2026 DATA PRACTICES AND DISCLOSURE LEGISLATIVE BULLETIN

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Welfare Data. Minn. Stat. § 13.46, subd. 2 was amended to reflect changes made in 2025 to section 270B.14, subds. 1 and 24. The 2025 changes authorize the commissioner of revenue to disclose certain welfare data to the Department of Children, Youth, and Families (DCYF) that was previously authorized to be disclosed to the commissioner of human services. Effective August 1, 2026. 2026 Minn. Laws, Ch. 88, Art. 1, § 3.

Safe at Home Program Coordinator. Minn. Stat. § 43A.36, subd. 1 was amended to add a new paragraph (f) that requires the head of each agency in the executive branch to designate a Safe at Home coordinator to serve as an initial contact for Safe at Home program staff under chapter 5B. The employee designated as the Safe at Home coordinator must respond to inquiries from Safe at Home program staff regarding program participants, maintain knowledge of program requirements and procedures, communicate with their agency's staff and leadership about their obligations under the Safe at Home program, and respond to inquiries from program participants regarding their agency's treatment of data protected under the Safe at Home Program. If an employee designation does not occur by August 1, 2026, then the agency head will serve as the coordinator. Effective August 1, 2026. 2026 Minn. Laws, Ch. 67, § 6.

Cost Containment Data. Minn. Stat. §§ 62J.40 and 270B.14, subd. 11 were amended to require certain reporting to the commissioner of health. Section 62J.40 was amended to require state agencies that collect taxes imposed under section 295.52, which includes the Department of Revenue, to provide to the commissioner of health upon request nonpublic data to satisfy statutory duties under sections 62J.301 to 62J.461, 62J.84, 62J.87, 62U.01 to 62U.10, 144.70, 145D.01, and 145D.02 related to monitoring the health care market. Minn. Stat. § 270B.14, subd. 11 was also amended to authorize the commissioner of revenue to provide to the commissioner of health information collected under sections 295.50 through 295.59 to the extent provided and for the purposes described in section 62J.40. These sections are effective August 1, 2026. 2026 Minn. Laws, Ch. 124, Art. 3, §§ 4 and 10.

Criminal Investigative Data. Minn. Stat. §§ 270B.14 and 299C.061, subd. 6 were amended to allow the sharing of data between the commissioner of revenue and the Financial Crimes and Fraud Section (FCFS) of the Bureau of Criminal Apprehension to exchange data. Section 270B.14 was amended to add subdivision 25 authorizing the commissioner of revenue and FCFS to exchange active criminal investigative data for tax administration and for FCFS to carry out its responsibilities under Minn. Stat. § 299C.061, subd. 3. Also provides for the commissioner and FCFS to enter into a formal agreement outlining how data will be exchanged. Data shared by the commissioner to FCFS are classified under Minn. Stat. § 270B.03, subd. 6 and data shared by FCFS to the commissioner are classified under Minn. Stat. § 13.82, subd. 7. Minn. Stat. § 299C.061, subd. 6 was also amended authorizing FCFS to share active criminal investigative data with the commissioner. These sections are effective May 28, 2026. 2026 Minn. Laws, Ch. 128, Art. 8, §§ 1 and 7.

Inspector general. Minn. Stat. § 270B.15 was amended to add subdivision 2 directing the commissioner of revenue to disclose returns and return information to the inspector general to the extent necessary for the inspector general to carry out its duties under newly enacted chapter 15E. The inspector general is given authority to share data of any classification with the commissioner for purposes of administering section 290.036, the tax on amounts obtained through fraud. Effective January 1, 2027. 2026 Minn. Laws, Ch. 128, Art. 8, § 2.

Requesting Agency Definition. Minn. Stat. § 299C.76, subd. 1, para. (e) was amended to add the Office of Legislative Auditor as a requesting agency in order to complete Internal Revenue Service compliant criminal background checks on its own employees. Effective May 28, 2026. 2026 Minn. Laws. Ch. 128, Art. 11, § 17.

Data classification. Minn. Stat. § 342.20, subd. 1, was amended to provide that data reported to the Office of Cannabis Management using the statewide monitoring system is classified as nonpublic data or as private data on individuals. Effective May 27, 2026. 2026 Minn. Laws, Ch. 123, § 29.

OFFICE OF THE INSPECTOR GENERAL

The 2026 legislature established the Office of the Inspector General (Office) within the executive branch and creates a new chapter 15E of Minnesota Statutes to house most of the statutes governing the Office. This portion of the bulletin summarizes the aspects of this enacted legislation that impacts the Department of Revenue. Unless otherwise noted, the provisions discussed in this portion of the bulletin can be found in 2026 Minn. Laws, Ch. 92, Art. 1.

Office of the Inspector General. Minn. Stat. § 15E.10 provides that the Office must operate independently from all state executive branch agencies and is responsible for "ensuring accountability, transparency, and integrity in the operations of state executive branch agencies and programs." Effective January 1, 2027.

Definitions. Minn. Stat. § 15E.15 creates definitions that inform the scope of the Office's powers and duties. Terms defined are "agency," "agency program," "fraud," "investigation," "misuse," and "personal gain." Effective January 1, 2027.

