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State of Minnesota

HOUSE OF REPRESENTATIVES

SPECIAL SESSION

H. F. No. 4

06/09/2025

06/12/2025

06/14/2025

Authored by Her and O'Driscoll
The bill was read for the first time
R/S Rules Suspended, urgency declared
Read for the Second Time
Read for the Third Time
Passed by the House and transmitted to the Senate
Passed by the Senate and returned to the House
Presented to Governor
Governor Approval

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A bill for an act

relating to commerce; establishing a budget for the Department of Commerce;
appropriating and transferring money for other commerce and Office of Cannabis
Management activities; adding, modifying, and eliminating various provisions
governing financial institutions, insurance, insurance holding companies, Medicare
supplement insurance, reinsurance, and commerce and consumer protection policy;
modifying certain fees; authorizing administrative rulemaking; classifying certain
data; requiring reports; making technical and conforming changes; amending
Minnesota Statutes 2024, sections 41A.09, subdivision 2a; 45.027, subdivisions
1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77;
53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 60A.052,
subdivision 1; 60A.201, subdivision 2, by adding a subdivision; 60D.09, by adding
a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16,
subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision
4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions
1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31,
subdivisions 1b, 1f, 1h, 1p, 1r, 1u, 4; 62A.44, subdivision 2; 62A.65, subdivisions
1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision
1; 62D.221, by adding a subdivision; 62E.21, by adding subdivisions; 62E.23,
subdivisions 2, 3, by adding subdivisions; 62E.24, subdivisions 1, 2; 62E.25,
subdivision 1; 62J.26, subdivision 3, by adding a subdivision; 62Q.73, subdivision
4; 62V.06, subdivision 5; 65B.02, subdivision 7; 65B.05; 65B.06, subdivisions 1,
2, 3; 65B.10, subdivision 2; 72A.20, by adding a subdivision; 80A.58; 80A.65,
subdivision 2, by adding a subdivision; 80A.66; 80E.12; 82.63, subdivision 2;
82B.19, subdivision 5; 168.27, by adding a subdivision; 216B.40; 216B.62, by
adding a subdivision; 239.761, subdivisions 3, 4, 5, 6; 239.791, subdivision 11;
296A.01, subdivisions 20, 23, 24; 297I.20, by adding a subdivision; 297I.40, by
adding a subdivision; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3;
325G.24, subdivision 2; 334.01, subdivision 2; 550.136, subdivision 3; 551.06,
subdivision 3; 571.922; Laws 2023, chapter 63, article 9, section 5; proposing
coding for new law in Minnesota Statutes, chapters 45; 60D; 216B; 237; 239;
325F; repealing Laws 2023, chapter 57, article 2, sections 13, as amended; 66, as
amended.

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

ARTICLE 1
COMMERCE FINANCE

Section 1. APPROPRIATIONS

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027. If an appropriation in this act is enacted more than once in the 2025 legislative session or a special session, the appropriation must be given effect only once.

APPROPRIATIONS
Available for the Year
Ending June 30
2026 2027

Sec. 2. DEPARTMENT OF COMMERCE

Subdivision 1. <u>Total Appropriation</u>	\$	<u>42,318,000</u>	\$	<u>42,905,000</u>
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Appropriations by Fund

	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>39,346,000</u>	<u>39,997,000</u>
<u>Workers'</u>		
<u>Compensation Fund</u>	<u>815,000</u>	<u>815,000</u>
<u>Special Revenue</u>	<u>2,157,000</u>	<u>2,093,000</u>

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

Subd. 2. <u>Financial Institutions</u>	<u>3,035,000</u>	<u>3,035,000</u>
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(a) \$400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides

3.1 services to assist low-income and financially
3.2 underserved populations to become more
3.3 financially stable and secure. Money
3.4 remaining after the first year is available for
3.5 the second year.

3.6 (b) \$543,000 each year is for additional
3.7 adviser and broker-dealer examiners.

3.8	<u>Subd. 3. Administrative Services</u>	<u>11,300,000</u>	<u>11,978,000</u>
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3.9 (a) \$353,000 each year is for system
3.10 modernization and cybersecurity upgrades for
3.11 the unclaimed property program.

3.12 (b) \$249,000 each year is for the senior safe
3.13 fraud prevention program.

3.14 (c) \$500,000 each year is to operate the
3.15 Prescription Drug Affordability Board
3.16 established under Minnesota Statutes, section
3.17 62J.87.

3.18 (d) \$75,000 each year is for copper metal
3.19 licensing and enforcement under Minnesota
3.20 Statutes, section 325E.21.

3.21 (e) \$12,000 each year is for the intermediate
3.22 blends of gasoline and biofuels report under
3.23 Minnesota Statutes, section 239.791,
3.24 subdivision 8.

3.25	<u>Subd. 4. Enforcement</u>	<u>8,098,000</u>	<u>8,098,000</u>
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3.26	<u>Appropriations by Fund</u>		
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3.27	<u>General</u>	<u>7,883,000</u>	<u>7,883,000</u>
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3.28	<u>Workers'</u>		
3.29	<u>Compensation</u>	<u>215,000</u>	<u>215,000</u>

3.30 (a) \$215,000 each year is from the workers'
3.31 compensation fund.

3.32 (b) \$225,000 each year is to operate the Mental
3.33 Health Parity and Substance Abuse

4.1 Accountability Office under Minnesota

4.2 Statutes, section 62Q.465.

4.3 (c) \$197,000 each year is to maintain a student

4.4 loan advocate position under Minnesota

4.5 Statutes, section 58B.011.

4.6 (d) \$347,000 each year is for the common

4.7 interest community ombudsperson established

4.8 under Minnesota Statutes, section 45.0137.

4.9 Subd. 5. **Telecommunications**

3,235,000

3,235,000

4.10 Appropriations by Fund

4.11 General 1,142,000 1,142,000

4.12 Special Revenue 2,093,000 2,093,000

4.13 \$2,093,000 each year is from the

4.14 telecommunications access Minnesota fund

4.15 under Minnesota Statutes, section 237.52,

4.16 subdivision 1, in the special revenue fund for

4.17 the following transfers:

4.18 (1) \$1,620,000 each year is to the

4.19 commissioner of human services to

4.20 supplement the ongoing operational expenses

4.21 of the Commission of Deaf, DeafBlind, and

4.22 Hard-of-Hearing. This transfer is subject to

4.23 Minnesota Statutes, section 16A.281;

4.24 (2) \$290,000 each year is to the chief

4.25 information officer to coordinate technology

4.26 accessibility and usability;

4.27 (3) \$133,000 each year is to the Legislative

4.28 Coordinating Commission for captioning

4.29 legislative coverage. This transfer is subject

4.30 to Minnesota Statutes, section 16A.281; and

4.31 (4) \$50,000 each year is to the Office of

4.32 MN.IT Services for a consolidated access fund

4.33 to provide grants or services to other state

5.1 agencies related to accessibility of web-based
 5.2 services.

5.3 Subd. 6. **Insurance** 13,753,000 13,483,000

5.4 Appropriations by Fund

5.5 General 13,089,000 12,883,000

5.6 Workers'
 5.7 Compensation 600,000 600,000

5.8 Special Revenue 64,000 -0-

5.9 (a) \$600,000 each year is from the workers'
 5.10 compensation fund.

5.11 (b) \$136,000 each year is to advance
 5.12 standardized health plan options.

5.13 (c) \$105,000 each year is to evaluate
 5.14 legislation for new mandated health benefits
 5.15 under Minnesota Statutes, section 62J.26.

5.16 (d) \$42,000 each year is to ensure health plan
 5.17 company compliance with Minnesota Statutes,
 5.18 section 62Q.47, paragraph (h).

5.19 (e) \$25,000 each year is to evaluate existing
 5.20 statutory health benefit mandates.

5.21 (f) \$20,000 each year is to pay Minnesota's
 5.22 membership dues to the National Conference
 5.23 of Insurance Legislators. The appropriations
 5.24 in this paragraph are onetime.

5.25 (g) \$64,000 the first year is from the family
 5.26 and medical benefit insurance account in the
 5.27 special revenue fund.

5.28 Subd. 7. **Weights and Measures Division** 2,897,000 3,076,000

5.29 \$1,259,000 the first year and \$1,438,000 the
 5.30 second year are for scale and packaging
 5.31 inspections.

5.32 Sec. 3. **OFFICE OF CANNABIS**
 5.33 MANAGEMENT \$ 33,443,000 \$ 36,350,000

6.1 \$690,000 each year is for testing products
6.2 regulated under Minnesota Statutes, section
6.3 151.72, and chapter 342.

6.4 \$632,000 the first year and \$696,000 the
6.5 second year is for operating a state reference
6.6 laboratory.

6.7 \$11,254,000 each year is for cannabis industry
6.8 community renewal grants under Minnesota
6.9 Statutes, section 342.70. Of this amount, up
6.10 to three percent may be used to pay for
6.11 administrative expenses incurred by the Office
6.12 of Cannabis Management. The base for
6.13 cannabis industry community renewal grants
6.14 is \$6,489,000 in each of fiscal years 2028 and
6.15 2029.

6.16 \$1,000,000 each year is for transfer to the
6.17 CanGrow revolving loan account established
6.18 under Minnesota Statutes, section 342.73,
6.19 subdivision 4. Of this amount, up to three
6.20 percent may be used to pay for administrative
6.21 expenses incurred by the Office of Cannabis
6.22 Management.

6.23 The base is \$31,585,000 in each of fiscal years
6.24 2028 and 2029.

6.25 Sec. 4. Laws 2023, chapter 63, article 9, section 5, is amended to read:

6.26 **Sec. 5. OFFICE OF CANNABIS**
6.27 **MANAGEMENT**

\$ 21,614,000 \$ 17,953,000

6.28 The base for this appropriation is \$35,587,000
6.29 in fiscal year 2026 and \$38,144,000 in fiscal
6.30 year 2027.

6.31 \$1,000,000 the second year is for cannabis
6.32 industry community renewal grants under
6.33 Minnesota Statutes, section 342.70. Of these

7.1 amounts, up to three percent may be used for
7.2 administrative expenses. Notwithstanding
7.3 Minnesota Statutes, section 16A.28, this
7.4 appropriation is available until June 30, 2026.
7.5 The base for this appropriation is \$15,000,000
7.6 in fiscal year 2026 and each fiscal year
7.7 thereafter.

