸ Remarks of Chairman Michael S. Selig, *The Next Phase of Project Crypto: Unleashing Innovation for the New Frontier of Finance* (Jan. 29, 2026) <https://www.cftc.gov/PressRoom/SpeechesTestimony/opaseligl>.

restrain federally regulated prediction markets. *CFTC Sues Trio of States to Reaffirm its Exclusive Jurisdiction Over Prediction Markets*, CFTC Press Release No. 9206-26 (Apr. 2, 2026) (“*CFTC Press Release*”).⁹

60. The CFTC explained that those state efforts “intrude into the Commission’s regulatory jurisdiction over event contracts,” CFTC PI Mot. 2, and would “undermine[] th[e] uniformity” Congress mandated, *see, e.g.*, CFTC Compl. ¶¶ 85, by subjecting CFTC-regulated exchanges to a “fragmented patchwork of state regulations” that have “resulted in poorer consumer protection and increased risk of fraud and manipulation,” *CFTC Press Release, supra*. The CFTC also emphasized that event contracts traded on designated contract markets are “swaps” within the meaning of the CEA and fall squarely within the CFTC’s exclusive jurisdiction, which prohibits States from “invad[ing]” that authority. *See, e.g.*, CFTC Compl. ¶¶ 6, 9. Those federally regulated markets include Polymarket US. *Id.* ¶¶ 8, 46.

61. The CFTC’s suit in Minnesota is its latest effort to defend its exclusive jurisdiction. Last month, the CFTC sued the State “to halt [its] efforts to criminalize the operation of derivatives markets governed by federal law,” CFTC Compl. ¶ 1, and moved for a preliminary injunction barring Minnesota from enforcing state law on the grounds that it is preempted by the CEA, CFTC PI Mot. 1. The CFTC argues that Minnesota’s

⁹ *See also* Complaint, *United States v. Arizona*, No. 2:26-cv-0224 (D. Ariz. Apr. 2, 2026), Dkt. 1 (“*Arizona Compl.*”); Complaint, *United States v. Connecticut*, No. 3:26-cv-00498 (D. Conn. Apr. 2, 2026), Dkt. 1; Complaint, *United States v. Illinois*, No. 1:26-cv-03659 (N.D. Ill. Apr. 2, 2026), Dkt. 1; Complaint, *United States v. New York*, No. 1:26-cv-03404 (S.D.N.Y. Apr. 24, 2026), Dkt. 1; Complaint, *United States v. Wisconsin*, No. 2:26-cv-00749 (E.D. Wis. Apr. 28, 2026), Dkt. 1.

“massive short-circuiting of the Commission’s jurisdiction” and “incursion into the Commission’s domain is unlawful” and “blatantly violates the law and the Supremacy Clause.” *Id.* at 3, 31–32.

62. The CFTC likewise has moved for preliminary injunctions in Arizona, New York, and Wisconsin, seeking to prohibit the States from pursuing criminal or civil enforcement actions against CFTC-regulated contract markets.¹⁰

63. The only court that has so far ruled on one of the CFTC’s preliminary-injunction motions has granted it. *See Johnson*, 2026 WL 1223373, at *1. In the CFTC’s case in the District of Arizona, the court concluded that event contracts are properly considered “swaps” because they are “tied to the outcome of certain events” and because “stakeholders have financial exposure” to the outcomes of the contracts’ underlying events. *Id.* at *3–5. The court then determined that “field and conflict preemption independently bar” the State’s effort to enforce its gaming laws against another designated contract market, citing the CEA’s comprehensive scheme for regulating swaps. *Id.* at *6–8.

64. The CFTC has also advocated for protecting its exclusive jurisdiction by filing amicus briefs in important appeals. Earlier this year, the CFTC filed an amicus brief in a Ninth Circuit appeal seeking to enjoin the State of Nevada’s threatened enforcement action against another designated contract market, Crypto.com. *See N. Am. Derivatives Exch., Inc. v. Nevada*, No. 25-7187 (9th Cir. Feb. 17, 2026), Dkt. 38.2. The CFTC asserted

¹⁰ *See* CFTC Arizona PI Mot.; Motion for Preliminary Injunction, *United States v. New York*, No. 1:26-cv-03404 (S.D.N.Y. May 1, 2026), Dkt. 34; Motion for Preliminary Injunction, *United States v. Wisconsin*, No. 2:26-cv-00749 (E.D. Wis. May 1, 2026), Dkt. 6.

that State efforts to “invade” the federal government’s authority as it relates to swaps “present a fundamental threat to Congress’s statutory design.” *Id.* at 2. It argued that, because event contracts are properly considered “swaps” under the CEA, state laws regulating event contracts on CFTC-regulated markets are preempted. *Id.* at 14–27. The CFTC also expressed concern that “subjecting derivatives listed on a CFTC-registered” designated contract market—such as Polymarket US—“to State regulation would have destabilizing economic effects.” *Id.* at 28–29 (cleaned up). And, last month, the CFTC filed an amicus brief in a Sixth Circuit appeal involving another prediction market’s litigation against Ohio. *See* CFTC Sixth Cir. Amicus Br. 1. It again asserted its exclusive jurisdiction and warned against the State’s “jurisdictional overreach.” *Id.* at 1–2.

F. SF 3432 criminalizes the trading of event contracts on federally designated contract markets operating under the exclusive jurisdiction of the CFTC.

65. SF 3432 is the culmination of Minnesota’s efforts to snatch jurisdiction over exchange traded event contract markets from the CFTC. Defendant Attorney General Ellison has publicly asserted that “the CFTC lacks exclusive jurisdiction” over sports-related event contracts.¹¹ And over the past year, Minnesota has time and again advocated for state regulation of prediction markets and supported other States’ efforts to regulate other prediction markets. Last summer, for example, the State joined 33 other States, arguing (unsuccessfully) in favor of New Jersey’s authority to enforce its gambling laws against another CFTC-regulated prediction market. *See* Brief of Amici Curiae Nevada *et*

¹¹ Comment Letter from Att’ys Gen. to Commodity Futures Trading Comm’n (Apr. 30, 2026) <https://comments.cftc.gov/PublicComments/ViewComment.aspx?id=115653&SearchText>.

al., *KalshiEX LLC v. Flaherty*, No. 25-1922 (3d Cir. June 17, 2025), Dkt. 29. This was the first of many such briefs the State joined.¹²

66. Minnesota escalated its campaign against federally regulated prediction markets last month when it enacted SF 3432. The law imposes a broad prohibition on prediction markets, including by making it a felony to offer event contracts.¹³

67. SF 3432 makes several significant changes to existing law.

68. *First*, SF 3432 amends key statutory definitions, including by creating new definitions and revising old ones.

69. Under SF 3432, a “prediction market” is “a system that allows consumers to place a wager on the future outcome of a specified event that is not determined or affected by the performance of the parties to the contract for” various categories of activity.

¹² Brief of Amici Curiae Nevada *et al.*, *KalshiEX LLC v. Martin*, No. 25-1892 (4th Cir. Dec. 22, 2025), Dkt. 41; Brief of Amici Curiae New Jersey *et al.*, *KalshiEX LLC v. Assad*, No. 25-7516, (9th Cir. Jan. 30, 2026), Dkt. 48.1; Brief of Amici Curiae Ohio *et al.*, *Robinhood Derivatives, LLC v. Dreitzer*, No. 25-7831 (9th Cir. Mar. 10, 2026), Dkt. 81.1; Brief of Amici Curiae Ohio *et al.*, *N. Am. Derivatives Exch., Inc. v. Nevada*, Nos. 25-7187, 25-7516, 25-7831 (9th Cir. Mar. 10, 2026), Dkt. 76.1; Brief of Amici Curiae Nevada, *et al.*, *Commonwealth of Massachusetts v. KalshiEX LLC*, No. SJC-13906 (Mass. SJC April 24, 2026), Dkt. 37.

¹³ SF 3432 was first proposed in March 2026, initially introduced as SF 4511, and later amended on April 30, 2026. *See* S.F. 4511, 94th Leg., Reg. Sess. (Minn. 2026), <https://www.revisor.mn.gov/bills/94/2026/0/SF/4511>. The bill eventually became part of an omnibus public safety bill, which was passed in the state legislature and signed into law on May 18, 2026, by Governor Walz. *See* S.F. 4760, 94th Leg., Reg. Sess. (Minn. 2026), <https://www.revisor.mn.gov/bills/94/2026/0/SF/4760>. Ultimately, SF 4760 was repealed and replaced by SF 3432, though the two bills are substantially similar. One difference between SF 4760 and SF 3432 is that the former expressly prohibited “weather events or conditions” whereas the latter does not. *Compare* SF 4760, Art. 8, § 3(1)(e)(8), *with* Minn. Stat. § 609.7615.

Minn. Stat. § 609.7615, subd. 1(e). Those categories of activity are wide-ranging. They include “an athletic event or game of skill,” “any game played with cards, dice, equipment, or any mechanical or electronic device or machine,” “war, state or national emergencies,” “any event or events happening to a natural person or group of people,” “a federal, state, or local election, or the specific decisions of the federal, state, or local government and the government’s agencies, employees, and officers,” “legal actions, including but not limited to a civil or criminal suit, grand jury action, jury trial, settlement, plea, or conviction,” “the death, assassination, or attempted killing of a person or group of persons,” “events in popular culture,” and “whether a person will make a particular statement.” *Id.* § 609.7615, subd. 1(e)(1)–(9).

70. SF 3432 incorporates event contracts into the definition of “wager.” Under SF 3432, a “wager . . . means a contract, including a prediction market contract, whereby the parties to the contract agree to a gain or loss by one to the other of money, property, or benefit.” Minn. Stat. § 609.7615, subd. 1(f).

71. And SF 3432 substantially expands the definition of a “bet” under Minnesota gaming law, so that certain event contracts are no longer excluded from the reach of those laws. Before SF 3432 was enacted, Minnesota defined “bet” to exclude “contract[s] for the purchase or sale at a future date of securities or other commodities.” Minn. Stat. § 609.75(3)(2). But SF 3432 narrows that exclusion significantly: it shrinks “other commodities”—which encompassed both physical and non-physical commodities, like “interest rates,” “exchange rates,” and “weather swap[s],” CFTC PI Mot. 20—to only “physical commodities or any option on such futures contract, such securities or

commodities, or on the prices thereof, except as provided in section 609.7615,” Minn. Stat. § 609.75, subd. 3(2).

72. *Second*, relying on those definitions, SF 3432 criminalizes a wide range of activity.

73. The statute makes it a felony for a person to operate a prediction market. Under SF 3432, it is a “felony” to: “create[] a prediction market,” Minn. Stat. § 609.7615, subd. 2(1), or “operate[], manage[], or control[] a platform or system intending that consumers will use the platform or system to make wagers in a prediction market,” *id.* § 609.7615, subd. 2(2).

74. But that is not all. Under SF 3432, it is a crime for third parties to provide prediction markets with accurate information. That is, a person commits a felony by “provid[ing] data, information, or verification services, including the provision of event outcomes, directly to a prediction market knowing that the data, information, or verification services will be used to allow consumers to make wagers or to settle wagers made by consumers in violation of this section.” Minn. Stat. § 609.7615, subd. 2(4). A person will similarly find themselves facing criminal charges for “intentionally facilitat[ing] the operation of a prediction market by,” among other things, “identifying or listing events knowing the events will be used by consumers to make wagers.” *Id.* § 609.7615, subd. 2(3).

75. SF 3432 also makes it a felony to engage in certain advertising relating to prediction markets. The law prohibits “advertis[ing] or market[ing] financial or

technological products that promote transactions prohibited under this section.” Minn. Stat. § 609.7615, subd. 3.

76. By criminalizing the collection, dissemination, and receipt of information used to determine whether an event occurred—and thus whether a contract pays out—the statute reaches well beyond market operators themselves. For example, if a person provides Polymarket US with accurate information on the snowfall in St. Paul in order to fairly settle an event contract, then he has committed a felony.

77. As a result, everyday, lawful businesses that support national derivatives trading—among them “derivatives clearing organizations,” “financial institutions, including banks or credit-card companies,” “webpage[s], television network[s], or newspaper[s] that list[] events that are the subject of trading on prediction markets,” and certain “sports leagues[] and their data distributors”—could very well find themselves in a Minnesota prosecutor’s crosshairs. CFTC Compl. ¶¶ 81–83.

78. And by limiting the carve-out from the definition of “bet” to “physical commodities” rather than “other commodities,” SF 3432 intentionally sweeps federally regulated event contracts within the reach of the State’s gambling laws. As the CFTC has explained, the amendment effectively confirms that the contracts targeted by SF 3432 are commodity derivatives contracts. CFTC Compl. ¶ 87. That is, if the event contracts covered by SF 3432 were *not* commodity derivatives, there would have been no need to amend the exclusion at all. Minnesota revised the statute precisely because those contracts would otherwise have fallen outside the reach of its gambling laws.

79. The revision is especially telling because the CFTC’s jurisdiction is not limited to “physical commodities.” CFTC Compl. ¶ 88. To the contrary, the CEA defines “commodity” broadly to include not only tangible “goods and articles,” but also “all services, rights, and interests . . . in which contracts for future delivery are presently or in the future dealt in.” 7 U.S.C. § 1a(9); *see also* 7 U.S.C. § 1a(9) (defining “excluded commodity”—a type of commodity—to encompass nonphysical commodities); *id.* § 1a(47)(iii) (defining “swap” to encompass nonphysical commodities); *Chairman Selig: Op-Ed, supra* (noting that the CEA’s definition of commodity includes “practically all goods, articles, services, rights and interests except for onions . . . and movie box-office receipts”). “Minnesota’s law, therefore, classifies as ‘bets’ a sweeping range of CFTC-regulated financial instruments, not just event contracts.” CFTC Compl. ¶ 88.