Powers and duties. Minn Stat. § 15E.25, subd. 1, establishes the Office's powers and responsibilities, including, among others,: (1) coordinating multi-agency investigations and alerting other agencies of suspected fraud by a person also participating another agency's program; (2) conducting investigations of agencies and programs, with a focus on recipients of public funds and publicly funded services, to identify fraud and misuse; (3) referring matters for civil, criminal, or administrative action to appropriate state or federal authorities; (4) investigating any private entity or local unit of government administering a state program, or any private recipient of state funds or services, to ensure the proper use of state funds and compliance with all other laws applicable to the state funds or services; (5) alerting relevant agency heads when the Office has a reasonable suspicion that fraud or misuse is being committed that constitutes a credible allegation; and (6) maintaining a current exclusion list identifying each program and individual for which the inspector general has obtained a court order to stop distribution of funds or make a recommendation under Minn. Stat. § 15E.25 subd. 1(10) to stop distribution of funds. Effective January 1, 2027.

Subdivision 2, clarifies the relationship of the Office to the powers and duties of other agencies, such as: (1) the Office is authorized to investigate fraud and misuse of public funds of all agency administered programs without approval from another agency; and (2) the Office has concurrent authority over assessments of program integrity related to fraud or misuse. Effective January 1, 2027, except for paragraph (c) relating to the Department of Human Service's Medicaid program fraud investigatory responsibility, which is effective the later of January 1, 2027, or upon federal approval from the Centers for Medicare and Medicaid Services.

Subdivision 3, provides that the Office has the discretion to investigate programs and seek a court order to freeze or stop payments if the Office reasonably suspects fraud or misuse is occurring when an agency, such as the Department of Revenue, does not have primary investigative authority under subdivision 2. The Office has the discretion to alert the affected agency in these situations and obtain a court order to stop distribution of public funds. Effective January 1, 2027, except for paragraphs (b) and (c) which are effective the later of January 1, 2027, or upon federal approval from the Centers for Medicare and Medicaid Services.

Law enforcement powers. Minn. Stat § 15E.27 gives the Office the discretion to create a law enforcement agency called the Office of the Inspector General Anti-Fraud and Waste Bureau (Bureau) to investigate suspected fraudulent activity, misuse, or criminal misconduct involving: state agencies, public officials exercising their official powers and duties, public employees, programs and services funded or administered by the state, public assistance benefits, or public funds. If established, the Bureau would also have the power to make arrests but will not have the civil and administrative enforcement powers given to the Office. Beginning January 1, 2028, the Office may appoint peace officers to the Bureau. Effective January 1, 2027. 2026 Minn. Laws, Ch. 92, Art. 1, § 8.

Auxiliary powers. Minn. Stat. § 15E.30 provides the auxiliary powers granted to the Office, including subpoena power. All executive branch officials, their deputies, and employees are required to: provide facilities for the Office to conduct examinations, provide returns and reports requested by the Office, attend any inquiries required by the Office and provide answers under oath, provide everything requested for inspection by the Office, including data of any classification, and cooperate in all ways with the Office. The Office can also impose penalties on any person who refuses or neglects to obey any request from the Office. Effective January 1, 2027.

Fraud reporting tool. Minn. Stat. § 15E.35 requires the head of each agency to prominently display on the agency's website the fraud reporting tools administered by both the Office and the Office of the Legislative Auditor (OLA). Also, any grant agreement between the state and a nonprofit organization requires the organization to prominently display on its website the fraud reporting tools administered by the Office and the OLA. The agency administering the grant is responsible for monitoring the organization's compliance for the duration of the grant agreement. Effective January 1, 2027.

Data practices. Minn. Stat § 15E.40 establishes how data of the Office is classified and treated and that the Office is subject to the Minnesota Government Data Practices Act. The Office has access to government data of any classification and any data provided by a government entity to the Office in response to a subpoena issued under chapter 15E is not a violation of any statute classifying government data as not public data. The Office may disseminate any of its data to: other government entities if it may assist in an investigation or administrative action, to a law enforcement agency if it concerns criminal activity in that agency's jurisdiction, or to the commissioner of human services in situations related to Medicaid. The Office must share data with the OLA upon request, regardless of data classification. Data related to an active civil investigation by the Office is classified as confidential or protected nonpublic data, and, unless subject to a more restrictive classification, certain data from an inactive civil investigation becomes public. Documents that are privileged under Minn. Stat. §§ 13.393 or 595.02 are not required to be shared with the Office. Data related to criminal investigations by the Bureau are not subject to this section. Effective January 1, 2027.

Reporting. Minn. Stat. § 15E.50 requires the Office to make public reports concerning completed investigations and corrective actions taken. The Office must also maintain a phone line and website for the public reporting of anonymous tips. The Office must also make a public report to the legislature every December 1, starting 2027, on investigations the Office is no longer pursuing and all public tips that did not lead to opening an investigation, which may include referrals made to other agencies. Effective January 1, 2027.

Legislative Inspector General Advisory Commission. Minn. Stat. § 15E.60 establishes the Legislative Inspector General Advisory Commission, comprised of legislators, and prescribes duties and responsibilities, including conducting at least one hearing on recommending whether the Financial Crimes and Fraud Section of the Bureau of Criminal Apprehension should be merged into the Office. Effective May 15, 2026.