7.8 \$1,000,000 each year is for transfer to the
7.9 CanGrow revolving loan account established
7.10 under Minnesota Statutes, section 342.73,
7.11 subdivision 4. Of these amounts, up to three
7.12 percent may be used for administrative
7.13 expenses.

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

7.15 Sec. 5. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

7.16 \$200,000 in fiscal year 2025 is appropriated from the general fund to the Legislative
7.17 Coordinating Commission to provide administrative support to the task force on homeowners
7.18 and commercial property insurance under article 3, section 20. Upon the request of the task
7.19 force, the commissioners of commerce, employment and economic development, and the
7.20 Housing Finance Agency must provide technical support and expertise. This is a onetime
7.21 appropriation and is available until June 30, 2026.

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

7.23 **ARTICLE 2**

7.24 **FINANCIAL INSTITUTIONS POLICY**

7.25 Section 1. Minnesota Statutes 2024, section 46A.04, is amended to read:

7.26 **46A.04 EXCEPTIONS AND EXEMPTIONS.**

7.27 (a) The requirements under section 46A.03, subdivisions 3, paragraph (b); 5, paragraph
7.28 ~~(a)~~ (b); 9; and 10, do not apply to financial institutions that maintain customer information
7.29 concerning fewer than 5,000 consumers.

7.30 (b) This chapter does not apply to credit unions or federally insured depository
7.31 institutions.

8.1 Sec. 2. Minnesota Statutes 2024, section 47.20, subdivision 2, is amended to read:

8.2 Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision
8.3 have the meanings given them:

8.4 (1) "Actual closing costs" mean reasonable charges for or sums paid for the following,
8.5 whether or not retained by the mortgagee or lender:

8.6 (a) Any insurance premiums including but not limited to premiums for title insurance,
8.7 fire and extended coverage insurance, flood insurance, and private mortgage insurance, but
8.8 excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

8.9 (b) Abstracting, title examination and search, and examination of public records.

8.10 (c) The preparation and recording of any or all documents required by law or custom
8.11 for closing a conventional or cooperative apartment loan.

8.12 (d) Appraisal and survey of real property securing a conventional loan or real property
8.13 owned by a cooperative apartment corporation of which a share or shares of stock or a
8.14 membership certificate or certificates are to secure a cooperative apartment loan.

8.15 (e) A single service charge, which includes any consideration, not otherwise specified
8.16 herein as an "actual closing cost" paid by the borrower and received and retained by the
8.17 lender for or related to the acquisition, making, refinancing or modification of a conventional
8.18 or cooperative apartment loan, and also includes any consideration received by the lender
8.19 for making a borrower's interest rate commitment or for making a borrower's loan
8.20 commitment, whether or not an actual loan follows the commitment. The term service charge
8.21 does not include forward commitment fees. The service charge shall not exceed one percent
8.22 of the original bona fide principal amount of the conventional or cooperative apartment
8.23 loan, except that in the case of a construction loan, the service charge shall not exceed two
8.24 percent of the original bona fide principal amount of the loan. That portion of the service
8.25 charge imposed because the loan is a construction loan shall be itemized and a copy of the
8.26 itemization furnished the borrower. A lender shall not collect from a borrower the additional
8.27 one percent service charge permitted for a construction loan if it does not perform the service
8.28 for which the charge is imposed or if third parties perform and charge the borrower for the
8.29 service for which the lender has imposed the charge. A loan that meets the Federal Qualified
8.30 Mortgage standards under Code of Federal Regulations, title 12, section 1026.43(e)(3), is
8.31 exempt from the service charge limitations under this section.

8.32 (f) Charges and fees necessary for or related to the transfer of real or personal property
8.33 securing a conventional or cooperative apartment loan or the closing of a conventional or

9.1 cooperative apartment loan paid by the borrower and received by any party other than the
9.2 lender.

9.3 (2) "Contract for deed" means an executory contract for the conveyance of real estate,
9.4 the original principal amount of which is less than \$300,000. A commitment for a contract
9.5 for deed shall include an executed purchase agreement or earnest money contract wherein
9.6 the seller agrees to finance any part or all of the purchase price by a contract for deed.

9.7 (3) "Conventional loan" means a loan or advance of credit, other than a loan or advance
9.8 of credit made by a credit union or made pursuant to section 334.011, to a noncorporate
9.9 borrower in an original principal amount of less than or equal to the conforming loan limit
9.10 established by the Federal Housing Finance Agency under the Housing and Recovery Act
9.11 of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or
9.12 more residential units or upon which at the time the loan is made it is intended that one or
9.13 more residential units are to be constructed, and which is not insured or guaranteed by the
9.14 secretary of housing and urban development, by the administrator of veterans affairs, or by
9.15 the administrator of the Farmers Home Administration, and which is not made pursuant to
9.16 the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include
9.17 contracts for deed or installment land contracts.

9.18 (4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan
9.19 or advance of credit made by a credit union or made pursuant to section 334.011, to a
9.20 noncorporate borrower in an original principal amount of less than \$100,000, secured by a
9.21 security interest on a share or shares of stock or a membership certificate or certificates
9.22 issued to a stockholder or member by a cooperative apartment corporation, which may be
9.23 accompanied by an assignment by way of security of the borrower's interest in the proprietary
9.24 lease or occupancy agreement in property issued by the cooperative apartment corporation
9.25 and which is not insured or guaranteed by the secretary of housing and urban development,
9.26 by the administrator of veterans affairs, or by the administrator of the Farmers Home
9.27 Administration.

9.28 (5) "Cooperative apartment corporation" means a corporation or cooperative organized
9.29 under chapter 308A or 317A, the shareholders or members of which are entitled, solely by
9.30 reason of their ownership of stock or membership certificates in the corporation or
9.31 association, to occupy one or more residential units in a building owned or leased by the
9.32 corporation or association.

9.33 (6) "Forward commitment fee" means a fee or other consideration paid to a lender for
9.34 the purpose of securing a binding forward commitment by or through the lender to make

10.1 conventional loans to two or more credit worthy purchasers, including future purchasers,
10.2 of residential units, or a fee or other consideration paid to a lender for the purpose of securing
10.3 a binding forward commitment by or through the lender to make conventional loans to two
10.4 or more credit worthy purchasers, including future purchasers, of units to be created out of
10.5 existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender
10.6 for the purpose of securing a binding forward commitment by or through the lender to make
10.7 cooperative apartment loans to two or more credit worthy purchasers, including future
10.8 purchasers, of a share or shares of stock or a membership certificate or certificates in a
10.9 cooperative apartment corporation; provided, that the forward commitment rate of interest
10.10 does not exceed the maximum lawful rate of interest effective as of the date the forward
10.11 commitment is issued by the lender.

10.12 (7) "Borrower's interest rate commitment" means a binding commitment made by a
10.13 lender to a borrower wherein the lender agrees that, if a conventional or cooperative
10.14 apartment loan is made following issuance of and pursuant to the commitment, the
10.15 conventional or cooperative apartment loan shall be made at a rate of interest not in excess
10.16 of the rate of interest agreed to in the commitment, provided that the rate of interest agreed
10.17 to in the commitment is not in excess of the maximum lawful rate of interest effective as
10.18 of the date the commitment is issued by the lender to the borrower.

10.19 (8) "Borrower's loan commitment" means a binding commitment made by a lender to a
10.20 borrower wherein the lender agrees to make a conventional or cooperative apartment loan
10.21 pursuant to the provisions, including the interest rate, of the commitment, provided that the
10.22 commitment rate of interest does not exceed the maximum lawful rate of interest effective
10.23 as of the date the commitment is issued and the commitment when issued and agreed to
10.24 shall constitute a legally binding obligation on the part of the mortgagee or lender to make
10.25 a conventional or cooperative apartment loan within a specified time period in the future at
10.26 a rate of interest not exceeding the maximum lawful rate of interest effective as of the date
10.27 the commitment is issued by the lender to the borrower; provided that a lender who issues
10.28 a borrower's loan commitment pursuant to the provisions of a forward commitment is
10.29 authorized to issue the borrower's loan commitment at a rate of interest not to exceed the
10.30 maximum lawful rate of interest effective as of the date the forward commitment is issued
10.31 by the lender.

10.32 (9) "Finance charge" means the total cost of a conventional or cooperative apartment
10.33 loan including extensions or grant of credit regardless of the characterization of the same
10.34 and includes interest, finders fees, and other charges levied by a lender directly or indirectly
10.35 against the person obtaining the conventional or cooperative apartment loan or against a

11.1 seller of real property securing a conventional loan or a seller of a share or shares of stock
11.2 or a membership certificate or certificates in a cooperative apartment corporation securing
11.3 a cooperative apartment loan, or any other party to the transaction except any actual closing
11.4 costs and any forward commitment fee. The finance charges plus the actual closing costs
11.5 and any forward commitment fee, charged by a lender shall include all charges made by a
11.6 lender other than the principal of the conventional or cooperative apartment loan. The finance
11.7 charge, with respect to wraparound mortgages, shall be computed based upon the face
11.8 amount of the wraparound mortgage note, which face amount shall consist of the aggregate
11.9 of those funds actually advanced by the wraparound lender and the total outstanding principal
11.10 balances of the prior note or notes which have been made a part of the wraparound mortgage
11.11 note.

11.12 (10) "Lender" means any person making a conventional or cooperative apartment loan,
11.13 or any person arranging financing for a conventional or cooperative apartment loan. The
11.14 term also includes the holder or assignee at any time of a conventional or cooperative
11.15 apartment loan.

11.16 (11) "Loan yield" means the annual rate of return obtained by a lender over the term of
11.17 a conventional or cooperative apartment loan and shall be computed as the annual percentage
11.18 rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code
11.19 of Federal Regulations, title 12, part 226, but using the definition of finance charge provided
11.20 for in this subdivision. For purposes of this section, with respect to wraparound mortgages,
11.21 the rate of interest or loan yield shall be based upon the principal balance set forth in the
11.22 wraparound note and mortgage and shall not include any interest differential or yield
11.23 differential between the stated interest rate on the wraparound mortgage and the stated
11.24 interest rate on the one or more prior mortgages included in the stated loan amount on a
11.25 wraparound note and mortgage.