80. SF 3432 unlawfully encroaches on the CFTC’s exclusive jurisdiction to regulate derivatives traded on designated contract markets, targeting event contracts that have long traded under the CFTC’s authority, CFTC Compl. ¶¶ 73–76, and “usurp[ing]” the CFTC’s role, *id.* ¶ 76.

81. From the outset, lawmakers have been clear that SF 3432 targets Polymarket US and other federally regulated prediction markets. Minnesota State Representative Emma Greenman, for example, explained that the legislation was aimed at “regulating prediction markets like . . . Polymarket.” Emma Greenman, *Legislative Update – Mid-Session Update*, Minn. H.R. (Apr. 17, 2026).¹⁴ Similarly, Minnesota State

¹⁴ <https://www.house.mn.gov/members/Profile/News/15552/41475>.

Senator John Marty stated that the goal of the bill was “to stop prediction markets in Minnesota,” denouncing those markets as “nothing more than gambling” that “will dramatically cut into the revenue of Minnesota.” John Marty, *Minnesota Senate Passes Legislation to Ban Prediction Markets*, Minnesota Senate DFL Caucus (Apr. 30, 2026).¹⁵

G. SF 3432 prohibits speech and information critical to the operation of federally regulated prediction markets in violation of the First Amendment.

82. Several provisions of SF 3432 regulate speech and the dissemination of information. As described above, the statute prohibits the provision of data, information, and verification services to prediction markets and separately prohibits advertising and marketing concerning transactions on those markets. *See* Minn. Stat. § 609.7615, subds. 2(4), 3.

83. Information is central to the operation of a designated contract market. Market participants—including Minnesotans—rely on information concerning available contracts, pricing, risk, and event outcomes to make informed trading decisions. Designated contract markets likewise rely on third-party information and verification services to administer and settle contracts accurately and to communicate accurate market information to the public.

84. By restricting the flow of information to and from prediction markets, SF 3432 hinders the ability of Polymarket US and others to receive, use, and disseminate information concerning federally regulated event contracts. It deprives Minnesotans of access to real-time information about important events that these markets uniquely provide.

¹⁵ <https://senatedfl.mn/minnesota-senate-passes-legislation-to-ban-prediction-markets/>.

85. The statute also prohibits truthful advertising and marketing concerning lawful, federally regulated products traded on designated contract markets. For example, under SF 3432, Polymarket US would be prohibited from advertising or displaying the prices of its own event contracts—prices that themselves convey valuable public information because the price of a contract reflects the market’s real-time estimate of the probability that an event will occur. *See supra* ¶¶ 29–31. The statute would thus extinguish a form of real-time public forecasting that exists nowhere else.

86. As a result, SF 3432 burdens speech and information concerning lawful activity and restricts the public’s access to information regarding federally regulated markets and the contracts traded on those markets—information that reflects the market’s collective forecast of events of pressing importance to Minnesotans.

87. Unless this Court intervenes before SF 3432 takes effect, Polymarket US will be forced to choose between continuing to communicate truthful information and risking felony prosecution, or depriving consumers of accurate information about its product, current events, and the market. Putting Polymarket US to this choice creates a quintessential, irreparable First Amendment injury.

H. Looming enforcement of Minnesota’s preempted SF 3432 irreparably harms Polymarket US’s business.

88. Given the State’s definitive position—that, come August 1, federally regulated prediction markets are completely banned—Polymarket US faces the imminent threat of enforcement by Minnesota.

89. The threat of enforcement against Polymarket US is real, imminent, and concrete, presenting a live and justiciable controversy. Because Polymarket US must choose between protecting its rights under federal law and facing exposure to imminent state enforcement, this action is ripe for adjudication and the award of injunctive relief now, not after irreparable harm has occurred.

90. The business consequences for Polymarket US arising from Minnesota's enforcement of SF 3432 once it goes into effect on August 1 require this Court's immediate action. An enforcement action by Minnesota pursuant to SF 3432—even a meritless one—would raise a red flag for Polymarket US's business partners, triggering notification and termination clauses in many of Polymarket US's agreements, and jeopardizing key partnerships crucial to the company's growth. Additionally, Polymarket US would lose out on potential business partners who would steer clear of a company under a cloud of enforcement proceedings.

91. The alternative—abruptly terminating Minnesota's users' access to event contracts and unwinding their current positions—is just as damaging. Polymarket US has expended tremendous resources to garner customer goodwill and a solid reputation. Cutting off Minnesotans from Polymarket US's event contracts—contracts that are available to users outside Minnesota—would deal a decisive blow to Polymarket US's goodwill and reputation within the State. It would disrupt overall liquidity and impair the information that trading generates by forcing Minnesotan residents off the exchange. And it would create confusion among users about what shutting off their access to the market

means for their trading positions. Unwinding existing contracts, in particular, would confuse and frustrate both Minnesotans and users on the other side of the contracts.

92. Further, reduced liquidity would deter customers from using the platform. Price discovery and market efficiency are two main reasons why event contracts have predictive value (and thus why Polymarket US is attractive to users). Reduced liquidity dampens both, meaning that termination of Minnesota-based trading hinders the orderly functioning of markets nationwide and could deter customers outside Minnesota from using the platform at all, imposing substantial burdens on interstate commerce.

93. All told, “the prospect of” an imminent enforcement action under SF 3432 irreparably harms Polymarket US by putting it to an impossible choice: continue operations “and expose [itself] to potentially huge [criminal] liability,” on the one hand; or “suffer the injury of obeying the [preempted] law,” on the other. *Morales v. Trans World Airlines, Inc.*, 504 U.S. 374, 381 (1992). There is therefore “no adequate remedy at law.” *Id.*

94. Similarly, “[t]he loss of First Amendment freedoms, for even minimal periods of time, unquestionably constitutes irreparable injury.” *Roman Catholic Diocese of Brooklyn v. Cuomo*, 592 U.S. 14, 19 (2020) (citing *Elrod v. Burns*, 427 U.S. 347, 373 (1976)).

COUNT I
(Commodity Exchange Act Preemption)

95. Polymarket US incorporates the preceding paragraphs by reference.

96. The Supremacy Clause of the United States Constitution enshrines the “Laws of the United States” as “the supreme Law of the Land,” the “Laws of any State to the Contrary notwithstanding.” U.S. Const. VI, cl. 2.

97. “[U]nder the Supremacy Clause, from which our preemption doctrine is derived, any state law, however clearly within a State’s acknowledged power, which interferes with or is contrary to federal law, must yield.” *Gade v. Nat’l Solid Waste Mgmt. Ass’n*, 505 U.S. 88, 108 (1992).

98. “[F]ederal law may supersede state law in several different ways.” *Kinley Corp. v. Iowa Utilities Bd.*, 999 F.2d 354, 357 (8th Cir. 1993). “Congress is empowered to pre-empt state law by so stating in express terms.” *Id.* “In the absence of express preemptive language, Congress’ intent to pre-empt all state law in a particular area may be inferred where the scheme of federal regulation is sufficiently comprehensive.” *Id.* And “[e]ven where Congress has not completely displaced state regulation in a specific area, state law is nullified to the extent that it actually conflicts with federal law.” *Id.* at 358.

99. The CEA bars Minnesota from purporting to regulate Polymarket US’s federally regulated offering of event contracts under each form of preemption.

A. Express preemption bars Minnesota regulation of Polymarket US’s exchange.

100. Congress expressly preempted state regulation of event-contracts trading on designated contract markets.

101. Under the CEA’s express terms, the CFTC, not Minnesota, has “exclusive jurisdiction” over all “accounts,” “agreements,” and “transactions involving swaps or contracts of sale of a commodity for future delivery” that are “traded or executed on a

contract market designated” by the CFTC. 7 U.S.C. § 2(a)(1)(A); *see Myron v. Hauser*, 673 F.2d 994, 1001 (8th Cir. 1982) (noting that the 1974 CEA grants the CFTC “broad rulemaking authority over commodity futures and commodity options trading”); *Oeltjenbrun v. CSA Invs., Inc*, 3 F. Supp. 2d 1024, 1034 (N.D. Iowa 1998) (“[T]he CEA . . . provides the Commodity Futures Trading Commission (CFTC) with ‘exclusive jurisdiction’ over ‘contracts of sale of a commodity for future delivery.’”) (quoting 7 U.S.C. § 2(i)).

102. Confirming as much, the very next sentence explains that the section does not “supersede or limit the jurisdiction” of “regulatory authorities under the laws of the United States or of any State,” “[e]xcept as hereinabove provided.” 7 U.S.C. § 2(a)(1)(A) (emphasis added).

103. The CFTC’s “exclusive jurisdiction” over trading on federally regulated event-contract exchanges, 7 U.S.C. § 2(a)(1)(A), therefore preempts Minnesota’s supposed jurisdiction to police those exchanges, *see Leist*, 638 F.2d at 322 (“[T]he courts have held that § 2(a)(1) of the CEA preempts the application of state law.”); CFTC Sixth Cir. Amicus Br. 17 (observing that Congress’s conferral of “exclusive jurisdiction” meant its “expression of preemptive intent could hardly be plainer”); *cf. Witzel v. Chartered Sys. Corp. of New York*, 490 F. Supp. 343, 347 (D. Minn. 1980) (“[T]he [CEA] preempts private actions based on federal or state statutory schemes which contemplate agency regulation which would interfere with the CFTC’s jurisdiction over commodity options.”).

B. Implied field preemption bars Minnesota regulation of Polymarket US’s exchange.

104. Through the CEA, Congress has “indicate[d] an intent to occupy exclusively [the] entire field of” event-contract trading on designated contract markets, such that there is “no room for the States to supplement” the Act. *Bibbo v. Dean Witter Reynolds, Inc.*, 151 F.3d 559, 562 (6th Cir. 1998). “The scope of the CEA and the long history of Congress’s amendments to ensure federal law captured the evolving futures and derivatives markets make[] [that] clear.” Arizona Compl. ¶ 69; *see* CFTC Arizona PI Mot. 17.

105. “Congress created the CFTC and amended the Act to do away with the patchwork of state regulations and bring futures trading on [designated contract markets] under the exclusive jurisdiction of the CFTC.” *Flaherty*, 172 F.4th at 230. And through this “grant[of] exclusive jurisdiction to the Commodity Future[s] Trading Commission,” together with the “pervasive regulatory scheme established under the Commodity Exchange Act,” as amended, Congress achieved its goal of “preempt[ing] the field insofar as futures regulation is concerned.” *Gonzalez v. Paine, Webber, Jackson & Curtis, Inc.*, 1982 WL 1348, at *2 (S.D.N.Y. Nov. 10, 1982); *Witzel*, 490 F. Supp. at 347 (finding Congress granted the CFTC “exclusive jurisdiction over the regulation of commodity options”); *supra* ¶¶ 35–38.

106. The field occupied by federal law expanded when the Dodd-Frank Act “amended the [CEA] to ‘establish a comprehensive new regulatory framework for swaps,’ and vested the [CFTC] with exclusive jurisdiction to implement that framework.” *In re*

Int. Rate Swaps Antitrust Litig., 261 F. Supp. 3d 430, 445 (S.D.N.Y. 2017) (footnote omitted) (quoting 78 Fed. Reg. 33,476, 33,477 (June 4, 2013)); *see supra* ¶¶ 45–48.

107. There is no room for state interference with this “comprehensive scheme.” *See CFTC v. British Am. Commodity Options*, 560 F.2d 135, 138 (2d Cir. 1977). “Even as derivatives markets have developed and grown, Congress has chosen to vest the CFTC with broad jurisdiction. That a derivative is novel or different is no excuse for a court to rewrite existing law.” *Chairman Selig: Op-Ed, supra*.

108. Enforcement of Minnesota’s gaming laws, including Minnesota Statutes §§ 299L.03, subd. 12; 609.75, subd. 2; and 609.7615 (as amended), against Polymarket US would impermissibly intrude on the CFTC’s exclusive authority to police trading on CFTC-regulated exchanges. *See, e.g., KalshiEX LLC v. Flaherty*, 2025 WL 1218313, at *6 (D.N.J. Apr. 28, 2025) (holding that “at the very least[,] field preemption applies” to “sports-related event contracts” on a designated contract market), *aff’d, Flaherty*, 172 F.4th at 228; *Johnson*, 2026 WL 1223373, at *6 (“[The CEA’s] comprehensive framework is so pervasive that it forecloses parallel state regulation of [contract market] trading.”).

C. Conflict preemption bars Minnesota regulation of Polymarket US’s exchange.

109. Conflict preemption also prevents enforcement of these Minnesota laws against Polymarket US because those laws stand “as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress” in the CEA. *Crosby v. Nat’l Foreign Trade Council*, 530 U.S. 363, 373 (2000); *see also Flaherty*, 172 F.4th at 229 (“[C]onflict preemption also prohibits New Jersey from regulating sports-related event contracts on CFTC-licensed [contract markets].”).

110. Consider Minnesota’s position that event contracts should be completely banned. That is not the State’s decision to make: The CEA grants the *CFTC* the authority to “determine[]” whether such contracts “involve . . . gaming” or “activity that is unlawful under any Federal or State law,” and, if so, whether they should be prohibited as “contrary to the public interest.” 7 U.S.C. § 7a-2(c)(5)(C)(i).