11.26 (12) "Person" means an individual, corporation, business trust, partnership or association
11.27 or any other legal entity.

11.28 (13) "Residential unit" means any structure used principally for residential purposes or
11.29 any portion thereof, and includes a unit in a common interest community, a nonowner
11.30 occupied residence, and any other type of residence regardless of whether the unit is used
11.31 as a principal residence, secondary residence, vacation residence, or residence of some other
11.32 denomination.

12.1 (14) "Vendor" means any person or persons who agree to sell real estate and finance
12.2 any part or all of the purchase price by a contract for deed. The term also includes the holder
12.3 or assignee at any time of the vendor's interest in a contract for deed.

12.4 Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 4a, is amended to read:

12.5 Subd. 4a. **Maximum interest rate.** (a) No conventional or cooperative apartment loan
12.6 or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum
12.7 lawful interest rate in an amount equal to the ~~Federal National Mortgage Association posted~~
12.8 ~~yields on 30-year mortgage commitments for delivery within 60 days on standard~~
12.9 ~~conventional fixed-rate mortgages published in the Wall Street Journal for the last business~~
12.10 ~~day of the second preceding month~~ average prime offer rate, as defined in Code of Federal
12.11 Regulations, title 12, part 1026.35(a)(2), that applies to a comparable transaction, as most
12.12 recently published by the United States Consumer Financial Protection Bureau on the last
12.13 date the discounted interest rate for the transaction is set before consummation, plus four
12.14 percentage points. If the index is not available, a substitute index may be adopted by a
12.15 commissioner order.

12.16 (b) The maximum lawful interest rate applicable to a cooperative apartment loan or
12.17 contract for deed at the time the loan or contract is made is the maximum lawful interest
12.18 rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding
12.19 the provisions of section 334.01, a cooperative apartment loan or contract for deed may
12.20 provide, at the time the loan or contract is made, for the application of specified different
12.21 consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds
12.22 the maximum lawful interest rate applicable to the loan or contract at the time the loan or
12.23 contract is made.

12.24 (c) The maximum interest rate that can be charged on a conventional loan or a contract
12.25 for deed, with a duration of ten years or less, for the purchase of real estate described in
12.26 section 83.20, subdivisions 11 and 13, is three percentage points above the rate permitted
12.27 under paragraph (a) or 15.75 percent per year, whichever is less. ~~This paragraph is effective~~
12.28 ~~August 1, 1992.~~

12.29 (d) Contracts for deed executed pursuant to a commitment for a contract for deed, or
12.30 conventional or cooperative apartment loans made pursuant to a borrower's interest rate
12.31 commitment or made pursuant to a borrower's loan commitment, or made pursuant to a
12.32 commitment for conventional or cooperative apartment loans made upon payment of a
12.33 forward commitment fee including a borrower's loan commitment issued pursuant to a
12.34 forward commitment, which commitment provides for consummation within some future

time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of: (1) an existing conventional or cooperative apartment loan, (2) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the Farmers Home Administration, or (3) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of paragraph (b) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

(e) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 4. Minnesota Statutes 2024, section 47.20, subdivision 8, is amended to read:

Subd. 8. Conventional loan provisions. (a) A lender making a conventional loan shall comply with the following:

14.1 (1) the promissory note and mortgage evidencing a conventional loan shall be printed
14.2 in not less than the equivalent of 8-point type, .075 inch computer type, or elite-size
14.3 typewritten numerals, or shall be legibly handwritten;

14.4 (2) the mortgage evidencing a conventional loan shall contain a provision whereby the
14.5 lender agrees to furnish the borrower with a conformed copy of the promissory note and
14.6 mortgage at the time they are executed or within a reasonable time after recordation of the
14.7 mortgage; and

14.8 (3) the mortgage evidencing a conventional loan shall contain a provision whereby the
14.9 lender, if it intends to foreclose, agrees to give the borrower written notice of any default
14.10 under the terms or conditions of the promissory note or mortgage, by sending the notice by
14.11 ~~certified~~ (i) first-class mail to the address of the mortgaged property or such other a different
14.12 ~~address as the borrower may have designated~~ designates in writing to the lender; or (ii)
14.13 email or other electronic communication, if agreed to by the lender and the borrower in
14.14 writing. The lender need not give the borrower the notice required by this ~~paragraph~~ clause
14.15 if the default consists of the borrower selling the mortgaged property without the required
14.16 consent of the lender.

14.17 (b) The mortgage shall further provide that the notice under paragraph (a), clause (3),
14.18 shall contain the following provisions:

14.19 ~~(a)~~ (1) the nature of the default by the borrower;

14.20 ~~(b)~~ (2) the action required to cure the default;

14.21 ~~(c)~~ (3) a date, not less than 30 days from the date the notice is mailed by which the
14.22 default must be cured;

14.23 ~~(d)~~ (4) that failure to cure the default on or before the date specified in the notice may
14.24 result in acceleration of the sums secured by the mortgage and sale of the mortgaged
14.25 premises;

14.26 ~~(e)~~ (5) that the borrower has the right to reinstate the mortgage after acceleration; and

14.27 ~~(f)~~ (6) that the borrower has the right to bring a court action to assert the nonexistence
14.28 of a default or any other defense of the borrower to acceleration and sale.

14.29 Sec. 5. Minnesota Statutes 2024, section 47.77, is amended to read:

14.30 **47.77 TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.**

14.31 (a) No financial institution shall initiate a transfer of a deposit account to another deposit
14.32 account bearing different identification information without sending at least 30 days' prior

15.1 notice to at least one of the deposit account holders at the last known address on file with
15.2 the financial institution. If the new account is subject to different terms, the financial
15.3 institution must obtain the written consent of at least one of the deposit account holders
15.4 before the new terms become effective.

15.5 (b) No financial institution shall initiate a closure of a deposit account without first
15.6 sending at least one of the deposit account holders a notice of intent to close the deposit
15.7 account. The notice must be sent to the deposit account holder's last known address on file
15.8 with the financial institution at least 30 days before the financial institution closes the deposit
15.9 account; except that, if the financial institution has reasonable suspicion to believe that
15.10 account is being used in connection with a check-related fraud or other crime ~~or that~~, funds
15.11 will not be available to pay items drawn on the account, or the deposit account holder has
15.12 engaged in harassment, as defined in section 609.749, subdivision 2, paragraph (c), toward
15.13 financial institution employees or customers, the notice may be sent the same day as the
15.14 account is closed.

15.15 (c) As used in this section, the following terms have the meanings given them. "Deposit
15.16 account" means a contract of deposit of funds between a depositor and a financial institution,
15.17 and includes a checking account, savings account, certificate of deposit share account, and
15.18 other like arrangement. "Financial institution" means any organization authorized to do
15.19 business under state or federal laws relating to financial institutions, including, without
15.20 limitation, banks and trust companies, savings banks, savings associations, industrial loan
15.21 and thrift companies, and credit unions.

15.22 Sec. 6. Minnesota Statutes 2024, section 53B.61, is amended to read:

15.23 **53B.61 MAINTENANCE OF PERMISSIBLE INVESTMENTS.**

15.24 (a) A licensee must maintain at all times permissible investments that have a market
15.25 value computed in accordance with United States generally accepted accounting principles
15.26 of not less than the aggregate amount of all of the licensee's outstanding money transmission
15.27 obligations.

15.28 (b) Except for permissible investments enumerated in section 53B.62, ~~paragraph (a)~~
15.29 subdivision 1, clause (1), the commissioner may by administrative rule or order, with respect
15.30 to any licensee, limit the extent to which a specific investment maintained by a licensee
15.31 within a class of permissible investments may be considered a permissible investment, if
15.32 the specific investment represents undue risk to customers not reflected in the market value
15.33 of investments.

16.1 (c) Permissible investments, even if commingled with other assets of the licensee, are
16.2 held in trust for the benefit of the purchasers and holders of the licensee's outstanding money
16.3 transmission obligations in the event of insolvency; the filing of a petition by or against the
16.4 licensee under the United States Bankruptcy Code, United States Code, title 11, sections
16.5 101 to 110, as amended or recodified from time to time, for bankruptcy or reorganization;
16.6 the filing of a petition by or against the licensee for receivership; the commencement of any
16.7 other judicial or administrative proceeding for the licensee's dissolution or reorganization;
16.8 or in the event of an action by a creditor against the licensee who is not a beneficiary of this
16.9 statutory trust. No permissible investments impressed with a trust pursuant to this paragraph
16.10 are subject to attachment, levy of execution, or sequestration by order of any court, except
16.11 for a beneficiary of the statutory trust.

16.12 (d) Upon the establishment of a statutory trust in accordance with paragraph (c), or when
16.13 any funds are drawn on a letter of credit pursuant to section 53B.62, paragraph (a), clause
16.14 (4), the commissioner must notify the applicable regulator of each state in which the licensee
16.15 is licensed to engage in money transmission, if any, of the establishment of the trust or the
16.16 funds drawn on the letter of credit, as applicable. Notice is deemed satisfied if performed
16.17 pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of credit, and
16.18 any other permissible investments held in trust for the benefit of the purchasers and holders
16.19 of the licensee's outstanding money transmission obligations, are deemed held in trust for
16.20 the benefit of the purchasers and holders of the licensee's outstanding money transmission
16.21 obligations on a pro rata and equitable basis in accordance with statutes pursuant to which
16.22 permissible investments are required to be held in Minnesota and other states, as defined
16.23 by a substantially similar statute in the other state. Any statutory trust established under this
16.24 section terminates upon extinguishment of all of the licensee's outstanding money
16.25 transmission obligations.

16.26 (e) The commissioner may by rule or by order allow other types of investments that the
16.27 commissioner determines are of sufficient liquidity and quality to be a permissible
16.28 investment. The commissioner is authorized to participate in efforts with other state regulators
16.29 to determine that other types of investments are of sufficient liquidity and quality to be a
16.30 permissible investment.

17.1 Sec. 7. Minnesota Statutes 2024, section 55.07, is amended by adding a subdivision to
17.2 read:

17.3 Subd. 3. **Safe deposit lease; automatic renewal.** A safe deposit lease may renew
17.4 automatically at the end of the lease's term. A consumer may terminate a safe deposit lease
17.5 at any time in writing or in any other manner described in the lease.