111. Notably, the CFTC has not invoked this Special Rule to prohibit Polymarket US from listing event contracts. Therefore, Polymarket US’s event contracts evidence—by their very existence—the CFTC’s exercise of its discretion and implicit decision to permit them. Because the “application of state law” would countermand that decision and “directly affect trading on or the operation of [the] market, it would stand as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress, and hence is preempted.” *Farmers Coop. Elevator, Woden, Iowa v. Doden*, 946 F. Supp. 718, 729 n.4 (N.D. Iowa 1996); accord *Flaherty*, 172 F.4th at 226 (“The Act preempts state laws that directly interfere with swaps traded on [contract markets].”); *Johnson*, 2026 WL 1223373, at *7 (“[T]he CEA preempts the regulation of trading in swaps on CFTC-registered [contract markets].”); CFTC Compl. ¶¶ 97–100.

112. More broadly, if Minnesota attempts to ban Polymarket US’s event contracts that federal law and the CFTC have authorized, Minnesota’s actions would frustrate the CFTC’s exclusive authority to regulate its designated exchanges. As the Supreme Court has recognized, “[t]he purpose of the exclusive-jurisdiction provision” is, among other things, to “separate the functions of the [CFTC] from those of . . . other regulatory agencies.” *Merrill Lynch*, 456 U.S. at 386. Permitting a total ban of

Polymarket US in Minnesota under SF 3432—with severe criminal penalties for noncompliance—would conflict with Congress’s goal to avoid subjecting regulated exchanges to multiple conflicting legal regimes—a conflict that becomes clearer still when one considers that nothing would stop the 49 other States and the District of Columbia from equally attempting to subject Polymarket US’s exchange to their own, varying laws. “This state regulation is exactly the patchwork that Congress replaced wholecloth by creating the CFTC.” *Flaherty*, 172 F.4th at 230.

113. In short, Minnesota may not enforce against Polymarket US state laws that federal law preempts.

COUNT II
(Violation of the First Amendment (42 U.S.C. § 1983))

114. Polymarket US incorporates the preceding paragraphs by reference.

115. SF 3432 violates the First Amendment by criminalizing the truthful advertising and marketing of lawful, federally regulated products and the provision of data, information, and verification services necessary for federally regulated prediction markets to function.

116. The First Amendment protects the right to communicate truthful information about lawful products and services, including through advertising. *Va. State Bd. of Pharmacy v. Va. Citizens Consumer Council*, 425 U.S. 748, 761–62 (1976).

117. SF 3432 burdens that right by making it a felony to “advertise[] or market[] financial or technological products that promote transactions prohibited under this section.” Minn. Stat. § 609.7615, subd. 3. As applied to Polymarket US, that provision

criminalizes truthful, non-misleading speech about lawful, federally regulated event contracts traded on a CFTC-designated exchange. Because Polymarket US is engaged in “lawful activities,” it is entitled to “broadcast” advertising about those activities so long as the messages are “not misleading.” *Greater New Orleans Broad. Ass’n*, 527 U.S. at 184.

118. SF 3432 also burdens Polymarket US’s rights to receive, use, and disseminate information by targeting anyone who “provides data, information, or verification services, including the provision of event outcomes, directly to a prediction market” if the provider “know[s] that the data, information, or verification services will be used to allow consumers to make wagers or to settle wagers made by consumers in violation of this section.” Minn. Stat. § 609.7615, subd. 2(4). As applied to Polymarket US, that provision restricts the flow of information necessary to settle event contracts and to communicate accurate market information to the public.

119. These restrictions burden protected speech and information concerning lawful, federally regulated activity. They restrict Polymarket US’s ability to receive and communicate truthful information about its products and the market, and they deprive the public of access to “vital information about the market.” *44 Liquormart, Inc. v. Rhode Island*, 517 U.S. 484, 495 (1996).

120. For these reasons, SF 3432 violates the First Amendment, which protects the freedom to communicate and receive truthful information even when the government disfavors the subject matter of that speech. *See Sorrell v. IMS Health Inc.*, 564 U.S. 552, 577 (2011).

121. 42 U.S.C. § 1983 provides a civil cause of action to any person deprived, under color of law, of rights guaranteed by the United States Constitution or federal law.

122. Defendants, acting under color of state law, have deprived and will deprive Polymarket US of its rights under the First Amendment through the enactment and threatened enforcement of SF 3432.

PRAYER FOR RELIEF

An actual controversy has arisen between the parties entitling Plaintiff to legal, declaratory, and injunctive relief.

WHEREFORE, Plaintiff Polymarket US respectfully requests that this Court enter the following relief:

A. A declaratory judgment, pursuant to 28 U.S.C. § 2201 and Rule 57 of the Federal Rules of Civil Procedure, that Minnesota's gaming laws, including Minnesota Statutes §§ 299L.03, 609.75 *et seq.*, 609.7615, as amended and adopted by SF 3432, are preempted under the CEA, unconstitutional, and invalid facially and as applied to Plaintiff;

B. Preliminary and permanent injunctions, pursuant to Rule 65 of the Federal Rules of Civil Procedure, enjoining Defendants as well as their successors, agents, and employees, from enforcing Minnesota Statutes §§ 299L.03, 609.75 *et seq.*, 609.7615, or any other state law or regulation to the extent it purports to regulate or prohibit Plaintiff's activities governed exclusively by federal law, violates the First Amendment, or otherwise conflicts with federal law;

C. An award of Plaintiff's attorneys' fees and costs incurred in bringing this action, including attorneys' fees and costs under 42 U.S.C. § 1988(b) for successful 42 U.S.C. § 1983 claims; and

D. Any other relief within this Court's discretion that it deems just and proper.

Dated: June 3, 2026

Respectfully submitted,

/s/ S. Jamal Faleel

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**Applications for pro hac vice admission
forthcoming*

*Attorneys for Plaintiff QCX LLC d/b/a
Polymarket US*

EXHIBIT 1

**SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION**

S.F. No. 3432

(SENATE AUTHORS: LATZ, Oumou Verbeten, Dibble and Johnson Stewart)

DATE	D-PG	OFFICIAL STATUS
04/24/2025	3928	Introduction and first reading Referred to Judiciary and Public Safety
04/25/2025	4012	Author added Gustafson
05/09/2025	4859	Author added Oumou Verbeten
04/21/2026	8854a	Comm report: To pass as amended and re-refer to Finance Pursuant to Senate Concurrent Resolution No. 6, referred to Rules and Administration
	8870	Author stricken Gustafson
	8870	Authors added Dibble; Johnson Stewart
	8946	Senate Concurrent Resolution 6 Suspended adopt previous committee report
04/23/2026	8997a	Comm report: To pass as amended
	9012	Second reading
04/27/2026	9177a	Special Order: Amended
	9181	Third reading Passed as amended
05/07/2026	9979a	Returned from House with amendment
	9979	Senate not concur, conference committee of 5 requested
	10195	Senate conferees Latz; Dibble; Xiong; Westlin; Kreun
05/11/2026	10205	House conferees Moller; Liebling; Curran; Novotny; Scott; Olson
05/16/2026	10828c	Conference committee report, delete everything
	10863	Senate adopted CC report and repassed bill
	10863	Third Reading Repassed
05/17/2026	10922	House adopted SCC report and repassed bill
		Presentment date 05/20/26
		Governor's action Approval 05/26/26
		Secretary of State Chapter 118 05/26/26

1.1 A bill for an act

1.2 relating to public safety; modifying provisions governing Capitol security; creating
1.3 emergency contact information policy for elected officials; modifying attorney
1.4 general subpoena authority; modifying clemency provisions; establishing task
1.5 forces and a grant program; including security guards in medical personnel assault
1.6 crime; modifying penalties for theft from vulnerable adults; modifying child sexual
1.7 abuse material policy; prohibiting prediction markets-related activities; providing
1.8 for a Department of Natural Resources money transfer; requiring reports; providing
1.9 criminal penalties; appropriating money for public safety, corrections, and for
1.10 judicial, legislative, and constitutional officer safety and security; repealing 2026
1.11 S.F. No. 4760, article 3, section 1, and article 8, sections 1, 2, and 3, if enacted;
1.12 amending Minnesota Statutes 2024, sections 8.16, subdivision 1; 13.6905, by
1.13 adding a subdivision; 299D.03, subdivision 1; 299E.01, subdivisions 1, 2, 3, 4;
1.14 299L.03, subdivision 12; 609.52, subdivision 3a; 609.75, subdivision 3; 617.246,
1.15 by adding a subdivision; 638.14, subdivision 5; Minnesota Statutes 2025
1.16 Supplement, sections 609.2231, subdivision 2; 617.247, by adding a subdivision;
1.17 Laws 2025, chapter 35, article 1, sections 2; 4; 5; article 2, section 4; Laws 2025,
1.18 chapter 39, article 1, section 2; Laws 2025, First Special Session chapter 8, article
1.19 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes,
1.20 chapters 299A; 299E; 609; 617.

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

1.22 **ARTICLE 1**

1.23 **SECURITY APPROPRIATIONS**

1.24 Section 1. **JUDICIARY APPROPRIATIONS.**

1.25 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.26 and for the purposes specified in this article and are added to or, if shown in parentheses,
1.27 are subtracted from the appropriations in Laws 2025, chapter 35, article 1, and Laws 2025,
1.28 chapter 39, article 1. The appropriations are from the general fund, or another named fund,
1.29 and are available for the fiscal years indicated for each purpose. The figures "2026" and
1.30 "2027" used in this article mean that the appropriations listed under them are available for

2.1 the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal
 2.2 year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and
 2.3 2027.

2.4			<u>APPROPRIATIONS</u>	
2.5			<u>Available for the Year</u>	
2.6			<u>Ending June 30</u>	
2.7			<u>2026</u>	<u>2027</u>
2.8	Sec. 2. <u>SUPREME COURT</u>	<u>\$</u>	<u>-0-</u>	<u>\$ 6,062,000</u>

2.9 **(a) Security for Judicial Officials**

2.10 \$64,000 the second year is for security for
 2.11 judicial officials. The base for this
 2.12 appropriation is \$35,000 beginning in fiscal
 2.13 year 2028.

2.14 **(b) Judicial Security Unit**

2.15 \$312,000 the second year is for additional
 2.16 security personnel.

2.17 **(c) Security Threat Response**

2.18 \$1,686,000 the second year is for response to
 2.19 threats to the security and stability of the
 2.20 judiciary. The chief justice is authorized to
 2.21 transfer funds to the court of appeals and the
 2.22 district courts for this purpose. The base for
 2.23 this appropriation is \$305,000 beginning in
 2.24 fiscal year 2028.

2.25 **(d) Safe and Secure Courthouse Initiative**

2.26 \$4,000,000 the second year is for a
 2.27 competitive grant program for courthouse
 2.28 safety and security improvements. Grants may
 2.29 be awarded to governmental entities to fund
 2.30 courthouse security assessments, equipment,
 2.31 technology, construction, or training needs.
 2.32 Grant recipients must provide a 50 percent
 2.33 nonstate match. This is a onetime

3.1 appropriation and is available until June 30,
 3.2 2029.

3.3 Sec. 3. **COURT OF APPEALS** \$ -0- \$ 60,000

3.4 **Safety and Security**

3.5 \$60,000 the second year is to implement safety
 3.6 and security measures. The base for this
 3.7 appropriation is \$33,000 beginning in fiscal
 3.8 year 2028.

3.9 Sec. 4. **DISTRICT COURTS** \$ -0- \$ 843,000

3.10 **Safety and Security**

3.11 \$843,000 the second year is to implement
 3.12 safety and security measures. The base for this
 3.13 appropriation is \$467,000 beginning in fiscal
 3.14 year 2028.

3.15 Sec. 5. Laws 2025, chapter 35, article 1, section 2, is amended to read:

3.16 Sec. 2. **SUPREME COURT** \$ **54,597,000** \$ **50,597,000**

3.17 **(a) Contingent Account**

3.18 \$5,000 each year is for a contingent account
 3.19 for expenses necessary for the normal
 3.20 operation of the court for which no other
 3.21 reimbursement is provided.

3.22 **(b) Justice Partner Access**

3.23 \$4,000,000 the first year is to improve justice
 3.24 partner access to documents and court
 3.25 information. This appropriation is available
 3.26 until June 30, 2029.

3.27 **(c) Base Adjustment**

3.28 The general fund base shall be ~~\$50,821,000~~
 3.29 \$51,636,000 beginning in fiscal year 2028.

4.1 Sec. 6. Laws 2025, chapter 35, article 1, section 4, is amended to read:

4.2 **Sec. 4. COURT OF APPEALS** \$ **15,624,000** \$ **15,624,000**

4.3 **Base Adjustment**

4.4 The general fund base shall be ~~\$15,794,000~~
 4.5 \$15,871,000 beginning in fiscal year 2028.

4.6 Sec. 7. Laws 2025, chapter 35, article 1, section 5, is amended to read:

4.7 **Sec. 5. DISTRICT COURTS** \$ **396,395,000** \$ **396,396,000**

4.8 **(a) Forensic Examiner Rate Increase**

4.9 \$2,685,000 each year is to increase the hourly
 4.10 rate paid to forensic examiners.

4.11 **(b) Base Adjustment**

4.12 The general fund base shall be ~~\$403,810,000~~
 4.13 \$402,918,000 beginning in fiscal year 2028.

4.14 Sec. 8. Laws 2025, chapter 39, article 1, section 2, is amended to read:

4.15 **Sec. 2. LEGISLATURE**

4.16 ~~112,970,000~~ **114,534,000**
 4.17 **Subdivision 1. Total Appropriation** \$ **115,077,000** \$ **115,975,000**

4.18 The amounts that may be spent for each
 4.19 purpose are specified in the following
 4.20 subdivisions. The base for this appropriation
 4.21 is ~~\$112,818,000~~ \$114,568,000 in fiscal year
 4.22 2028 and \$114,598,000 in fiscal year 2029
 4.23 and each fiscal year thereafter.