17.6 Sec. 8. Minnesota Statutes 2024, section 58B.02, subdivision 8a, is amended to read:

17.7 Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making,
17.8 or extending student loans. Lender does not include, to the extent that state regulation is
17.9 preempted by federal law:

17.10 (1) a bank, savings banks, savings and loan association, or credit union;

17.11 (2) a wholly owned subsidiary of a bank or credit union;

17.12 (3) an operating subsidiary where each owner is wholly owned by the same bank or
17.13 credit union;

17.14 (4) the United States government, through Title IV of the Higher Education Act of 1965,
17.15 as amended, and administered by the United States Department of Education;

17.16 (5) an agency, instrumentality, or political subdivision of Minnesota;

17.17 (6) a regulated lender organized under chapter 56, except that a regulated lender must
17.18 file the annual report required for lenders under section 58B.03, subdivision ~~11~~ 10; or

17.19 (7) a person who is not in the business of making student loans and who makes no more
17.20 than three student loans, with the person's own funds, during any 12-month period.

17.21 Sec. 9. Minnesota Statutes 2024, section 82.63, subdivision 2, is amended to read:

17.22 Subd. 2. **Additional broker's license.** An individual who holds a broker's license in the
17.23 broker's own name or for or on behalf of a business entity must be issued an additional
17.24 broker's license only upon demonstrating:

17.25 (1) that the additional license is necessary in order to serve a legitimate business purpose;

17.26 (2) that the broker will be capable of supervising all salespersons over whom the broker
17.27 will have supervisory responsibility or, in the alternative, that the broker will have no
17.28 supervisory responsibilities under the additional license; and

17.29 (3) that the broker:

18.1 (i) has at least ~~51~~ 20 percent ownership interest in each business entity for or on whose
18.2 behalf the broker holds or will hold a broker's license; or

18.3 (ii) is an elected or appointed officer, signing partner, or managing member of both the
18.4 business entity for which or on whose behalf the broker already holds a license, and an
18.5 affiliated business entity for which or on whose behalf the broker is applying for an additional
18.6 license.

18.7 For the purpose of this section and sections 82.58, subdivisions 1 to 4; 82.62, subdivisions
18.8 1 to 4; 82.65; and 82.82, subdivision 2, "affiliated business entity" means a business entity
18.9 ~~that is majority-owned by~~ has shared ownership by one or more of the same persons as the
18.10 business entity for which or on whose behalf the broker is already licensed to act.

18.11 For the purposes of this section and sections 82.58, subdivisions 1 to 4; 82.62,
18.12 subdivisions 1 to 4; 82.65; and 82.82, subdivision 2, a legitimate business purpose includes
18.13 engaging in a different and specialized area of real estate or maintaining an existing business
18.14 name.

18.15 Sec. 10. Minnesota Statutes 2024, section 334.01, subdivision 2, is amended to read:

18.16 Subd. 2. **Contracts of \$100,000 or more.** Notwithstanding any law to the contrary,
18.17 except as stated in section 58.137, and with respect to ~~contracts~~ a conventional loan or
18.18 contract for deed, section 47.20, subdivision 4a, no limitation on the rate or amount of
18.19 interest, points, finance charges, fees, or other charges applies to a loan, mortgage, credit
18.20 sale, or advance made under a written contract, signed by the debtor, for the extension of
18.21 credit to the debtor in the amount of \$100,000 or more, or any written extension and other
18.22 written modification of the written contract. The written contract, written extension, and
18.23 written modification are exempt from the other provisions of this chapter.

18.24 Sec. 11. **CERTAIN COMPLIANCE OPTIONAL.**

18.25 A lender's compliance with Minnesota Statutes, section 47.20, subdivision 8, is optional
18.26 with respect to conventional loan mortgage documents dated between August 1, 2024, and
18.27 July 31, 2025.

18.28 **EFFECTIVE DATE.** This section is effective retroactively from July 31, 2024.

ARTICLE 3**INSURANCE**

Section 1. Minnesota Statutes 2024, section 60A.201, subdivision 2, is amended to read:

Subd. 2. **Availability of other coverage; presumption.** There shall be a rebuttable presumption that the following coverages are available from a licensed insurer:

~~(a)~~ (1) all mandatory automobile insurance coverages required by chapter 65B;

~~(b)~~ (2) private passenger automobile physical damage coverage;

~~(c)~~ (3) homeowners and property insurance on owner-occupied dwellings whose value is less than \$500,000. ~~This figure shall be changed annually by the commissioner by the same percentage as the Consumer Price Index for the Minneapolis-St. Paul Metropolitan Area is changed;~~

~~(d)~~ (4) any coverage readily available from three or more licensed insurers unless the licensed insurers quote a premium and terms not competitive with a premium and terms quoted by an eligible surplus lines insurer; and

~~(e)~~ (5) workers' compensation insurance, except excess workers' compensation insurance which is not available from the Workers' Compensation Reinsurance Association.

Sec. 2. Minnesota Statutes 2024, section 60A.201, is amended by adding a subdivision to read:

Subd. 7. **FAIR plan coverage; notice.** If the insurance placed by the surplus lines broker with a nonadmitted insurer is homeowners or property insurance on an owner-occupied dwelling, the broker must print, type, or stamp in not less than ten-point type on the face of the policy the following notice: "YOU MAY BE ELIGIBLE FOR COVERAGE THROUGH THE MINNESOTA FAIR PLAN, WHICH MAKES AVAILABLE PROPERTY AND LIABILITY COVERAGE, AS DEFINED BY THE MINNESOTA FAIR PLAN ACT, TO QUALIFIED APPLICANTS WHO HAVE BEEN UNABLE TO SECURE PROPERTY AND LIABILITY INSURANCE THROUGH THE NORMAL INSURANCE MARKETS." The notice under this subdivision must not be covered or concealed in any manner, and is in addition to the notice required under section 60A.207 or 60A.209.

Sec. 3. Minnesota Statutes 2024, section 62A.65, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** No health carrier, as defined in section 62A.011, shall offer, sell, issue, or renew any individual health plan, as defined in section 62A.011, to a

20.1 Minnesota resident except in compliance with this section. ~~This section does not apply to~~
20.2 ~~the Comprehensive Health Association established in section 62E.10.~~

20.3 Sec. 4. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

20.4 Subd. 2. **Guaranteed renewal.** No individual health plan may be offered, sold, issued,
20.5 or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed
20.6 renewable at a premium rate that does not take into account the claims experience or any
20.7 change in the health status of any covered person that occurred after the initial issuance of
20.8 the health plan to the person. The premium rate upon renewal must also otherwise comply
20.9 with this section. A health carrier ~~must not refuse~~ is prohibited from refusing to renew an
20.10 a Minnesota resident's individual health plan, except for nonpayment of premiums, fraud,
20.11 or misrepresentation, unless:

20.12 (1) the enrollee has failed to pay premiums in accordance with the health plan's terms,
20.13 including any timeliness requirements;

20.14 (2) the enrollee has performed an act or practice that constitutes fraud or made an
20.15 intentional misrepresentation of material fact under the health plan's terms;

20.16 (3) the enrollee no longer lives in the area where the issuer is authorized to operate;

20.17 (4) a health carrier discontinues an individual health plan under subdivision 2a; or

20.18 (5) a health carrier discontinues issuing new individual health plans and refuses to renew
20.19 all of the health carrier's existing individual health plans issued in Minnesota as provided
20.20 under subdivision 8.

20.21 Sec. 5. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to
20.22 read:

20.23 Subd. 2a. **Discontinuing individual health plan.** (a) In order to discontinue a particular
20.24 type of individual health plan in Minnesota for purposes of subdivision 2, clause (4), a health
20.25 carrier must:

20.26 (1) provide written notice to the commissioner that approves the individual health plan's
20.27 policy forms and filings, in a form and manner approved by the commissioner, regarding
20.28 the health carrier's intent to discontinue a particular type of individual health plan in
20.29 Minnesota. The notice must be provided no later than May 1 of the year before the date the
20.30 individual health plan intends to discontinue the particular type of individual health plan;

21.1 (2) provide written notice to each individual enrolled in the individual health plan no
21.2 later than 90 days before the date the coverage is discontinued;

21.3 (3) offer to each individual covered by the individual health plan that the health carrier
21.4 intends to discontinue the option to purchase on a guaranteed issue basis any other individual
21.5 health plan currently offered by the health carrier for individuals in the individual market;
21.6 and

21.7 (4) act uniformly without regard to any health status factor of a covered individual or a
21.8 dependent of a covered individual who may become eligible for coverage.

21.9 (b) Subject to paragraph (d), the commissioner may disapprove a health carrier
21.10 discontinuing a particular type of individual health plan within 60 days after receiving notice
21.11 under paragraph (a) if the commissioner determines discontinuing the plan is not in Minnesota
21.12 policyholders' best interest. When making the determination under this paragraph, the
21.13 commissioner may consider the plan's enrollment size, the availability of comparable
21.14 individual health plan options offered by the health carrier in Minnesota, or any other factor
21.15 the commissioner deems relevant.

21.16 (c) A health carrier may appeal the commissioner's determination made under paragraph
21.17 (b) to disapprove the health carrier's plan to discontinue a particular type of individual health
21.18 plan in Minnesota. An appeal under this paragraph is subject to the contested case procedures
21.19 under chapter 14 and must be made within 30 days of the date the commissioner makes a
21.20 written determination under paragraph (b).

21.21 (d) A health carrier may discontinue an individual health plan without commissioner
21.22 approval if the individual health plan is not a catastrophic or platinum-level health plan, as
21.23 defined in United States Code, title 42, section 18022, and the plan:

21.24 (1) has fewer than 25 enrollees; or

21.25 (2) is a grandfathered plan, as defined in section 62A.011, subdivision 1b.

21.26 Sec. 6. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

21.27 Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may
21.28 cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge
21.29 for health care coverage; (2) termination of the health care plan subject to section 62A.65,
21.30 subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area
21.31 served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee
21.32 moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section
21.33 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the

22.1 terms of the health care plan, including timeliness requirements; (7) fraud or
22.2 misrepresentation by the enrollee with respect to eligibility for coverage or any other material
22.3 fact; or (8) other reasons established in rules promulgated by the commissioner of health.