4.24 ~~38,238,000~~ **39,690,000**
 4.25 **Subd. 2. Senate** **39,407,000** **40,689,000**

4.26 The base for this appropriation is \$40,729,000
 4.27 in fiscal year 2028 and \$40,759,000 in fiscal
 4.28 year 2029 and each fiscal year thereafter.

4.29 ~~42,375,000~~ **41,163,000**
 4.30 **Subd. 3. House of Representatives** **43,313,000** **41,605,000**

SF3432 REVISOR VH S3432-4 4th Engrossment

5.1 The base for this appropriation is ~~\$39,437,000~~
 5.2 \$40,148,000 in fiscal year 2028 and
 5.3 \$40,148,000 in fiscal year 2029 and each fiscal
 5.4 year thereafter.

5.5 **Subd. 4. Legislative Coordinating Commission** 32,357,000 33,681,000

5.6 The base for this appropriation is \$33,691,000
 5.7 in fiscal year 2028 and each fiscal year
 5.8 thereafter.

5.9 **Legislative Auditor.** \$12,365,000 the first
 5.10 year and \$12,857,000 the second year are for
 5.11 the Office of the Legislative Auditor. The base
 5.12 for this appropriation is \$12,867,000 in fiscal
 5.13 year 2028 and each fiscal year thereafter.

5.14 **Revisor of Statutes.** \$9,094,000 the first year
 5.15 and \$9,466,000 the second year are for the
 5.16 Office of the Revisor of Statutes.

5.17 **Legislative Reference Library.** \$2,278,000
 5.18 the first year and \$2,369,000 the second year
 5.19 are for the Legislative Reference Library.

5.20 **Legislative Budget Office.** \$2,800,000 the
 5.21 first year and \$2,965,000 the second year are
 5.22 for the Legislative Budget Office.

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

5.24 Sec. 9. Laws 2025, First Special Session chapter 8, article 1, section 4, subdivision 3, is
 5.25 amended to read:

5.26 **Subd. 3. State Patrol**

5.27 **(a) Patrolling Highways** 147,013,000 148,960,000

5.28	Appropriations by Fund		
5.29		2026	2027
5.30	General	37,000	37,000
5.31	H.U.T.D.	92,000	92,000
5.32	Trunk Highway	146,884,000	148,831,000

6.1 \$1,045,000 in each year is from the trunk
 6.2 highway fund for recruitment and hiring
 6.3 initiatives. Of the base from the trunk highway
 6.4 fund, \$10,365,000 in each of fiscal years 2028
 6.5 and 2029 is for this purpose, which includes
 6.6 funding to conduct an additional annual
 6.7 trooper academy.

6.8 The base from the trunk highway fund is
 6.9 \$158,151,000 in each of fiscal years 2028 and
 6.10 2029.

6.11	(b) Commercial Vehicle Enforcement	18,861,000	18,861,000
6.12		19,243,000	19,243,000
6.13	(c) Capitol Security	<u>25,119,000</u>	<u>29,142,000</u>

6.14 This appropriation is from the general fund.

6.15 The base for this appropriation is \$25,779,000
 6.16 in fiscal year 2028 and \$24,849,000 in fiscal
 6.17 year 2029.

6.18 \$2,220,000 in fiscal year 2026 and \$5,099,000
 6.19 in fiscal year 2027 are for staffing, overtime,
 6.20 and equipping costs of additional State Patrol
 6.21 personnel and associated scanning equipment,
 6.22 to perform screening of individuals entering
 6.23 the State Capitol building. The base for this
 6.24 purpose is \$3,510,000 in fiscal year 2028 and
 6.25 \$2,879,000 in fiscal year 2029.

6.26 \$4,700,000 in fiscal year 2027 is for security
 6.27 enhancements on the Capitol complex,
 6.28 including but not limited to staffing,
 6.29 equipment, and operations. The base for this
 6.30 purpose is \$1,560,000 in fiscal year 2028 and
 6.31 \$1,561,000 in fiscal year 2029.

6.32 \$1,736,000 in fiscal year 2026 is for the
 6.33 legislative services unit under Minnesota
 6.34 Statutes, section 299E.10. The base for this

7.1 purpose is \$1,466,000 in fiscal year 2028 and
 7.2 \$1,166,000 in fiscal year 2029.
 7.3 \$100,000 in fiscal year 2027 is for the Security
 7.4 Services Task Force under article 2, section
 7.5 11. This is a onetime appropriation.

7.6 The commissioner must not:
 7.7 (1) spend any money from the trunk highway
 7.8 fund for capitol security; or
 7.9 (2) permanently transfer any state trooper from
 7.10 the patrolling highways activity to capitol
 7.11 security.

7.12 The commissioner must not transfer any
 7.13 money appropriated to the commissioner under
 7.14 this section:

7.15 (1) to capitol security; or
 7.16 (2) from capitol security.

7.17 **(d) Vehicle Crimes Unit** 1,290,000 1,303,000

7.18 This appropriation is from the highway user
 7.19 tax distribution fund to investigate:
 7.20 (1) registration tax and motor vehicle sales tax
 7.21 liabilities from individuals and businesses that
 7.22 currently do not pay all taxes owed; and
 7.23 (2) illegal or improper activity related to the
 7.24 sale, transfer, titling, and registration of motor
 7.25 vehicles.

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

7.27 Sec. 10. **APPROPRIATIONS; LEGISLATURE; LEGISLATIVE SECURITY**
 7.28 **SERVICES REIMBURSEMENTS.**

7.29 (a) \$1,467,000 in fiscal year 2027 is appropriated from the general fund to the senate to
 7.30 make reimbursements under Minnesota Statutes, section 299E.10, subdivision 3, paragraph
 7.31 (g). This is a onetime appropriation.

8.1 (b) \$2,933,000 in fiscal year 2027 is appropriated from the general fund to the house of
8.2 representatives to make reimbursements under Minnesota Statutes, section 299E.10,
8.3 subdivision 3, paragraph (g). This is a onetime appropriation.

8.4 Sec. 11. **APPROPRIATIONS; CONSTITUTIONAL OFFICERS; SAFETY AND**
8.5 **SECURITY.**

8.6 (a) \$100,000 in fiscal year 2027 is appropriated from the general fund to the attorney
8.7 general for the safety and security of the attorney general. This is a onetime appropriation.

8.8 (b) \$100,000 in fiscal year 2027 is appropriated from the general fund to the secretary
8.9 of state for the safety and security of the secretary of state. This is a onetime appropriation.

8.10 (c) \$100,000 in fiscal year 2027 is appropriated from the general fund to the state auditor
8.11 for the safety and security of the state auditor. This is a onetime appropriation.

8.12 Sec. 12. **APPROPRIATION; BUREAU OF CRIMINAL APPREHENSION.**

8.13 \$1,012,000 in fiscal year 2027 is appropriated from the general fund to the commissioner
8.14 of public safety for Bureau of Criminal Apprehension staffing and operating costs related
8.15 to threat assessment and investigation activities, including in coordination with the legislative
8.16 services unit under Minnesota Statutes, section 299E.10.

8.17 Sec. 13. **TRANSFER; DEPARTMENT OF NATURAL RESOURCES.**

8.18 Upon request from the commissioner of natural resources, the commissioner of
8.19 management and budget may transfer up to \$1,600,000 in fiscal year 2026 from any
8.20 Department of Natural Resources fiscal year 2024 or fiscal year 2025 general fund nongrant
8.21 operating appropriations that were carried forward to fiscal year 2026 to the Division of
8.22 Enforcement. This transfer may only be used for nonbudgeted public safety costs that
8.23 occurred in fiscal year 2026. By September 15, 2026, the commissioner of natural resources
8.24 must report the amount and source of the transfer authorized under this section to the chairs
8.25 and ranking minority members of the legislative committees and divisions with jurisdiction
8.26 over environment and natural resources.

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

ARTICLE 2

CAPITOL SECURITY POLICY

Section 1. Minnesota Statutes 2024, section 13.6905, is amended by adding a subdivision to read:

Subd. 39. **Emergency contact information data.** Data related to emergency contacts for elected officials are governed by section 299A.96.

Sec. 2. **[299A.96] EMERGENCY CONTACT INFORMATION FOR ELECTED OFFICIALS.**

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

(b) "Commissioner" means the commissioner of public safety.

(c) "Elected official" means a state executive officer, member of the legislature, justice of the supreme court, or member of the state's federal congressional delegation.

Subd. 2. **Submitting contact information to commissioner.** (a) For purposes of subdivision 4 and subject to paragraph (c), an elected official must submit and verify annually by January 31 to the commissioner the following information in the form prescribed by the commissioner:

(1) primary residential address;

(2) any secondary address in the state;

(3) work telephone number;

(4) home telephone number;

(5) email address; and

(6) list and contact information of immediate family members.

(b) An elected official must notify the commissioner within 30 days after changing any information under paragraph (a).

(c) An elected official may opt out of the requirements under this subdivision by submitting a notification in writing to the commissioner.

Subd. 3. **Data classification.** All information submitted under subdivision 2 is classified as private data on individuals under section 13.02, subdivision 12.

10.1 Subd. 4. Using and disclosing information. (a) The data under subdivision 2 may only
10.2 be accessed by authorized personnel for official public safety purposes in the course of use
10.3 or disclosure as provided under this subdivision. The commissioner may use or disclose
10.4 data under subdivision 2 only to ensure the safety and security of elected officials or their
10.5 immediate family members.

10.6 (b) Use or disclosure of the data under subdivision 2 is subject to the remedies and
10.7 penalties under sections 13.08 and 13.09.

10.8 Sec. 3. Minnesota Statutes 2024, section 299D.03, subdivision 1, is amended to read:

10.9 Subdivision 1. **Members, powers, and duties.** (a) The commissioner is hereby authorized
10.10 to employ and designate a chief supervisor, a chief assistant supervisor, and such assistant
10.11 supervisors, sergeants and officers as are provided by law, who ~~shall~~ comprise the Minnesota
10.12 State Patrol.

10.13 (b) ~~The~~ Members of the Minnesota State Patrol ~~shall~~ have the power and authority:

10.14 (1) as peace officers to enforce the provisions of the law relating to the protection of
10.15 and use of trunk highways;

10.16 (2) at all times to direct all traffic on trunk highways in conformance with law, and in
10.17 the event of a fire or other emergency, or to expedite traffic or to insure safety, to direct
10.18 traffic on other roads as conditions may require notwithstanding the provisions of law;

10.19 (3) to serve search warrants related to criminal motor vehicle and traffic violations and
10.20 arrest warrants, and legal documents anywhere in the state;

10.21 (4) to serve orders of the commissioner of public safety or the commissioner's duly
10.22 authorized agents issued under the provisions of the Driver's License Law, the Safety
10.23 Responsibility Act, or relating to authorized brake- and light-testing stations, anywhere in
10.24 the state and to take possession of any license, permit, or certificate ordered to be surrendered;

10.25 (5) to inspect official brake and light adjusting stations;

10.26 (6) to make appearances anywhere within the state for the purpose of conducting traffic
10.27 safety educational programs and school bus clinics;

10.28 (7) to exercise upon all trunk highways the same powers with respect to the enforcement
10.29 of laws relating to crimes, as sheriffs and police officers;

10.30 (8) to cooperate, under instructions and rules of the commissioner of public safety, with
10.31 all sheriffs and other police officers anywhere in the state, provided that said employees
10.32 ~~shall~~ have no power or authority in connection with strikes or industrial disputes;

11.1 (9) to assist and aid any peace officer whose life or safety is in jeopardy;

11.2 (10) as peace officers to provide security and protection: (i) to the governor, governor
 11.3 elect, either or both houses of the legislature, and state buildings or property in the manner
 11.4 and to the extent determined to be necessary after consultation with the governor, or a
 11.5 designee; and (ii) as provided in section 299E.10. Pursuant to this clause, members of the
 11.6 State Patrol, acting as peace officers have the same powers with respect to the enforcement
 11.7 of laws relating to crimes, as sheriffs and police officers have within their respective
 11.8 jurisdictions;

11.9 (11) to inspect school buses anywhere in the state for the purposes of determining
 11.10 compliance with vehicle equipment, pollution control, and registration requirements;

11.11 (12) as peace officers to make arrests for public offenses committed in their presence
 11.12 anywhere within the state. Persons arrested for violations other than traffic violations ~~shall~~
 11.13 must be referred ~~forthwith~~ immediately to the appropriate local law enforcement agency
 11.14 for further investigation or disposition; and

11.15 (13) to enforce the North American uniform out-of-service criteria and issue
 11.16 out-of-service orders, as defined in Code of Federal Regulations, title 49, section 383.5.

11.17 (c) After consultation with the governor or a designee, the commissioner may require
 11.18 the State Patrol to provide security and protection to supreme court justices, legislators, and
 11.19 constitutional officers other than the governor, for a limited period and within the limits of
 11.20 existing resources, in response to a credible threat on the individual's life or safety.

11.21 (d) The state may contract for State Patrol members to render the services described in
 11.22 this section in excess of their regularly scheduled duty hours and patrol members rendering
 11.23 such services ~~shall~~ must be compensated in such amounts, manner and under such conditions
 11.24 as the agreement provides.

11.25 (e) Employees thus employed and designated ~~shall~~ must subscribe an oath.

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

11.27 Sec. 4. **[299E.005] DEFINITIONS.**

11.28 **Subdivision 1. Scope.** For purposes of this chapter, the terms defined in this section have
 11.29 the meanings given.

11.30 **Subd. 2. Capitol Area.** "Capitol Area" has the meaning given in section 15B.02.

11.31 **Subd. 3. Commissioner.** "Commissioner" means the commissioner of public safety.

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

12.2 Sec. 5. Minnesota Statutes 2024, section 299E.01, subdivision 1, is amended to read:

12.3 Subdivision 1. **Created; director.** A ~~division~~ section in the Department of Public Safety
 12.4 to be known as ~~the Capitol Complex Security Division~~ is created within the State Patrol.
 12.5 Capitol Security is under the supervision and control of the director of Capitol ~~complex~~
 12.6 security, who must be a member of the State Patrol and to whom are assigned the duties
 12.7 and responsibilities described in this section. The commissioner of public safety may place
 12.8 the director's position in the unclassified service if the position meets the criteria of section
 12.9 43A.08, subdivision 1a.

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

12.11 Sec. 6. Minnesota Statutes 2024, section 299E.01, subdivision 2, is amended to read:

12.12 Subd. 2. **Responsibilities.** (a) ~~The division~~ Capitol Security is responsible and must
 12.13 utilize state employees for: (1) security and public information services in state-owned
 12.14 buildings and state leased-to-own buildings in the Capitol Area, as described in section
 12.15 15B.02; and (2) legislative services as provided under section 299E.10. ~~‡~~ The commissioner
 12.16 must provide personnel as are required by the circumstances to ~~insure~~ ensure the orderly
 12.17 conduct of state business and the convenience of the public. Until July 1, 2026, it must
 12.18 provide emergency assistance and security escorts at any location within the Capitol Area,
 12.19 as described in section 15B.02, when requested by a state constitutional officer.

12.20 (b) As part of ~~the division~~ Capitol Security permanent staff, the director of Capitol
 12.21 Security must establish the position of emergency manager that includes, at a minimum,
 12.22 the following duties:

12.23 (1) oversight of the consolidation, development, and maintenance of plans and procedures
 12.24 that provide continuity of security operations;

12.25 (2) the development and implementation of tenant training that addresses threats and
 12.26 emergency procedures; and

12.27 (3) the development and implementation of threat and emergency exercises.

12.28 (c) The director must provide a minimum of one state trooper assigned to the Capitol
 12.29 complex at all times. The director and any state troopers assigned to the Capitol complex
 12.30 must have current training in, or recent experience conducting, criminal investigations that
 12.31 include identifying witnesses and report writing.

13.1 (d) Subject to available resources, the director must provide for a staffing complement
 13.2 and reimbursements to meet the requirements under section 299E.10.

13.3 ~~(d)~~ (e) The director, in consultation with the advisory committee under section 299E.04,
 13.4 ~~shall~~ must, at least annually, hold a meeting or meetings to discuss, among other issues,
 13.5 Capitol complex security, emergency planning, public safety, and public access to the
 13.6 Capitol complex. The meetings must include, at a minimum:

13.7 (1) Capitol complex tenants and state employees;

13.8 (2) nongovernmental entities, such as lobbyists, vendors, and the media; and

13.9 (3) the public and public advocacy groups.

13.10 (f) Notwithstanding arrest referral requirements in section 299D.03, subdivision 1,
 13.11 paragraph (b), clause (12), Capitol Security is the lead agency responsible for investigating
 13.12 alleged criminal offenses that occur in state-owned buildings and state leased-to-own
 13.13 buildings, or on grounds surrounding these buildings, within the Capitol Area. Another law
 13.14 enforcement agency may assume responsibility for a criminal investigation under this
 13.15 paragraph if the director and the chief law enforcement officer for the other agency agree,
 13.16 in writing, to transfer responsibility for the investigation.

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

13.18 Sec. 7. Minnesota Statutes 2024, section 299E.01, subdivision 3, is amended to read:

13.19 Subd. 3. **Powers and duties transferred.** All powers, duties and responsibilities
 13.20 heretofore assigned by law to the commissioner of administration relating to the general
 13.21 function of security in Capitol complex state-owned buildings are hereby transferred to the
 13.22 commissioner of public safety. The commissioner of public safety ~~shall have~~ has the final
 13.23 authority regarding public safety and security in the Capitol complex. The commissioner
 13.24 of administration ~~shall have~~ has the powers, duties, and responsibilities relating to the Capitol
 13.25 complex of state-owned buildings as provided under chapter 16B.

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

13.27 Sec. 8. Minnesota Statutes 2024, section 299E.01, subdivision 4, is amended to read:

13.28 Subd. 4. **Capitol complex.** For purposes of this section, the Capitol complex of
 13.29 state-owned buildings ~~shall be~~ is as defined in chapter 15B, and acts amendatory thereof
 13.30 and such other state-owned or state-leased buildings and property within the Twin Cities
 13.31 metropolitan area as the governor from time to time may designate.

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

14.2 Sec. 9. **[299E.015] CAPITOL COMPLEX SECURITY; REPORTS.**

14.3 Subdivision 1. **Public report.** (a) By January 15 of each year beginning in calendar year
14.4 2028, the commissioner must submit a report on the legislative services unit and security
14.5 in the Capitol Area to the chairs and ranking minority members of the legislative committees
14.6 with jurisdiction over state government, public safety, and transportation and to the Advisory
14.7 Committee on Capitol Area Security.

14.8 (b) At a minimum, the report must:

14.9 (1) provide sufficient information to support a public conversation on Capitol complex
14.10 security while maintaining the integrity of the state's security posture;

14.11 (2) provide an overview of the activities of Capitol Security and the legislative services
14.12 unit;

14.13 (3) review the performance of the legislative services unit in each of the duties specified
14.14 under section 299E.10, subdivisions 3 and 4;

14.15 (4) provide summary data for the prior year on the number of:

14.16 (i) threat assessments performed;

14.17 (ii) credible threats identified, disaggregated by the type and nature of the threat;

14.18 (iii) personal security and protection instances performed following a request or based
14.19 on a threat assessment; and

14.20 (iv) changes from the preceding year in the amounts under items (i) to (iii);

14.21 (5) subject to the limitations of paragraph (d), describe how money appropriated for
14.22 Capitol complex security was used in the previous year;

14.23 (6) subject to the limits of paragraph (d), provide a detailed description of security
14.24 services costs, disaggregated by type of activity and any reimbursements; and

14.25 (7) provide any recommendations for relevant efficiency improvements, cost saving
14.26 measures, and changes in security practices or state law.

14.27 (c) The public report may include summary data, as defined in section 13.02, subdivision
14.28 19, and may include the executive summary of the report required under subdivision 2.

14.29 (d) The report prepared under this subdivision must not contain descriptions of identified
14.30 security vulnerabilities; public and controlled access systems and pathways; staffing patterns;

15.1 architectural constraints; camera, alarm, and records technology systems; or any other
15.2 information of which the disclosure would be likely to jeopardize the security of the Capitol
15.3 Area buildings and the individuals who work in and visit those spaces.

15.4 Subd. 2. **Not public report.** (a) By January 15 of each year, the commissioner of public
15.5 safety must report on the legislative services unit and security in the Capitol Area to the
15.6 Advisory Committee on Capitol Area Security, the senate majority leader, the senate minority
15.7 leader, the speaker of the house, and the minority leader of the house of representatives or,
15.8 if there is no minority leader, the leader of the caucus that is not represented by the speaker
15.9 of the house. At a minimum, the report must:

15.10 (1) describe how money appropriated for Capitol complex security was used in the
15.11 previous year;

15.12 (2) provide a detailed description of security services costs, disaggregated by type of
15.13 activity and any reimbursements;

15.14 (3) provide summary data for the legislative services unit in the previous year on the
15.15 number of personal security and protection requests made and the number of personal
15.16 security and protection instances performed following a request or based on a threat
15.17 assessment;

15.18 (4) provide information on security incidents that occurred in the previous year, including
15.19 incident categorization and trends compared to prior years;

15.20 (5) summarize the status of security staffing, use of technology, training, and other
15.21 security procedures;

15.22 (6) describe any identified security vulnerabilities and propose steps to eliminate or
15.23 mitigate those vulnerabilities; and

15.24 (7) make recommendations for changes in security policy and levels of funding.

15.25 (b) The report prepared under this subdivision is security information as defined in
15.26 section 13.37, subdivision 1, paragraph (a). The report under this subdivision is not subject
15.27 to the requirements under section 3.195.

15.28 (c) Upon request in writing by a recipient of the report under paragraph (a), the
15.29 commissioner must provide additional details on security incidents.

15.30 (d) A member who receives a report prepared under this subdivision or information
15.31 under paragraph (c) must not disseminate the report or information to the public. A member

16.1 who willfully discloses the report or information in violation of this paragraph is subject to
16.2 the penalties under section 13.09.

16.3 Sec. 10. **[299E.10] LEGISLATIVE SERVICES.**

16.4 Subdivision 1. **Unit created.** A legislative services unit is established within Capitol
16.5 Security to perform the duties specified in this section.

16.6 Subd. 2. **Staffing.** The legislative services unit must be under the supervision and control
16.7 of a member of the State Patrol who is a peace officer.

16.8 Subd. 3. **Threat assessment, mitigation, and response.** (a) The legislative services
16.9 unit must (1) identify, assess, and investigate threats to the life or safety of a member of the
16.10 legislature, and (2) assist in mitigation of threats that the unit determines are credible. The
16.11 credible threat mitigation responsibilities of the unit include but are not limited to
16.12 coordination with the State Patrol, local law enforcement, the relevant sergeant-at-arms of
16.13 the senate or house of representatives, and other available resources on a security response
16.14 to threats, including provision of personal security and protection for the member when
16.15 warranted by a threat.

16.16 (b) Unless there are exigent circumstances or information that indicates otherwise, the
16.17 unit must prioritize assessment of threats against members of the legislature in the following
16.18 order:

16.19 (1) threats that involved a request for an emergency services response;

16.20 (2) threats that are referred for assessment by the speaker of the house, the minority
16.21 leader of the house, or the majority or minority leader of the senate;

16.22 (3) threats that are specifically referred for assessment by any other member of the
16.23 legislature; and

16.24 (4) threats that are identified by the unit, referred by a member of the legislature where
16.25 a threat assessment is not requested, and gathered from any other source.

16.26 (c) For an imminent credible threat, the commissioner must immediately coordinate a
16.27 response by available law enforcement resources.

16.28 (d) The commissioner may consult with the Bureau of Criminal Apprehension to
16.29 determine whether a threat is credible.

16.30 (e) In response to a request under paragraph (b), clause (2) or (3), the commissioner
16.31 must as soon as practicable provide the subject of a threat, and when appropriate and
16.32 authorized by law, any referring party, with:

- 17.1 (1) an initial estimate on how long the requested threat assessment will take to complete;
- 17.2 (2) an explanation of the unit's threat analysis and determination;
- 17.3 (3) recommendations for mitigating the threat; and
- 17.4 (4) the proposed and intended actions of the unit to implement the recommendations
- 17.5 under clause (3).
- 17.6 (f) The commissioner is not required to perform threat mitigation actions identified under
- 17.7 paragraph (e) that are declined by the subject of the threat.
- 17.8 (g) The house of representatives and the senate, as appropriate, must reimburse the
- 17.9 Department of Public Safety or a law enforcement agency for the reasonable costs of personal
- 17.10 security and protection incurred under this subdivision. The house of representatives and
- 17.11 the senate may enter into agreements with the commissioner to implement the requirements
- 17.12 under this paragraph and subdivision 5.
- 17.13 Subd. 4. **Responsibilities.** (a) For purposes of this subdivision, "security services"
- 17.14 includes but is not limited to security activities; protective activities; identification and
- 17.15 assessment of public safety vulnerabilities, risks, and threats; and emergency response.
- 17.16 (b) Subject to available resources, the legislative services unit must:
- 17.17 (1) coordinate security services provided to members of the legislature, including but
- 17.18 not limited to activities as a centralized communications and coordination hub and a liaison
- 17.19 between members of the legislature, the sergeants-at-arms of the senate and house of
- 17.20 representatives, the Minnesota Fusion Center, and local law enforcement agencies;
- 17.21 (2) develop and maintain a plan on security services provided to members of the
- 17.22 legislature, which must include but is not limited to a threat matrix protocol for members
- 17.23 of the legislature, for statewide use by the state and political subdivisions;
- 17.24 (3) develop protocols or procedures for security services communications related to or
- 17.25 conducted with members of the legislature;
- 17.26 (4) develop protocols or procedures to identify, collate, assess, and respond to a credible
- 17.27 threat to life or safety of a member of the legislature;
- 17.28 (5) upon request of a member of the legislature, review and provide input on plans by
- 17.29 political subdivisions and local law enforcement agencies for security services provided to
- 17.30 members of the legislature;
- 17.31 (6) offer to provide security orientation and training for newly elected members of the
- 17.32 legislature within 21 days of taking the oath of office; and

18.1 (7) perform other activities determined to be necessary and related to the responsibilities
18.2 specified in this subdivision, after consultation with the commissioner and the governor.

18.3 (c) The duties of the legislative services unit do not include individualized personal
18.4 protective activities or emergency response outside the Capitol complex, except as provided
18.5 under this section or section 299D.03, subdivision 1, paragraph (c).

18.6 (d) The commissioner may provide security and protection under this section in the form
18.7 and manner the commissioner deems necessary.

18.8 (e) The protocols and procedures under paragraph (b) must follow generally accepted
18.9 practices for security activities information gathering and evaluation and must safeguard
18.10 the due process rights, civil liberties, and privacy rights of individuals.

18.11 Subd. 5. **Agreements with local law enforcement; reimbursement.** (a) The
18.12 commissioner may enter into an agreement or similar arrangement with a local law
18.13 enforcement agency for assistance by local peace officers to meet the security activities
18.14 requirements under this section or section 299D.03, subdivision 1, paragraph (c).

18.15 (b) The following are available for reimbursement to a local law enforcement agency
18.16 for eligible costs of assistance:

18.17 (1) an appropriation to the commissioner for the legislative services unit or the State
18.18 Patrol, other than from the trunk highway fund or highway user tax distribution fund; and

18.19 (2) money received under subdivision 3, paragraph (g).