22.4 Sec. 7. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

22.5 Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice
22.6 of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under
22.7 section 62A.65, subdivisions 2, clause (4), and 2a, must receive the 90 days' notice required
22.8 under section 62A.65, subdivision 2a, paragraph (a), clause (2); and (2) enrollees who are
22.9 eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive
22.10 90 days' notice as provided under section 62D.121, subdivision 5.

22.11 Sec. 8. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

22.12 Subdivision 1. **Replacement coverage.** When membership of an enrollee who has
22.13 individual health coverage is terminated by the health maintenance organization for a reason
22.14 other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make~~
22.15 ~~co-payments required by~~ pay premiums as provided by the terms of the health care plan,
22.16 including timeliness requirements; (c) enrollee moving out of the area served; or (d) a
22.17 materially false statement or misrepresentation by the enrollee in the application for
22.18 membership, the health maintenance organization must offer or arrange to offer replacement
22.19 coverage, without evidence of insurability, without preexisting condition exclusions, and
22.20 without interruption of coverage.

22.21 Sec. 9. Minnesota Statutes 2024, section 62J.26, subdivision 3, is amended to read:

22.22 Subd. 3. **Requirements for evaluation.** (a) No later than August 1 of the year preceding
22.23 the legislative session in which ~~a~~ an incumbent legislator is planning on introducing a bill
22.24 containing a mandated health benefit proposal; or is planning on offering an amendment to
22.25 a bill that adds a mandated health benefit, the prospective author must notify the chair of
22.26 one of the standing legislative committees that have jurisdiction over the subject matter of
22.27 the proposal. No later than 15 days after notification is received, the chair must notify the
22.28 commissioner that an evaluation of a mandated health benefit proposal is required to be
22.29 completed in accordance with this section in order to inform the legislature before any action
22.30 is taken on the proposal by either house of the legislature.

22.31 (b) The commissioner must conduct an evaluation described in subdivision 2 of each
22.32 mandated health benefit proposal for which an evaluation is required under paragraph (a).

23.1 (c) If the evaluation of multiple proposals are required, the commissioner must consult
 23.2 with the chairs of the standing legislative committees having jurisdiction over the subject
 23.3 matter of the mandated health benefit proposals to prioritize the evaluations and establish
 23.4 a reporting date for each proposal to be evaluated.

23.5 (d) The commissioner must maintain the ability to conduct an evaluation for one mandated
 23.6 health benefit proposal per even-numbered year that is introduced or offered by a legislator
 23.7 who was not seated by the deadline for notification under paragraph (a). The commissioner
 23.8 must conduct an evaluation of the mandated health benefit proposal offered or introduced
 23.9 pursuant to this paragraph in an expedited manner, taking into consideration the complexity
 23.10 of the proposal.

23.11 Sec. 10. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to
 23.12 read:

23.13 Subd. 6. **Adoption of forms.** (a) No later than July 1, 2026, the commissioner of
 23.14 commerce must adopt forms for:

23.15 (1) an incumbent legislator to notify the chair of the mandated health benefit proposal
 23.16 under subdivision 3, paragraph (a); and

23.17 (2) the chair to notify the commissioner of the mandated health benefit proposal under
 23.18 subdivision 3, paragraph (a).

23.19 (b) The forms adopted under this subdivision must include all information needed from
 23.20 the legislator introducing or offering the mandated health benefit proposal for the
 23.21 commissioner to conduct the required evaluation.

23.22 Sec. 11. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

23.23 Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration,~~
 23.24 ~~in consultation with~~ the commissioners of health and commerce, ~~shall~~ must contract with
 23.25 ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide
 23.26 independent external reviews of all adverse determinations submitted for external review.
 23.27 The contract ~~shall~~ must ensure that the fees for services rendered in connection with the
 23.28 reviews are reasonable.

24.1 Sec. 12. Minnesota Statutes 2024, section 65B.02, subdivision 7, is amended to read:

24.2 Subd. 7. **Participation ratio.** "Participation ratio" means the ratio of the member's
24.3 Minnesota premiums, or other measure of business written approved by the commissioner,
24.4 in relation to the comparable statewide totals for all members.

24.5 (1) For private passenger nonfleet automobile insurance coverages the participation ratio
24.6 shall be based on voluntary car years written in this state for the calendar year ending
24.7 December 31 of the second prior year, as reported by the statistical agent of each member
24.8 as private passenger nonfleet exposures.

24.9 (2) For insurance coverages on all other automobiles, including insurance for fleets,
24.10 commercial vehicles, public vehicles and garages, the ratio shall be based on the total
24.11 Minnesota gross, direct automobile insurance premiums written, including both policy and
24.12 membership fees less return premiums and premiums on policies not taken, without including
24.13 reinsurance assumed and without deducting reinsurance ceded, and less the amount of such
24.14 premiums reported as received for insurance on private passenger nonfleet vehicles, for the
24.15 calendar year ending December 31 of the second prior year.

24.16 (3) For the purpose of determining each member's responsibility for expenses and
24.17 assessments to operate the facility, the ratio shall be based on each member's total Minnesota
24.18 car years and gross, direct premiums written, including both policy and membership fees
24.19 less return premiums and premiums on policies not taken, without including reinsurance
24.20 assumed and without deducting reinsurance ceded, for the calendar year ending December
24.21 31 of the second prior year, provided, however, that the preliminary determination of each
24.22 member's responsibility for expenses and assessments may use the calendar year ending
24.23 December 31 of the third prior year.

24.24 Sec. 13. Minnesota Statutes 2024, section 65B.05, is amended to read:

24.25 **65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.**

24.26 (a) The facility is authorized to: (1) issue or cause to be issued insurance policies in the
24.27 name of the Minnesota automobile insurance plan to applicants for the types of insurance
24.28 available under the plan, subject to limits specified in the plan of operation; (2) underwrite
24.29 the insurance and adjust and pay losses with respect to the plan; and (3) retain, hire, or
24.30 appoint an individual or company to perform a function under clause (1) or (2).

24.31 (b) The governing committee shall have the power to direct the operation of the facility
24.32 in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including
24.33 but not limited to ~~the following~~:

(1) ~~To sue and be~~ suing and being sued in the name of the facility and ~~to~~ assess each member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee;

(2) ~~To delegate~~ delegating ministerial duties, ~~to hire~~ hiring a manager, and ~~to contract~~ contracting for goods and services from others;

(3) ~~To assess~~ assessing members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility; and

(4) ~~To impose~~ imposing limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

Sec. 14. Minnesota Statutes 2024, section 65B.06, subdivision 1, is amended to read:

Subdivision 1. **Distribution of private passenger, nonfleet auto risks.** With respect to private passenger, nonfleet automobiles, the facility shall provide for ~~the equitable distribution of qualified applicants to members to share premium, losses, costs, and expenses~~ in accordance with the participation ratio or among these insurance companies as selected under the provisions of the plan of operation.

Sec. 15. Minnesota Statutes 2024, section 65B.06, subdivision 2, is amended to read:

Subd. 2. **Private passenger; nonfleet auto coverage.** With respect to private passenger, nonfleet automobiles, the facility shall provide for the issuance of policies of automobile insurance ~~by members~~ with coverage as follows:

(1) bodily injury liability and property damage liability coverage in the minimum amounts specified in section 65B.49, subdivision 3;

(2) uninsured and underinsured motorist coverages as required by section 65B.49, subdivisions 3a and 4a;

(3) a reasonable selection of higher limits of liability coverage up to \$50,000 because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to \$100,000 because of bodily injury to or death of two or more persons in any one accident, and up to \$25,000 because of injury to or destruction of property of others in any one accident, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

26.1 (4) basic economic loss benefits, as required by section 65B.44, and other optional
26.2 coverages as recommended by the governing committee and approved by the commissioner;
26.3 and

26.4 (5) automobile physical damage coverage, including coverage of loss by collision, subject
26.5 to deductible options.

26.6 Sec. 16. Minnesota Statutes 2024, section 65B.06, subdivision 3, is amended to read:

26.7 Subd. 3. **Other auto coverage.** With respect to all automobiles not included in
26.8 subdivisions 1 and 2, the facility shall provide:

26.9 (1) the minimum limits of coverage required by section 65B.49, subdivisions 2, 3, 3a,
26.10 and 4a, or higher limits of liability coverage as recommended by the governing committee
26.11 and approved by the commissioner;

26.12 (2) for the equitable ~~distribution of qualified applicants~~ sharing of premium, losses,
26.13 costs, and expenses for this coverage among the members in ~~accord~~ accordance with the
26.14 applicable participation ratio, ~~or among these insurance companies as selected under the~~
26.15 ~~provisions of the plan of operation~~; and

26.16 (3) for a school district or contractor transporting school children under contract with a
26.17 school district, that amount of automobile liability insurance coverage, not to exceed
26.18 \$1,000,000, required by the school district by resolution or contract, or that portion of such
26.19 \$1,000,000 of coverage for which the school district or contractor applies and for which it
26.20 is eligible under section 65B.10.

26.21 Sec. 17. Minnesota Statutes 2024, section 65B.10, subdivision 2, is amended to read:

26.22 Subd. 2. **Termination of eligibility.** Eligibility for placement through the facility will
26.23 terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower
26.24 than the facility rate. ~~If the member that is required to provide coverage by the facility makes~~
26.25 ~~such an offer after giving 30 days' advance written notice to the agent of record before~~
26.26 ~~making the offer, the member shall have no further obligation to the agent of record.~~

26.27 Sec. 18. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
26.28 read:

26.29 Subd. 42. **Availability of current policy.** After an original policy of automobile insurance
26.30 under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27,
26.31 subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the

27.1 first named insured within 21 days of the date a request for the current policy is received.
27.2 The copy may be delivered in paper form, electronically, or via a website link. An insurer
27.3 is required to provide a current policy in response to a request under this subdivision once
27.4 per policy period.

27.5 Sec. 19. **APPLICATION OF MINNESOTA STATUTES, SECTION 65A.3025.**

27.6 Minnesota Statutes, section 65A.3025, applies to policies issued or renewed on or after
27.7 August 1, 2024. Minnesota Statutes, section 65A.3025, does not apply to policies issued or
27.8 renewed prior to August 1, 2024.

27.9 **EFFECTIVE DATE.** This section is effective retroactively from August 1, 2024.