18.20 (c) The commissioner must establish a reimbursement process that minimizes submission
18.21 and implementation burdens. Eligible costs for reimbursement must include but are not
18.22 limited to time and overtime of personnel, travel expenses, equipment use, and other
18.23 documented direct costs determined by the commissioner as necessary and reasonable.

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

18.25 Sec. 11. **SECURITY SERVICES TASK FORCE.**

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

18.28 (b) "Commissioner" means the commissioner of public safety.

18.29 (c) "Security services" has the meaning given in Minnesota Statutes, section 299E.10,
18.30 subdivision 4, paragraph (a).

18.31 (d) "Task force" means the Security Services Task Force established in this section.

19.1 Subd. 2. **Establishment.** The Security Services Task Force is established to advise and
19.2 provide recommendations on security and protective services provided to members of the
19.3 legislature.

19.4 Subd. 3. **Membership.** (a) The task force is composed of the following members:

19.5 (1) two members of the senate, with one appointed by the senate majority leader and
19.6 one appointed by the senate minority leader;

19.7 (2) two members of the house of representatives, with one appointed by the leader of
19.8 each primary caucus in the house of representatives;

19.9 (3) the commissioner or a designee;

19.10 (4) one representative from the Minnesota Fusion Center, appointed by the commissioner;

19.11 (5) the chief supervisor of the State Patrol or a designee;

19.12 (6) the director of Capitol Security or a designee;

19.13 (7) one representative or an appointee from the supreme court, appointed by the chief
19.14 justice of the supreme court;

19.15 (8) one representative for state constitutional officers, jointly appointed by the attorney
19.16 general, secretary of state, and state auditor;

19.17 (9) one representative from the Minnesota Sheriffs' Association, appointed by the
19.18 president of the association's board of directors;

19.19 (10) one representative from the Minnesota Chiefs of Police Association, appointed by
19.20 the president of the association's board of directors;

19.21 (11) the sergeants-at-arms of the senate or a designee; and

19.22 (12) the sergeants-at-arms of the house of representatives or a designee.

19.23 (b) By August 15, 2026, the appointing authorities under paragraph (a) must make the
19.24 appointments and designations.

19.25 (c) Members of the task force serve at the pleasure of the appropriate appointing authority.

19.26 (d) At its first meeting, the task force must elect a chair or cochair from among the task
19.27 force members specified in paragraph (a), clauses (1) to (3), by a majority vote of those
19.28 members present and may elect a vice-chair as necessary.

19.29 Subd. 4. **Meetings.** (a) By September 15, 2026, the commissioner must convene the first
19.30 meeting of the task force.

20.1 (b) The task force must meet as necessary to accomplish the duties under subdivision

20.2 5.

20.3 (c) The task force is subject to the Open Meeting Law under Minnesota Statutes, chapter

20.4 13D, including but not limited to the authority provided under Minnesota Statutes, section

20.5 13D.05, subdivision 3, paragraph (d).

20.6 Subd. 5. **Duties.** (a) The task force must:

20.7 (1) review and analyze national best practices on security services for public officials;

20.8 (2) advise the commissioner on implementation of the legislative services unit under

20.9 Minnesota Statutes, section 299E.10, including but not limited to providing input on (i) unit

20.10 duties, and (ii) mutual aid and reimbursement processes under Minnesota Statutes, section

20.11 299E.10, subdivisions 3 and 5;

20.12 (3) assist the commissioner in the development of protocols for communication and

20.13 coordination of security services for members of the legislature, including but not limited

20.14 to providing a recommendation of approval or disapproval of the protocols;

20.15 (4) analyze effectiveness, deficiencies, costs, data privacy, and potential enhancements

20.16 of information technology systems used for security services communications related to

20.17 members of the legislature;

20.18 (5) evaluate methods to provide security services to the house of representatives and

20.19 senate or a legislative proceeding or event, and to provide individualized personal protective

20.20 services for a member of the legislature;

20.21 (6) advise the commissioner in the development of procedures and requirements for

20.22 security orientation and training for new members of the legislature;

20.23 (7) evaluate methods to ensure personal data privacy related to personal security needs

20.24 of members of the legislature;

20.25 (8) perform other activities as determined to be necessary and related to the duties

20.26 specified in this subdivision; and

20.27 (9) develop recommendations related to the duties specified in this subdivision.

20.28 (b) The task force may only adopt a finding or recommendation following a vote of at

20.29 least four of the task force members specified in subdivision 3, paragraph (a), clauses (1)

20.30 to (3).

21.1 (c) The task force must adopt a finding or recommendation that receives an affirmative
21.2 vote from all four of the task force members specified in subdivision 3, paragraph (a), clauses
21.3 (1) and (2).

21.4 Subd. 6. **Administration.** (a) The commissioner must provide administrative and staff
21.5 support for the task force.

21.6 (b) Upon request of the task force, the commissioner and local units of government must
21.7 provide information and technical assistance in a timely fashion.

21.8 (c) Members of the task force serve without compensation under this section. Legislative
21.9 members may receive per diem and reimbursement for expenses as provided in the rules of
21.10 their respective bodies.

21.11 Subd. 7. **Report.** By February 1, 2027, the commissioner and the task force must jointly
21.12 submit a report on the task force to the chairs and ranking minority members of the legislative
21.13 committees with jurisdiction over state government, public safety, and transportation and
21.14 to the Advisory Committee on Capitol Area Security. At a minimum, the report must:

21.15 (1) summarize the activities of the task force, including for each of the duties specified
21.16 under subdivision 5;

21.17 (2) identify task force findings and recommendations and any resulting actions by the
21.18 commissioner;

21.19 (3) provide a status update on implementation of the legislative services unit under
21.20 Minnesota Statutes, section 299E.10;

21.21 (4) if available, provide a draft of the plan specified under Minnesota Statutes, section
21.22 299E.10, subdivision 4, paragraph (b), clause (2); and

21.23 (5) make recommendations on any relevant changes in state law, including proposed
21.24 legislation.

21.25 Subd. 8. **Expiration.** The task force expires on June 30, 2027.

21.26 Sec. 12. **LEGISLATIVE SERVICES UNIT IMPLEMENTATION.**

21.27 (a) The commissioner of public safety must immediately commence implementation of
21.28 the legislative services unit under Minnesota Statutes, section 299E.10.

21.29 (b) By December 15, 2027, the commissioner of public safety must submit a report on
21.30 the legislative services unit to the chairs and ranking minority members of the legislative

- 22.1 committees with jurisdiction over state government, public safety, and transportation and
 22.2 to the Advisory Committee on Capitol Area Security. At a minimum, the report must:
- 22.3 (1) provide a status update on implementation of the legislative services unit under
 22.4 Minnesota Statutes, section 299E.10;
- 22.5 (2) summarize the activities of the legislative services unit for each of the responsibilities
 22.6 specified under Minnesota Statutes, section 299E.10, subdivisions 3 and 4;
- 22.7 (3) if available, provide the plan specified under Minnesota Statutes, section 299E.10,
 22.8 subdivision 4, paragraph (b), clause (2);
- 22.9 (4) identify any actions taken by the commissioner in response to recommendations of
 22.10 the Security Services Task Force under section 11;
- 22.11 (5) identify and explain the expenditures for legislative services unit implementation;
 22.12 and
- 22.13 (6) make recommendations on any relevant changes in state law, including proposed
 22.14 legislation.

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

22.16 **ARTICLE 3**

22.17 **PUBLIC SAFETY APPROPRIATIONS**

22.18 Section 1. **APPROPRIATIONS.**

22.19 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
 22.20 and for the purposes specified in this article. The appropriations are from the general fund,
 22.21 or another named fund, and are available for the fiscal years indicated for each purpose.
 22.22 The figures "2026" and "2027" used in this article mean that the appropriations listed under
 22.23 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.
 22.24 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
 22.25 is fiscal years 2026 and 2027.

22.26		<u>APPROPRIATIONS</u>	
22.27		<u>Available for the Year</u>	
22.28		<u>Ending June 30</u>	
22.29		<u>2026</u>	<u>2027</u>
22.30	Sec. 2. <u>PUBLIC SAFETY</u>		
22.31	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>-0-</u> <u>\$</u> <u>1,314,000</u>

23.1 The amounts that may be spent for each
 23.2 purpose are specified in the following
 23.3 subdivisions.

23.4 **Subd. 2. Office of Justice Programs** -0- 1,314,000

23.5 **(a) Task Force on Improving Responses to**
 23.6 **Domestic Violence Crimes**

23.7 \$159,000 the second year is for the Task Force
 23.8 on Improving Responses to Domestic Violence
 23.9 Crimes. This is a onetime appropriation.

23.10 **(b) Trafficking and Sexual Exploitation**
 23.11 **Prevention for Youth**

23.12 \$125,000 the second year is for a grant to a
 23.13 nonprofit organization selected following a
 23.14 request for proposals to be used to address
 23.15 youth trafficking and sexual exploitation in
 23.16 the Twin Cities metropolitan area. The grant
 23.17 recipient must use the money to provide youth
 23.18 trafficking prevention services to youth,
 23.19 parents, and the community by working with
 23.20 youth groups, recovery support groups,
 23.21 domestic violence support groups, and the
 23.22 Ramsey County correctional facility to provide
 23.23 victim-centered and trauma-informed support,
 23.24 awareness, and education to prevent youth
 23.25 trafficking, sexual violence, and exploitation
 23.26 in Minnesota. This is a onetime appropriation.

23.27 **(c) Young Adult Reentry Services**

23.28 \$125,000 the second year is for a grant to a
 23.29 nonprofit organization to do the following in
 23.30 Hennepin County: engage in community
 23.31 outreach, partnership development, mobile
 23.32 case management, family reunification,
 23.33 aftercare, job attainment, follow up, and
 23.34 housing placement when young adults, up to

25.1 \$2,949,000 each year is for reimbursements
25.2 to local governments for peace officer training
25.3 costs.

25.4 **(b) Philando Castile Memorial Training**

25.5 **Fund**

25.6 ~~\$4,942,000~~ \$6,000,000 each year is to support
25.7 and strengthen law enforcement training and
25.8 implement best practices. This funding shall
25.9 be named the "Philando Castile Memorial
25.10 Training Fund." These funds may only be used
25.11 to reimburse costs related to training courses
25.12 that qualify for reimbursement under
25.13 Minnesota Statutes, sections 626.8452 (use of
25.14 force), 626.8469 (training in crisis response,
25.15 conflict management, and cultural diversity),
25.16 and 626.8474 (autism training).

25.17 Each sponsor of a training course is required
25.18 to include the following in the sponsor's
25.19 application for approval submitted to the
25.20 board: course goals and objectives; a course
25.21 outline including at a minimum a timeline and
25.22 teaching hours for all courses; instructor
25.23 qualifications; and a plan for learning
25.24 assessments of the course and documenting
25.25 the assessments to the board during review.

25.26 Upon completion of each course, instructors
25.27 must submit student evaluations of the
25.28 instructor's teaching to the sponsor.

25.29 The board shall keep records of the
25.30 applications of all approved and denied
25.31 courses. All continuing education courses shall
25.32 be reviewed after the first year. The board
25.33 must set a timetable for recurring review after
25.34 the first year. For each review, the sponsor
25.35 must submit its learning assessments to the

26.1 board to show that the course is teaching the
 26.2 learning outcomes that were approved by the
 26.3 board.

26.4 A list of licensees who successfully complete
 26.5 the course shall be maintained by the sponsor
 26.6 and transmitted to the board following the
 26.7 presentation of the course and the completed
 26.8 student evaluations of the instructors.

26.9 Evaluations are available to chief law
 26.10 enforcement officers. The board shall establish
 26.11 a data retention schedule for the information
 26.12 collected in this section.

26.13 Each year, if funds are available after
 26.14 reimbursing all eligible requests for courses
 26.15 approved by the board under this ~~subdivision~~
 26.16 paragraph, the board may use the funds to
 26.17 reimburse law enforcement agencies for other
 26.18 board-approved law enforcement training
 26.19 courses. Any unexpended balance of the
 26.20 appropriation in the first year does not cancel
 26.21 but is available in the second year. The base
 26.22 for this activity is \$878,000 beginning in fiscal
 26.23 year 2028 and thereafter.

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

26.25 **ARTICLE 4**

26.26 **PUBLIC SAFETY POLICY**

26.27 Section 1. Minnesota Statutes 2024, section 8.16, subdivision 1, is amended to read:

26.28 Subdivision 1. **Authority.** (a) The attorney general, or any deputy, assistant, or special
 26.29 assistant attorney general whom the attorney general authorizes in writing, has the authority
 26.30 in any county of the state to subpoena and require the production of:

26.31 (1) any records of:

27.1 (i) telephone companies, cellular phone companies, paging companies, subscribers of
 27.2 private computer networks including Internet service providers or computer bulletin board
 27.3 systems;

27.4 (ii) electric companies, gas companies, and water utilities;

27.5 (iii) chemical suppliers;

27.6 (iv) hotels and motels;

27.7 (v) pawn shops;

27.8 (vi) airlines, buses, taxis, and other entities engaged in the business of transporting
 27.9 people; and

27.10 (vii) freight companies, self-service storage facilities, warehousing companies, package
 27.11 delivery companies, and other entities engaged in the businesses of transport, storage, or
 27.12 delivery;

27.13 (2) books, papers, correspondence, memoranda, agreements, and other documents or
 27.14 records related to a law enforcement investigation where there is probable cause to believe
 27.15 a crime has been committed involving a financial crime or fraud, including but not limited
 27.16 to fraud involving state funded or administered programs or services as defined in section
 27.17 299C.061, subdivision 1, paragraph (b), and insurance fraud in violation of section 609.611.
 27.18 Nothing in this clause limits the attorney general's authority under section 8.31 or under
 27.19 other law; and

27.20 (3) records of the existence of safe deposit box account numbers and customer savings
 27.21 and checking account numbers maintained by financial institutions and safe deposit
 27.22 companies.

27.23 (b) Subpoenas may only be issued for records that are relevant to an ongoing legitimate
 27.24 law enforcement investigation.

27.25 Sec. 2. Minnesota Statutes 2024, section 638.14, subdivision 5, is amended to read:

27.26 Subd. 5. **Applicant appearance; third-party statements.** (a) An applicant for clemency
 27.27 must appear before the commission either in person or through available forms of
 27.28 telecommunication.

27.29 (b) The victim of an applicant's crime may appear and speak at the meeting or submit a
 27.30 written statement to the commission. The commission may treat a victim's written statement
 27.31 as confidential and not disclose the statement to the applicant or the public if there is or has
 27.32 been an order for protection, harassment restraining order, or other no-contact order

28.1 prohibiting the applicant from contacting the victim. At the request of the victim, the
28.2 commission may treat a victim's written statement as confidential and not disclose the
28.3 statement to the public.

28.4 (c) A law enforcement agency's representative may provide the agency's position on
28.5 whether the commission should recommend clemency by:

28.6 (1) appearing and speaking at the meeting; or

28.7 (2) submitting a written statement to the commission.

28.8 (d) The sentencing judge and the prosecuting attorney, or their successors, may provide
28.9 their positions on whether the commission should recommend clemency by:

28.10 (1) appearing and speaking at the meeting; or

28.11 (2) submitting their statements under section 638.11, subdivision 2.

28.12 Sec. 3. **TASK FORCE ON IMPROVING RESPONSES TO DOMESTIC VIOLENCE**
28.13 **CRIMES.**

28.14 **Subdivision 1. Establishment.** The Task Force on Improving Responses to Domestic
28.15 Violence Crimes is established to review law enforcement, prosecutorial, and community
28.16 responses to domestic violence crimes and make policy and funding recommendations to
28.17 the legislature to improve those responses and increase public safety.

28.18 **Subd. 2. Membership.** (a) The commissioner of public safety must invite individuals
28.19 with lived domestic violence experience and representatives from city and county prosecuting
28.20 agencies, Violence Free Minnesota, Mending the Sacred Hoop, other statewide crime victim
28.21 coalitions, organizations that advocate for or provide direct services to victims of domestic
28.22 violence, organizations that provide domestic abuse transformation programming, the
28.23 Minnesota judicial branch, the Minnesota Board of Public Defense, the Minnesota
28.24 Association of Criminal Defense Lawyers, the Department of Health, the Department of
28.25 Public Safety, the Office of Justice Programs, the Office for Missing and Murdered
28.26 Indigenous Relatives, the Office for Missing and Murdered Black Women and Girls, local
28.27 law enforcement agencies, Tribal governments, and other interested parties to participate
28.28 in the task force.

28.29 (b) The commissioner must ensure that the membership of the task force is balanced
28.30 among the various representatives, reflects a broad spectrum of viewpoints, reflects the
28.31 geographic diversity of the state, and is inclusive of marginalized communities as well as
28.32 victim and survivor voices.

29.1 (c) Members serve at the pleasure of the commissioner of public safety or until the task
29.2 force expires. The commissioner may fill vacancies consistent with the qualifications of the
29.3 vacating member invited to participate in the task force.

29.4 (d) Members of the task force serve without compensation.

29.5 Subd. 3. **Officers; meetings.** (a) The commissioner of public safety or the commissioner's
29.6 designee must convene the first meeting of the task force by September 1, 2026.

29.7 (b) At the first meeting, the members of the task force must elect a chair and may elect
29.8 other officers as the members deem necessary.

29.9 (c) The task force must meet monthly or as determined by the chair. The task force must
29.10 meet frequently enough to accomplish the tasks identified in this section.

29.11 (d) Meetings of the task force are subject to Minnesota Statutes, chapter 13D.

29.12 Subd. 4. **Duties.** (a) The task force must review current practices related to cases of
29.13 domestic violence and recommend policies, training, statutory changes, and funding to make
29.14 investigations more effective, support and protect victims, improve prosecutions, and increase
29.15 awareness of issues connected to domestic violence throughout the criminal justice system.

29.16 (b) The task force's first responsibility must be to develop a model policy on the use of
29.17 lethality assessments by peace officers and recommend training for peace officers, law
29.18 enforcement agencies, and others regarding the use of lethality assessments. The model
29.19 policy must require peace officers interviewing a victim of domestic abuse to assess the
29.20 potential danger to the victim and recommend specific actions for peace officers to take if
29.21 the results of the assessment indicate the victim is in need of immediate protection or services.
29.22 The model policy may include a lethality assessment form for use by peace officers.

29.23 (c) At a minimum, the task force must:

29.24 (1) review current training related to domestic violence cases that is provided to 911
29.25 telecommunicators, peace officers, social workers, prosecuting attorneys, and judges;

29.26 (2) develop updated training guidelines and establish recommendations for regular review
29.27 of those guidelines;

29.28 (3) review current practices for interviewing victims of domestic violence, children who
29.29 are victims or witnesses of domestic violence, and other witnesses;

29.30 (4) make recommendations for improved interviewing practices, including policies for
29.31 following up on interviews and providing protection and support for witnesses;

30.1 (5) identify barriers victims of domestic violence encounter when reporting incidents
30.2 of domestic violence, participating in an investigation or prosecution, and accessing services;

30.3 (6) recommend standard policies and practices to reduce the barriers victims of domestic
30.4 violence encounter;

30.5 (7) identify crimes that frequently occur in conjunction with incidents of domestic
30.6 violence, such as property damage and theft, and make recommendations regarding
30.7 investigating, documenting, and prosecuting those offenses;

30.8 (8) identify conditions, such as traumatic brain injuries, that frequently result from
30.9 repeated incidents of domestic violence and recommend policies and procedures for working
30.10 with victims and witnesses who may be suffering from those conditions;

30.11 (9) make recommendations for public awareness campaigns to improve the ability of
30.12 the general public to identify signs of domestic violence and properly report observations;

30.13 (10) review practices in Minnesota and other jurisdictions regarding the use of specialty
30.14 courts or dedicated calendars to address cases involving domestic violence and family law
30.15 to determine if dedicated courts improve outcomes for victims, reduce recidivism, increase
30.16 consistency, or have any other benefits;

30.17 (11) review current practices related to the involvement of victim advocates;

30.18 (12) make recommendations for best practices related to supporting victims of domestic
30.19 violence through the use of victim advocates, including identifying the appropriate scope
30.20 of services, recommending the point of initial engagement, suggesting the appropriate
30.21 frequency of contacts, and making other recommendations related to improving the quality
30.22 and consistency of contacts;

30.23 (13) review prosecutorial policies adopted under Minnesota Statutes, section 611A.0311,
30.24 and make recommendations for updates to those policies;

30.25 (14) identify appropriate data that prosecutors should collect and report related to cases
30.26 involving domestic violence to ensure consistency and transparency in the prosecution of
30.27 cases involving domestic violence and the appropriate protection and support of victims
30.28 and witnesses;

30.29 (15) review existing data to assess the regularity of cases in which multiple parties are
30.30 arrested following an incident of domestic violence and make recommendations related to
30.31 whether arrests should be limited to the predominant aggressor; and

30.32 (16) evaluate public health policies to encourage the prevention of domestic violence.

31.1 (d) The task force may consider additional information, request presentations or
31.2 contributions from any other organization or person, and consider other issues consistent
31.3 with the purpose of the task force.

31.4 Subd. 5. **Reports.** (a) By January 15, 2027, the task force must submit a preliminary
31.5 report to the chairs, cochairs, and ranking minority members of the legislative committees
31.6 with jurisdiction over public safety that includes the model policy and recommendations
31.7 for the training described in subdivision 4, paragraph (b).

31.8 (b) By January 15, 2028, the task force must submit a final report to the chairs, cochairs,
31.9 and ranking minority members of the legislative committees with jurisdiction over public
31.10 safety on the work of the task force, including any recommendations for legislation or
31.11 funding.

31.12 Subd. 6. **Expiration.** The task force expires the day after submitting its final report under
31.13 subdivision 5.

31.14 Sec. 4. **MINNESOTA CLEARANCE GRANT PROGRAM.**

31.15 Subdivision 1. **Definitions.** For purposes of this section, "nonfatal shooting clearance
31.16 rate" means the rate at which a law enforcement agency cleared by arrest or cleared by
31.17 exceptional means a nonfatal shooting offense. For purposes of this definition:

31.18 (1) "cleared by arrest" means that a law enforcement agency has arrested at least one
31.19 person as an offender, charged the person with the commission of an offense, and referred
31.20 the person to the court for prosecution; and

31.21 (2) "cleared by exceptional means" means that a law enforcement agency has identified
31.22 at least one person as an offender; gathered enough evidence to support an arrest, charge
31.23 the person, and refer the person to the court for prosecution; identified the person's exact
31.24 location for the person to be taken into custody immediately; and encountered a circumstance
31.25 outside the control of the law enforcement agency that prohibits the agency from arresting,
31.26 charging, and referring the person for prosecution.

31.27 Subd. 2. **Program establishment; purpose.** The commissioner of public safety must
31.28 establish the Minnesota clearance grant program to award grants to law enforcement agencies
31.29 to reduce violent crime by increasing the solve rate of crimes that involve the nonfatal
31.30 shooting of a firearm. The purpose of the program is to improve law enforcement strategies
31.31 and initiatives aimed at increasing nonfatal shooting clearance rates, engagement, and
31.32 support for victims of violent crime. The program recognizes that nonfatal shooting offenses

32.1 often involve multiple jurisdictions and encourages interagency cooperative efforts to
32.2 maximize information sharing, resource sharing, and expertise.

32.3 Subd. 3. **Application; grant awards.** (a) Applicants must submit an application in the
32.4 form and manner established by the commissioner. In awarding a grant, the commissioner
32.5 must give priority to a law enforcement agency:

32.6 (1) that develops a plan to partner with other law enforcement agencies to maximize
32.7 interagency information sharing, resource sharing, and expertise;

32.8 (2) that demonstrates a commitment to working with other government agencies to
32.9 improve clearance rates; and

32.10 (3) that details a process for evaluating the effectiveness of both investigators and
32.11 investigative units, including but not limited to the development of specific goals and
32.12 performance metrics.

32.13 (b) The commissioner must distribute 50 percent of the funding appropriated for grants
32.14 under this section to applicants from outside the metropolitan area, as defined in Minnesota
32.15 Statutes, section 473.121, subdivision 2.

32.16 (c) Distribution of state money or technical assistance are by contractual arrangement
32.17 between the commissioner and each recipient law enforcement agency. Terms of the contract
32.18 are negotiable each year. The state auditor must periodically audit all law enforcement
32.19 agencies receiving state grants. Nothing in this section prohibits a law enforcement agency
32.20 from receiving federal or local grants if grants become available.

32.21 Subd. 4. **Use of grants.** A law enforcement agency awarded a grant under this section
32.22 must use the grant award:

32.23 (1) to improve investigatory resources, including but not limited to the hiring of personnel
32.24 assigned to investigate nonfatal shooting crimes or collect, process, and test forensic evidence;

32.25 (2) for overtime for investigators and support staff;

32.26 (3) to develop evidence-based policies, procedures, and training;

32.27 (4) for technical assistance;

32.28 (5) for law enforcement equipment or technology, including but not limited to
32.29 investigative, evidence-processing, or forensic-testing equipment or technology;

32.30 (6) for information systems, with prioritization for projects that would improve data
32.31 integration and the ability to share information across and between law enforcement agencies,
32.32 prosecuting attorneys' offices, and crime laboratories;

33.1 (7) for hiring and retention of victim-witness coordinators; and

33.2 (8) to partner with hospital-based violence intervention programs.

33.3 Subd. 5. **Report.** A law enforcement agency that receives a grant under this section must
 33.4 submit biannually to the commissioner a report on activities carried out to reduce violent
 33.5 crime and improve nonfatal shooting clearance rates during the preceding fiscal year,
 33.6 including but not limited to:

33.7 (1) the number of investigations initiated, the number of nonfatal shootings cleared, the
 33.8 demographics of victims and offenders, and the impact on the nonfatal shooting clearance
 33.9 rates in the jurisdiction where investigations were initiated;

33.10 (2) the number of personnel hired or assigned to investigate nonfatal shootings,
 33.11 disaggregated between sworn law enforcement officers and civilian or unsworn professional
 33.12 staff;

33.13 (3) the number of personnel hired or assigned to collect, process, and test forensic
 33.14 evidence;

33.15 (4) the number of personnel hired or assigned to provide victim services;

33.16 (5) the description of any training developed or implemented;

33.17 (6) the description of any new technology purchased or acquired;

33.18 (7) how grant-funded activities have impacted clearance rates; and

33.19 (8) the record management system, or equivalent, used to collect case information and
 33.20 the system's ability to integrate with the record management systems of other agencies,
 33.21 prosecuting attorney's offices, and crime laboratories.