27.10 Sec. 20. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY**
27.11 **INSURANCE.**

27.12 Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide
27.13 recommendations relating to insurance affordability of single-family housing, common
27.14 interest communities, and multifamily rental housing and for preventing disruptions or loss
27.15 to the development, preservation, and long-term sustainability of Minnesota's housing
27.16 infrastructure.

27.17 Subd. 2. **Membership.** (a) The task force consists of the following:

27.18 (1) one member appointed by the commissioner of commerce;

27.19 (2) one member appointed jointly by the speaker of the house and the speaker emerita
27.20 of the house;

27.21 (3) one member appointed jointly by the senate majority leader and the senate minority
27.22 leader;

27.23 (4) one member appointed by the Minnesota Consortium of Community Developers;

27.24 (5) two members appointed by the Insurance Federation of Minnesota, including one
27.25 member with expertise in homeowners insurance and one member with expertise in
27.26 commercial insurance;

27.27 (6) one member appointed by Big I Minnesota;

27.28 (7) one member appointed by the Minnesota Association of Farm Mutual Insurance
27.29 Companies;

27.30 (8) one member appointed by the Community Associations Institute;

- 28.1 (9) one member appointed by the Contractors Association of Minnesota;
- 28.2 (10) one member appointed by the Minnesota Multi Housing Association;
- 28.3 (11) one member appointed by the Housing Justice Center; and
- 28.4 (12) one member appointed by Ceres with expertise in climate risk mitigation and
- 28.5 insurance markets.
- 28.6 (b) The appointing authorities must make the appointments by August 15, 2025.
- 28.7 Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and
- 28.8 stabilize the homeowners and commercial property insurance industry.
- 28.9 (b) The task force must consult with the commissioner of the Housing Finance Agency,
- 28.10 the commissioner of employment and economic development, other relevant state and local
- 28.11 agencies, and key stakeholders in the insurance and housing industries.
- 28.12 (c) The task force must review:
- 28.13 (1) risk mitigation and property resilience to natural hazards, and the effect on insurance
- 28.14 costs;
- 28.15 (2) the effect of liability laws on insurance costs and whether tort reform could reduce
- 28.16 costs;
- 28.17 (3) minimum notice for coverage changes, including enforcement and oversight;
- 28.18 (4) public reporting of aggregated data relating to insurance plan costs and coverage;
- 28.19 (5) the reinsurance market for homeowners and commercial property insurance;
- 28.20 (6) the current state-supported insurance program and the potential to expand the program
- 28.21 to include a catastrophic reinsurance fund and a self-insured pool;
- 28.22 (7) factors that increase claim costs, including but not limited to post-loss contractors,
- 28.23 fraudulent claims, climate, inflation, and discontinued building materials;
- 28.24 (8) regulatory factors that increase insurance costs or decrease access to insurance
- 28.25 products; and
- 28.26 (9) other areas that would strengthen and stabilize the homeowners and commercial
- 28.27 property insurance industry.
- 28.28 Subd. 4. **Administration.** The Legislative Coordinating Commission must provide
- 28.29 administrative support to the task force. Upon request of the task force, the commissioners

29.1 of commerce, the Housing Finance Agency, and employment and economic development
29.2 must provide technical support and expertise.

29.3 Subd. 5. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first
29.4 meeting of the task force convenes no later than September 15, 2025, and must provide
29.5 accessible physical or virtual meeting space as necessary for the task force to conduct work.

29.6 (b) At the first meeting, the task force must elect a chair or cochaIRS from the members
29.7 appointed by the house and senate by a majority vote of those members present and may
29.8 elect a vice-chair as necessary.

29.9 (c) The task force must establish a schedule for meetings and must meet as necessary
29.10 to accomplish the duties under subdivision 3.

29.11 (d) The task force is subject to Minnesota Statutes, chapter 13D.

29.12 Subd. 6. **Report required.** (a) The task force must submit a report to the commissioners
29.13 of commerce, the Housing Finance Agency, and employment and economic development
29.14 and the chairs and ranking minority members of the legislative committees having jurisdiction
29.15 over the agencies listed in this paragraph by February 15, 2026.

29.16 (b) The report must:

29.17 (1) summarize the activities of the task force;

29.18 (2) provide findings and recommendations adopted by the task force;

29.19 (3) make recommendations related to tort reform that could reduce insurance costs;

29.20 (4) include any draft legislation required to implement recommendations; and

29.21 (5) include other information the task force believes is necessary to report.

29.22 Subd. 7. **Expiration.** The task force expires upon submission of the report required
29.23 under subdivision 6.

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

29.25 **ARTICLE 4**

29.26 **INSURANCE HOLDING COMPANY SYSTEMS**

29.27 Section 1. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision
29.28 to read:

29.29 Subd. 5. **Other violations.** If the commissioner believes a person has committed a
29.30 violation of section 60D.17 that prevents the full understanding of the enterprise risk to the

30.1 insurer by affiliates or by the insurance holding company system, the violation may serve
30.2 as an independent basis for disapproving dividends or distributions and for placing the
30.3 insurer under an order of supervision under chapter 60B.

30.4 Sec. 2. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

30.5 Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled
30.6 by," and "under common control with," means the possession, direct or indirect, of the
30.7 power to direct or cause the direction of the management and policies of a person, whether
30.8 through the ownership of voting securities, by contract other than a commercial contract
30.9 for goods or nonmanagement services, or otherwise, unless the power is the result of an
30.10 official position with, or corporate office held by, or court appointment of, the person.
30.11 Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with
30.12 the power to vote, or holds proxies representing, ten percent or more of the voting securities
30.13 of any other person. This presumption may be rebutted by a showing made in the manner
30.14 provided by section 60D.19, subdivision 11, that control does not exist in fact. The
30.15 commissioner may determine, after furnishing all persons in interest notice and opportunity
30.16 to be heard and making specific findings of fact to support ~~such~~ the determination, that
30.17 control exists in fact, notwithstanding the absence of a presumption to that effect.

30.18 Sec. 3. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
30.19 read:

30.20 Subd. 4c. **Group capital calculation instructions.** "Group capital calculation
30.21 instructions" means the group capital calculation instructions adopted by the NAIC and as
30.22 amended by the NAIC from time to time in accordance with procedures adopted by the
30.23 NAIC.

30.24 Sec. 4. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
30.25 read:

30.26 Subd. 6b. **NAIC.** "NAIC" means the National Association of Insurance Commissioners.

30.27 Sec. 5. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
30.28 read:

30.29 Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework"
30.30 means an NAIC publication which includes a history of the NAIC's development of
30.31 regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and

31.1 the liquidity stress test instructions and reporting templates for a specific data year, scope
31.2 criteria, instructions, and reporting template being adopted by the NAIC, and as amended
31.3 by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

31.4 Sec. 6. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

31.5 Subd. 7. **Person.** A "person" is an individual, a corporation, a limited liability company,
31.6 a partnership, an association, a joint stock company, a trust, an unincorporated organization,
31.7 any similar entity or any combination of the foregoing acting in concert, but does not include
31.8 any joint venture partnership exclusively engaged in owning, managing, leasing, or
31.9 developing real or tangible personal property.

31.10 Sec. 7. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to
31.11 read:

31.12 Subd. 7a. **Scope criteria.** "Scope criteria," as detailed in the NAIC liquidity stress test
31.13 framework, means the designated exposure bases along with minimum magnitudes of the
31.14 designated exposure bases for the specified data year that are used to establish a preliminary
31.15 list of insurers considered scoped into the NAIC liquidity stress test framework for that data
31.16 year.

31.17 Sec. 8. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

31.18 Subd. 2. **Additional investment authority.** In addition to investments in common stock,
31.19 preferred stock, debt obligations, and other securities otherwise permitted under this chapter,
31.20 a domestic insurer may also:

31.21 (a) Invest, in common stock, preferred stock, debt obligations, and other securities of
31.22 one or more subsidiaries, amounts that do not exceed the lesser of ten percent of the insurer's
31.23 assets or 50 percent of the insurer's surplus as regards policyholders, provided that after the
31.24 investments, the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation
31.25 to the insurer's outstanding liabilities and adequate to its financial needs. In calculating the
31.26 amount of these investments, investments in domestic or foreign insurance subsidiaries and
31.27 health maintenance organizations must be excluded, and there must be included:

31.28 (1) total net money or other consideration expended and obligations assumed in the
31.29 acquisition or formation of a subsidiary, including all organizational expenses and
31.30 contributions to capital and surplus of the subsidiary whether or not represented by the
31.31 purchase of capital stock or issuance of other securities; and

32.1 (2) all amounts expended in acquiring additional common stock, preferred stock, debt
32.2 obligations, and other securities; and all contributions to the capital or surplus, of a subsidiary
32.3 subsequent to its acquisition or formation.

32.4 (b) Invest any amount in common stock, preferred stock, debt obligations, and other
32.5 securities of one or more subsidiaries engaged or organized to engage exclusively in the
32.6 ownership and management of assets authorized as investments for the insurer provided
32.7 that the subsidiary agrees to limit its investments in any asset so that the investments ~~will~~
32.8 do not cause the amount of the total investment of the insurer to exceed any of the investment
32.9 limitations specified in paragraph (a) or other statutes applicable to the insurer. For the
32.10 purpose of this paragraph, "the total investment of the insurer" includes:

32.11 (1) any direct investment by the insurer in an asset; and

32.12 (2) the insurer's proportionate share of any investment in an asset by any subsidiary of
32.13 the insurer, which must be calculated by multiplying the amount of the subsidiary's
32.14 investment by the percentage of the ownership of the subsidiary.

32.15 (c) With the approval of the commissioner, invest any greater amount in common stock,
32.16 preferred stock, debt obligations, or other securities of one or more subsidiaries, if after the
32.17 investment the insurer's surplus as regards policyholders ~~will be~~ is reasonable in relation to
32.18 the insurer's outstanding liabilities and adequate to its financial needs.

32.19 Sec. 9. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

32.20 Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make
32.21 a tender offer for or a request or invitation for tenders of, or enter into any agreement to
32.22 exchange securities ~~or for~~, seek to acquire, or acquire, in the open market or otherwise, any
32.23 voting security of a domestic insurer if, after the consummation thereof, the person would,
32.24 directly or indirectly, or by conversion or by exercise of any right to acquire, be in control
32.25 of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control
32.26 of a domestic insurer or any person controlling a domestic insurer unless, at the time the
32.27 offer, request, or invitation is made or the agreement is entered into, or before the acquisition
32.28 of the securities if no offer or agreement is involved, the person has filed with the
32.29 commissioner and has sent to the insurer, a statement containing the information required
32.30 by this section and the offer, request, invitation, agreement, or acquisition has been approved
32.31 by the commissioner in the manner prescribed in this section.