33.22 **Sec. 5. REPEALER.**

33.23 Article 3, section 1, of 2026 S.F. No. 4760, if enacted, is repealed.

33.24 **ARTICLE 5**

33.25 **GENERAL CRIMINAL PROVISIONS**

33.26 Section 1. Minnesota Statutes 2025 Supplement, section 609.2231, subdivision 2, is
 33.27 amended to read:

33.28 Subd. 2. **Firefighters and emergency medical personnel.** (a) Except as provided in
 33.29 paragraph (b), whoever physically assaults any of the following persons is guilty of a gross
 33.30 misdemeanor:

34.1 (1) either:

34.2 (i) a member of a municipal or volunteer fire department in the performance of the
34.3 member's duties; or

34.4 (ii) a member of an emergency medical services personnel unit in the performance of
34.5 the member's duties; ~~or~~

34.6 (2) a physician, nurse, or other person providing health care services in a hospital
34.7 emergency department; or

34.8 (3) a security guard, as defined in section 326.32, subdivision 13, providing services in
34.9 a hospital or clinic.

34.10 (b) Whoever physically assaults a person described in paragraph (a), is guilty of a felony
34.11 and may be sentenced to imprisonment for not more than three years or to payment of a
34.12 fine of not more than \$6,000, or both, if the assault inflicts demonstrable bodily harm.

34.13 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
34.14 committed on or after that date.

34.15 Sec. 2. Minnesota Statutes 2024, section 609.52, subdivision 3a, is amended to read:

34.16 Subd. 3a. **Enhanced ~~penalty~~ penalties; risk of harm; vulnerable adult.** (a) If a violation
34.17 of this section creates a reasonably foreseeable risk of bodily harm to another, the penalties
34.18 described in subdivision 3 are enhanced as follows:

34.19 (1) if the penalty is a misdemeanor or a gross misdemeanor, the person is guilty of a
34.20 felony and may be sentenced to imprisonment for not more than three years or to payment
34.21 of a fine of not more than \$5,000, or both; and

34.22 (2) if the penalty is a felony, the statutory maximum sentence for the offense is 50 percent
34.23 longer than for the underlying crime.

34.24 (b) If a person violates this section knowing or having reason to know that the victim
34.25 of the offense is a vulnerable adult as defined in section 609.232, subdivision 11, the penalties
34.26 described in subdivision 3 are enhanced as follows:

34.27 (1) if the penalty is a misdemeanor, the person is guilty of a gross misdemeanor;

34.28 (2) if the penalty is a gross misdemeanor, the person is guilty of a felony and may be
34.29 sentenced to imprisonment for not more than two years or to payment of a fine of not more
34.30 than \$5,000, or both; and

35.1 (3) if the penalty is a felony, the statutory maximum sentence for the offense is 25 percent
35.2 longer than for the underlying crime.

35.3 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
35.4 committed on or after that date.

35.5 Sec. 3. Minnesota Statutes 2024, section 617.246, is amended by adding a subdivision to
35.6 read:

35.7 Subd. 8. **Venue.** Notwithstanding anything to the contrary in section 627.01, an offense
35.8 committed under this section may be prosecuted in:

35.9 (1) the county where the offense occurred;

35.10 (2) the county of residence of the accused or victim; or

35.11 (3) if venue cannot be located in the counties specified under clause (1) or (2), the county
35.12 where any sexual performance or child sexual abuse material is produced, reproduced,
35.13 found, stored, received, promoted, disseminated, or possessed in violation of this section.

35.14 Sec. 4. Minnesota Statutes 2025 Supplement, section 617.247, is amended by adding a
35.15 subdivision to read:

35.16 Subd. 10. **Venue.** Notwithstanding anything to the contrary in section 627.01, an offense
35.17 committed under this section may be prosecuted in:

35.18 (1) the county where the offense occurred;

35.19 (2) the county of residence of the accused or victim; or

35.20 (3) if venue cannot be located in the counties specified under clause (1) or (2), the county
35.21 where any sexual performance or child sexual abuse material is produced, reproduced,
35.22 found, stored, received, promoted, disseminated, or possessed in violation of this section.

35.23 Sec. 5. **[617.275] CHILD SEXUAL ABUSE MATERIAL; ON-SCENE DIGITAL**
35.24 **EVIDENCE PREVIEW.**

35.25 Subdivision 1. **Authority.** When a court issues a search warrant authorizing the search
35.26 and seizure of electronic devices or digital media for evidence of child sexual abuse material,
35.27 the warrant also authorizes law enforcement officers and forensic investigators to conduct
35.28 an on-scene forensic preview of the device or media at the location of execution.

35.29 Subd. 2. **Preview.** The on-scene forensic preview of an electronic device or digital media
35.30 is limited to the examination reasonably necessary to identify, confirm, and document the

36.1 presence or absence of child sexual abuse material, as defined in section 617.246, subdivision
 36.2 1, paragraph (f). Any additional forensic analysis of a device or media beyond the initial
 36.3 preview must be conducted in a digital forensic laboratory or other controlled environment
 36.4 pursuant to a separate court-issued search warrant specific to that device or media.

36.5 Subd. 3. **Safeguards.** (a) On-scene forensic previews must be conducted using forensic
 36.6 methods designed to preserve the integrity of data and ensure admissibility in court.

36.7 (b) If a preview establishes that a seized device contains no relevant evidence, law
 36.8 enforcement shall return the device to the owner or possessor as soon as practicable,
 36.9 consistent with section 626.04.

36.10 Subd. 4. **Warrant.** A separate search warrant is not required for the limited on-scene
 36.11 forensic preview authorized under this section, provided that the underlying warrant expressly
 36.12 authorizes the search for child sexual abuse material.

36.13 Subd. 5. **Scope.** Nothing in this section diminishes or alters the constitutional protections
 36.14 afforded under the Fourth Amendment of the United States Constitution, or Minnesota
 36.15 Constitution, article I, section 10.

36.16 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to search
 36.17 warrants issued on or after that date.

36.18 **ARTICLE 6**

36.19 **PREDICTION MARKETS**

36.20 Section 1. Minnesota Statutes 2024, section 299L.03, subdivision 12, is amended to read:

36.21 Subd. 12. **Cease and desist orders.** (a) When it appears to the director that any person
 36.22 has engaged in or is about to engage in any act or practice constituting a violation of this
 36.23 chapter, ~~or any rule or order issued under this chapter,~~ or section 609.7615, the director may
 36.24 issue and cause to be served on the person an order requiring the person to cease and desist
 36.25 from the ~~violations of this chapter, or any rule or order issued under this chapter.~~ The order
 36.26 must give reasonable notice of the rights of the person to request a hearing and must state
 36.27 the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing
 36.28 must be held not later than seven days after receiving the request for a hearing. Within 20
 36.29 days of receiving the administrative law judge's report and subsequent exceptions and
 36.30 argument, the director shall issue an order vacating the cease and desist order, modifying
 36.31 the order, or making it permanent, as the facts require. If no hearing is requested within 30
 36.32 days of service of the order, the order becomes final and remains in effect until modified
 36.33 or vacated by the commissioner. All hearings under this subdivision must be conducted in

37.1 accordance with sections 14.57 to 14.69 of the Administrative Procedure Act. If the person
 37.2 to whom a cease and desist order has been issued under this subdivision fails to appear at
 37.3 a hearing after being notified of the hearing, the person is deemed in default and the
 37.4 proceeding may be determined against the person on consideration of the cease and desist
 37.5 order, the allegations of which are deemed to be true.

37.6 (b) When it appears to the director that any person has engaged in or is about to engage
 37.7 in any act or practice constituting a violation of this chapter, ~~or any rule adopted or subpoena~~
 37.8 ~~or order issued under this chapter,~~ or section 609.7615, the director may bring an action in
 37.9 the district court in the appropriate county to enjoin the acts or practices and to enforce
 37.10 compliance ~~with this chapter or any rule, subpoena, or order issued or adopted under this~~
 37.11 ~~chapter,~~ and may refer the matter to the attorney general. On a proper showing, the court
 37.12 shall grant a permanent or temporary injunction, restraining order, or writ of mandamus.
 37.13 The court may not require the director to post a bond.

37.14 Sec. 2. Minnesota Statutes 2024, section 609.75, subdivision 3, is amended to read:

37.15 Subd. 3. **What are not bets.** The following are not bets:

37.16 (1) a contract to insure, indemnify, guarantee or otherwise compensate another for a
 37.17 harm or loss sustained, even though the loss depends upon chance;

37.18 (2) a contract for the purchase or sale ~~at a~~ for future date delivery of securities or ~~other~~
 37.19 any physical commodities or any option on such futures contract, such securities or
 37.20 commodities, or on the prices thereof, except as provided in section 609.7615;

37.21 (3) offers of purses, prizes or premiums to the actual contestants in any bona fide contest
 37.22 for the determination of skill, speed, strength, endurance, or quality or to the bona fide
 37.23 owners of animals or other property entered in such a contest;

37.24 (4) the game of bingo when conducted in compliance with sections 349.11 to 349.23;

37.25 (5) a private social bet not part of or incidental to organized, commercialized, or
 37.26 systematic gambling;

37.27 (6) the operation of equipment or the conduct of a raffle under sections 349.11 to 349.22,
 37.28 by an organization licensed by the Gambling Control Board or an organization exempt from
 37.29 licensing under section 349.166;

37.30 (7) pari-mutuel betting on horse racing when the betting is conducted under chapter 240;
 37.31 and

37.32 (8) the purchase and sale of State Lottery tickets under chapter 349A.

38.1 **EFFECTIVE DATE.** This section is effective August 1, 2026.

38.2 Sec. 3. **[609.7615] PREDICTION MARKETS.**

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

38.5 (b) "Athletic event" means a sports game, match, or activity, or series of games, matches,
38.6 activities, or tournaments involving the physical proficiency of one or more players or
38.7 participants. Athletic event includes horse racing as defined in section 240.01, subdivision
38.8 8.

38.9 (c) "Esports event" means a competition between individuals or teams using video games
38.10 in a game, match, contest, or series of games, matches, or contests, or a tournament, or by
38.11 a person or team against a specified measure of performance which is hosted at a physical
38.12 location or online.

38.13 (d) "Game of skill" means a game, match, or tournament, or a series of games, matches,
38.14 and tournaments involving the dexterity or mental skill of one or more players or participants.
38.15 Game of skill includes an esports event.

38.16 (e) "Prediction market" means a system that allows consumers to place a wager on the
38.17 future outcome of a specified event that is not determined or affected by the performance
38.18 of the parties to the contract for:

38.19 (1) an athletic event or game of skill, or portions thereof or individual performance
38.20 statistics therein;

38.21 (2) any game played with cards, dice, equipment, or any mechanical or electronic device
38.22 or machine;

38.23 (3) war, state or national emergencies, human-made disasters, mass shootings, acts of
38.24 terrorism, or public health crises, or the ancillary effects thereof;

38.25 (4) any event or events happening to a natural person or group of people;

38.26 (5) a federal, state, or local election, or the specific decisions of the federal, state, or
38.27 local government and the government's agencies, employees, and officers, the primary
38.28 underlying characteristic of which is not financial, commercial, or economic or the outcome
38.29 is under the complete control of any person or the outcome is known by any person in
38.30 advance. This prohibition applies to event contracts on the specific action or decision itself
38.31 and does not apply to the resulting consequences of such actions or decisions;

39.1 (6) legal actions, including but not limited to a civil or criminal suit, grand jury action,
39.2 jury trial, settlement, plea, or conviction;

39.3 (7) the death, assassination, or attempted killing of a person or group of persons, or mass
39.4 casualty events;

39.5 (8) events in popular culture, including but not limited to awards and the date a piece
39.6 of entertainment will be released; or

39.7 (9) whether a person will make a particular statement.

39.8 (f) "Wager" means a contract, including a prediction market contract, whereby the parties
39.9 to the contract agree to a gain or loss by one to the other of money, property, or benefit.

39.10 Subd. 2. **Prediction markets; hosting prohibited.** A person is guilty of a felony if the
39.11 person, for consideration and as part of a business:

39.12 (1) creates a prediction market;

39.13 (2) operates, manages, or controls a platform or system intending that consumers will
39.14 use the platform or system to make wagers in a prediction market;

39.15 (3) intentionally facilitates the operation of a prediction market by:

39.16 (i) identifying or listing events knowing the events will be used by consumers to make
39.17 wagers;

39.18 (ii) accepting, holding, or directing the disposition of funds or other things of value for
39.19 the purpose of allowing consumers to make wagers or to settle wagers made by consumers;

39.20 (iii) determining, administering, or enforcing the terms, pricing, or settlement of wagers
39.21 made by consumers;

39.22 (iv) regularly or continuously acting as a counterparty to wagers made by consumers by
39.23 entering into a wager, offering to enter into a wager, or taking a temporary position in a
39.24 wager that may be replaced by a different consumer; or

39.25 (v) setting or adjusting the prices, odds, or terms that apply to wagers entered into by
39.26 consumers;

39.27 (4) provides data, information, or verification services, including the provision of event
39.28 outcomes, directly to a prediction market knowing that the data, information, or verification
39.29 services will be used to allow consumers to make wagers or to settle wagers made by
39.30 consumers in violation of this section; or

40.1 (5) provides supportive services to a prediction market knowing that the services will
40.2 be used to identify a consumer's location, transfer funds, or make or process payments for
40.3 the purpose of allowing consumers to make wagers or to settle wagers made by consumers
40.4 in violation of this section.

40.5 Subd. 3. **Prediction markets; advertising prohibited.** Whoever advertises or markets
40.6 financial or technological products that promote transactions prohibited under this section
40.7 is guilty of a felony.

40.8 Subd. 4. **Exceptions.** Subdivision 2 does not apply to:

40.9 (1) activities that are not bets under section 609.75, subdivision 3; and

40.10 (2) contracts authorized and regulated under chapters 59A to 79A.

40.11 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to crimes
40.12 committed on or after that date.

40.13 Sec. 4. **REPEALER.**

40.14 2026 S.F. No. 4760, article 8, sections 1, 2, and 3, if enacted, are repealed.

APPENDIX
Article locations for S3432-4

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