32.32 (b) For purposes of this section, a controlling person of a domestic insurer seeking to
32.33 divest its controlling interest in the domestic insurer, in any manner, shall file with the

commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction.

(c) With respect to a transaction subject to this section, the acquiring person must also file a preacquisition notification with the commissioner, which must contain the information set forth in section 60D.18, subdivision 3, paragraph (b). A failure to file the notification may be subject to penalties specified in section 60D.18, subdivision 5.

(d) For purposes of this section, a domestic insurer includes a person controlling a domestic insurer unless the person, as determined by the commissioner, is either directly or through its affiliates primarily engaged in business other than the business of insurance. For the purposes of this section, "person" does not include any securities broker holding, in the usual and customary ~~brokers~~ broker's function, less than 20 percent of the voting securities of an insurance company or of any person that controls an insurance company.

(e) The statement filed with the commissioner pursuant to subdivisions 1 and 2 must remain confidential until the transaction is approved by the commissioner, except that all attachments filed with the statement remain confidential after the approval unless the commissioner, in the commissioner's discretion, determines that confidential treatment of any of this information will interfere with enforcement of this section.

Sec. 10. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

Subd. 3. Preacquisition notification; waiting period. (a) An acquisition covered by subdivision 2 may be subject to an order pursuant to subdivision ~~4~~ 5 unless the acquiring person files a preacquisition notification and the waiting period has expired. The acquired person may file a preacquisition notification. The commissioner shall give confidential treatment to information submitted under this section in the same manner as provided in section 60D.22.

(b) The preacquisition notification must be in the form and contain the information as prescribed by the National Association of Insurance Commissioners relating to those markets that, under subdivision 2, paragraph (b), clause ~~(5)~~ (4), cause the acquisition not to be exempted from the provisions of this section. The commissioner may require ~~the~~ additional material and information as the commissioner deems necessary to determine whether the proposed acquisition, if consummated, would violate the competitive standard of subdivision 4. The required information may include an opinion of an economist as to the competitive

34.1 impact of the acquisition in this state accompanied by a summary of the education and
34.2 experience of the person indicating that person's ability to render an informed opinion.

34.3 (c) The waiting period required begins on the date of receipt of the commissioner of a
34.4 preacquisition notification and ends on the earlier of the 30th day after the date of its receipt,
34.5 or termination of the waiting period by the commissioner. Before the end of the waiting
34.6 period, the commissioner on a onetime basis may require the submission of additional
34.7 needed information relevant to the proposed acquisition, in which event the waiting period
34.8 shall end on the earlier of the 30th day after receipt of the additional information by the
34.9 commissioner or termination of the waiting period by the commissioner.

34.10 Sec. 11. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

34.11 Subd. 4. **Materiality.** No information need be disclosed on the registration statement
34.12 filed pursuant to subdivision 2 if the information is not material for the purposes of this
34.13 section. Unless the commissioner by rule or order provides otherwise; sales, purchases,
34.14 exchanges, loans or extensions of credit, investments, or guarantees involving one-half of
34.15 one percent or less of an insurer's admitted assets as of the 31st day of December next
34.16 preceding shall not be deemed material for purposes of this section. The definition of
34.17 materiality provided in this subdivision does not apply for purposes of the group capital
34.18 calculation or the NAIC liquidity stress test framework.

34.19 Sec. 12. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to
34.20 read:

34.21 Subd. 11b. **Group capital calculation.** (a) Except as otherwise provided in this paragraph,
34.22 the ultimate controlling person of every insurer subject to registration must concurrently
34.23 file with the registration an annual group capital calculation as directed by the commissioner.
34.24 The report must be completed in accordance with the NAIC group capital calculation
34.25 instructions, which may permit the commissioner to allow a controlling person that is not
34.26 the ultimate controlling person to file the group capital calculation. The report must be filed
34.27 with the commissioner, as determined by the commissioner in accordance with the procedures
34.28 within the Financial Analysis Handbook adopted by the NAIC. The following insurance
34.29 holding company systems are exempt from filing the group capital calculation:

34.30 (1) an insurance holding company system that (i) has only one insurer within the insurance
34.31 holding company system's holding company structure, (ii) only writes business and is only
34.32 licensed in the insurance holding company system's domestic state, and (iii) assumes no
34.33 business from any other insurer;

(2) an insurance holding company system that is required to perform a group capital calculation specified by the United States Federal Reserve Board. The commissioner must request the calculation from the Federal Reserve Board under the terms of information sharing agreements in effect. If the Federal Reserve Board is unable to share the calculation with the commissioner, the insurance holding company system is not exempt from the group capital calculation filing;

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b, that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

(i) that provides information to the commissioner that meets the requirements for accreditation under the NAIC financial standards and accreditation program, either directly or indirectly through the groupwide supervisor, that has determined the information is satisfactory to allow the commissioner to comply with the NAIC group supervision approach, as detailed in the NAIC Financial Analysis Handbook; and

(ii) whose non-United States groupwide supervisor that is not in a reciprocal jurisdiction recognizes and accepts, as specified by the commissioner by rule, the group capital calculation as the worldwide group capital assessment for United States insurance groups that operate in that jurisdiction.

(b) Notwithstanding paragraph (a), clauses (3) and (4), a commissioner must require the group capital calculation for the United States operations of any non-United States based insurance holding company system where, after any necessary consultation with other supervisors or officials, requiring the group capital calculation is deemed appropriate by the commissioner for prudential oversight and solvency monitoring purposes or for ensuring the competitiveness of the insurance marketplace.

(c) Notwithstanding the exemptions from filing the group capital calculation under paragraph (a), the commissioner may exempt the ultimate controlling person from filing the annual group capital calculation or accept a limited group capital filing or report in accordance with criteria specified by the commissioner by rule.

(d) If the commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subdivision, the insurance holding company system must file the

36.1 group capital calculation at the next annual filing date unless given an extension by the
36.2 commissioner based on reasonable grounds shown.

36.3 Sec. 13. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to
36.4 read:

36.5 Subd. 11c. **Liquidity stress test.** (a) The ultimate controlling person of every insurer
36.6 subject to registration and also scoped into the NAIC liquidity stress test framework must
36.7 file the results of a specific year's liquidity stress test. The filing must be made to the
36.8 commissioner, as determined by the procedures within the Financial Analysis Handbook
36.9 adopted by the NAIC.

36.10 (b) The NAIC liquidity stress test framework includes scope criteria applicable to a
36.11 specific data year. The scope criteria must be reviewed at least annually by the NAIC
36.12 Financial Stability Task Force or the NAIC Financial Stability Task Force's successor. Any
36.13 change made to the NAIC liquidity stress test framework or to the data year for which the
36.14 scope criteria must be measured is effective January 1 of the year following the calendar
36.15 year in which the change is adopted. An insurer meeting at least one threshold of the scope
36.16 criteria is scoped into the NAIC liquidity stress test framework for the specified data year
36.17 unless the commissioner, in consultation with the NAIC Financial Stability Task Force or
36.18 the NAIC Financial Stability Task Force's successor, determines the insurer should not be
36.19 scoped into the framework for that data year. An insurer that does not trigger at least one
36.20 threshold of the scope criteria is scoped out of the NAIC liquidity stress test framework for
36.21 the specified data year unless the commissioner, in consultation with the NAIC Financial
36.22 Stability Task Force or the NAIC Financial Stability Task Force's successor, determines
36.23 the insurer should be scoped into the framework for the specified data year.

36.24 (c) The commissioner and other state insurance commissioners must avoid scoping
36.25 insurers in and out of the NAIC liquidity stress test framework on a frequent basis. The
36.26 commissioner, in consultation with the NAIC Financial Stability Task Force or the NAIC
36.27 Financial Stability Task Force's successor, must assess irregular scope status as part of an
36.28 insurer's determination.

36.29 (d) The performance of and filing of the results from a specific year's liquidity stress
36.30 test must comply with (1) the NAIC liquidity stress test framework's instructions and
36.31 reporting templates for the specific year, and (2) any commissioner determinations, in
36.32 consultation with the NAIC Financial Stability Task Force or the NAIC Financial Stability
36.33 Task Force's successor, provided within the framework.

37.1 Sec. 14. **[60D.195] GROUP CAPITAL CALCULATION.**

37.2 Subdivision 1. **Annual group capital calculation; exemption permitted.** The
37.3 commissioner may exempt the ultimate controlling person from filing the annual group
37.4 capital calculation if the commissioner makes a determination that the insurance holding
37.5 company system meets the following criteria:

37.6 (1) has annual direct written and unaffiliated assumed premium, including international
37.7 direct and assumed premium but excluding premiums reinsured with the Federal Crop
37.8 Insurance Corporation and Federal Flood Program, of less than \$1,000,000,000;

37.9 (2) has no insurers within the insurance holding company's structure that are domiciled
37.10 outside of the United States or a United States territory;

37.11 (3) has no banking, depository, or other financial entity that is subject to an identified
37.12 regulatory capital framework within the insurance holding company's structure;

37.13 (4) attests that no material changes in the transactions between insurers and noninsurers
37.14 in the group have occurred since the last annual group capital filing; and

37.15 (5) the noninsurers within the holding company system do not pose a material financial
37.16 risk to the insurer's ability to honor policyholder obligations.

37.17 Subd. 2. **Limited group capital filing.** The commissioner may accept a limited group
37.18 capital filing in lieu of the group capital calculation if:

37.19 (1) the insurance holding company system has annual direct written and unaffiliated
37.20 assumed premium, including international direct and assumed premium but excluding
37.21 premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program,
37.22 of less than \$1,000,000,000; and

37.23 (2) the insurance holding company system:

37.24 (i) has no insurers within the insurance holding company's structure that are domiciled
37.25 outside of the United States or a United States territory;

37.26 (ii) does not include a banking, depository, or other financial entity that is subject to an
37.27 identified regulatory capital framework; and

37.28 (iii) attests that no material changes in transactions between insurers and noninsurers in
37.29 the group have occurred and the noninsurers within the holding company system do not
37.30 pose a material financial risk to the insurer's ability to honor policyholder obligations.

37.31 Subd. 3. **Previous exemption; required filing.** For an insurance holding company that
37.32 has previously met an exemption with respect to the group capital calculation under

38.1 subdivision 1 or 2, the commissioner may at any time require the ultimate controlling person
38.2 to file an annual group capital calculation, completed in accordance with the NAIC group
38.3 capital calculation instructions, if:

38.4 (1) an insurer within the insurance holding company system is in a risk-based capital
38.5 action level event under section 60A.62 or a similar standard for a non-United States insurer;

38.6 (2) an insurer within the insurance holding company system meets one or more of the
38.7 standards of an insurer deemed to be in hazardous financial condition, as defined under
38.8 section 60E.02, subdivision 5; or

38.9 (3) an insurer within the insurance holding company system otherwise exhibits qualities
38.10 of a troubled insurer, as determined by the commissioner based on unique circumstances,
38.11 including but not limited to the type and volume of business written, ownership and
38.12 organizational structure, federal agency requests, and international supervisor requests.

38.13 Subd. 4. **Non-United States jurisdictions; recognition and acceptance.** A non-United
38.14 States jurisdiction is deemed to recognize and accept the group capital calculation if the
38.15 non-United States jurisdiction:

38.16 (1) with respect to section 60D.19, subdivision 11b, paragraph (a), clause (4):

38.17 (i) recognizes the United States state regulatory approach to group supervision and group
38.18 capital by providing confirmation by a competent regulatory authority in the non-United
38.19 States jurisdiction that insurers and insurance groups whose lead state is accredited by the
38.20 NAIC under the NAIC accreditation program: (A) are subject only to worldwide prudential
38.21 insurance group supervision, including worldwide group governance, solvency and capital,
38.22 and reporting, as applicable, by the lead state; and (B) are not subject to group supervision,
38.23 including worldwide group governance, solvency and capital, and reporting, at the level of
38.24 the worldwide parent undertaking of the insurance or reinsurance group by the non-United
38.25 States jurisdiction; or

38.26 (ii) if no United States insurance group operates in the non-United States jurisdiction,
38.27 indicates formally in writing to the lead state with a copy to the International Association
38.28 of Insurance Supervisors that the group capital calculation is an acceptable international
38.29 capital standard. The formal indication under this item serves as the documentation otherwise
38.30 required under item (i); and

38.31 (2) provides confirmation by a competent regulatory authority in the non-United States
38.32 jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or
38.33 affiliated entities, if applicable, must be provided to the commissioner in accordance with

a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

Subd. 5. **Non-United States jurisdiction; publication.** (a) A list of non-United States jurisdictions that recognize and accept the group capital calculation under section 60D.19, subdivision 11b, paragraph (a), clause (4), must be published through the NAIC committee process to assist the commissioner determine what insurers must file an annual group capital calculation. The list must clarify the situations in which a jurisdiction is exempt from filing under section 60D.19, subdivision 11b, paragraph (a), clause (4). To assist with a determination under section 60D.19, subdivision 11b, paragraph (b), the list must also identify whether a jurisdiction that is exempt under section 60D.19, subdivision 11b, paragraph (a), clause (3) or (4), requires a group capital filing for any United States insurance group's operations in the non-United States jurisdiction.

(b) For a non-United States jurisdiction where no United States insurance group operates, the confirmation provided to comply with subdivision 4, clause (1), item (ii), serves as support for a recommendation to be published that the non-United States jurisdiction is a jurisdiction that recognizes and accepts the group capital calculation pursuant to the NAIC committee process.

(c) If the commissioner makes a determination pursuant to section 60D.19, subdivision 11b, that differs from the NAIC list, the commissioner must provide thoroughly documented justification to the NAIC and other states.

(d) Upon a determination by the commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the commissioner may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 15. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

Subdivision 1. Transactions within an insurance holding company system. (a) Transactions within an insurance holding company system to which an insurer subject to registration is a party are subject to the following standards:

40.1 (1) the terms shall be fair and reasonable;

40.2 (2) agreements for cost-sharing services and management shall include the provisions
40.3 required by rule issued by the commissioner;

40.4 (3) charges or fees for services performed shall be reasonable;

40.5 (4) expenses incurred and payment received shall be allocated to the insurer in conformity
40.6 with customary insurance accounting practices consistently applied;

40.7 (5) the books, accounts, and records of each party to all such transactions shall be so
40.8 maintained as to clearly and accurately disclose the nature and details of the transactions
40.9 including this accounting information as is necessary to support the reasonableness of the
40.10 charges or fees to the respective parties; ~~and~~

40.11 (6) the insurer's surplus as regards policyholders following any dividends or distributions
40.12 to shareholder affiliates shall be reasonable in relation to the insurer's outstanding liabilities
40.13 and adequate to its financial needs;

40.14 (7) if the commissioner determines an insurer subject to this chapter is in a hazardous
40.15 financial condition, as defined under section 60E.02, subdivision 5, or a condition that would
40.16 be grounds for supervision, conservation, or a delinquency proceeding, the commissioner
40.17 may require the insurer to secure and maintain either a deposit, held by the commissioner,
40.18 or a bond, as determined by the insurer at the insurer's discretion, to protect the insurer for
40.19 the duration of the contract, agreement, or the existence of the condition for which the
40.20 commissioner required the deposit or bond. When determining whether a deposit or bond
40.21 is required, the commissioner must consider whether concerns exist with respect to the
40.22 affiliated person's ability to fulfill the contract or agreement if the insurer entered into
40.23 liquidation. Once the insurer is deemed to be in a hazardous financial condition or a condition
40.24 that would be grounds for supervision, conservation, or a delinquency proceeding, and a
40.25 deposit or bond is necessary, the commissioner may determine the amount of the deposit
40.26 or bond, not to exceed the value of the contract or agreement in any one year, and whether
40.27 the deposit or bond is required for a single contract, multiple contracts, or a contract only
40.28 with a specific person or persons;

40.29 (8) all of an insurer's records and data held by an affiliate are and remain the property
40.30 of the insurer, are subject to control of the insurer, are identifiable, and are segregated or
40.31 readily capable of segregation, at no additional cost to the insurer, from all other persons'
40.32 records and data. For purposes of this clause, records and data include all records and data
40.33 that are otherwise the property of the insurer in whatever form maintained, including but
40.34 not limited to claims and claim files, policyholder lists, application files, litigation files,

premium records, rate books, underwriting manuals, personnel records, financial records, or similar records within the affiliate's possession, custody, or control. At the request of the insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records of any type that pertain to the insurer's business, (ii) obtain access to the operating systems on which the data are maintained, (iii) obtain the software that runs the operating systems either through assumption of licensing agreements or otherwise, and (iv) restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

(9) premiums or other funds belonging to the insurer that are collected or held by an affiliate are the exclusive property of the insurer and are subject to the control of the insurer. Any right of offset in the event an insurer is placed into receivership is subject to chapter 576.

(b) The following transactions involving a domestic insurer and any person in its insurance holding company system, including amendments or modifications of affiliate agreements previously filed pursuant to this section, which are subject to any materiality standards contained in clauses (1) to (7), may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into the transaction at least 30 days prior thereto, or a shorter period the commissioner permits, and the commissioner has not disapproved it within this period. The notice for amendments or modifications must include the reasons for the change and the financial impact on the domestic insurer. Informal notice must be reported, within 30 days after a termination of a previously filed agreement, to the commissioner for determination of the type of filing required, if any:

(1) sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets, or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(2) loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets

or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

(3) reinsurance agreements or modifications to those agreements, including: (i) all reinsurance pooling agreements; and (ii) agreements in which the reinsurance premium or a change in the insurer's liabilities, or the projected reinsurance premium or a change in the insurer's liabilities in any of the next three years, equals or exceeds five percent of the insurer's surplus as regards policyholders, as of the 31st day of December next preceding, including those agreements which may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of ~~such~~ the assets will be transferred to one or more affiliates of the insurer;

(4) all management agreements, service contracts, tax allocation agreements, guarantees, and all cost-sharing arrangements;

(5) guarantees when made by a domestic insurer; provided, however, that a guarantee which is quantifiable as to amount is not subject to the notice requirements of this paragraph unless it exceeds the lesser of one-half of one percent of the insurer's admitted assets or ten percent of surplus as regards policyholders as of the 31st day of December next preceding. Further, all guarantees which are not quantifiable as to amount are subject to the notice requirements of this paragraph;

(6) direct or indirect acquisitions or investments in a person that controls the insurer or in an affiliate of the insurer in an amount which, together with its present holdings in the investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired pursuant to section 60D.16, as otherwise authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

(7) any material transactions, specified by regulation, which the commissioner determines may adversely affect the interests of the insurer's policyholders.

Nothing contained in this section authorizes or permits any transactions that, in the case of an insurer not a member of the same insurance holding company system, would be otherwise contrary to law.

(c) A domestic insurer may not enter into transactions which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate

transactions were entered into over any 12-month period for the purpose, the commissioner may exercise the authority under section 60D.25.

(d) The commissioner, in reviewing transactions pursuant to paragraph (b), shall consider whether the transactions comply with the standards set forth in paragraph (a), and whether they may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within 30 days of any investment of the domestic insurer in any one corporation if the total investment in the corporation by the insurance holding company system exceeds ten percent of the corporation's voting securities.

(f) An affiliate that is party to an agreement or contract with a domestic insurer that is subject to paragraph (b), clause (4), is subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against the insurer and to the authority of a supervisor, conservator, rehabilitator, or liquidator for the insurer appointed pursuant to chapters 60B and 576 for the purpose of interpreting, enforcing, and overseeing the affiliate's obligations under the agreement or contract to perform services for the insurer that are: (1) an integral part of the insurer's operations, including but not limited to management, administrative, accounting, data processing, marketing, underwriting, claims handling, investment, or any other similar functions; or (2) essential to the insurer's ability to fulfill the insurer's obligations under insurance policies. The commissioner may require that an agreement or contract pursuant to paragraph (b), clause (4), to provide the services described in clauses (1) and (2) must specify that the affiliate consents to the jurisdiction as provided under this paragraph.

Sec. 16. Minnesota Statutes 2024, section 60D.217, is amended to read:

60D.217 GROUPWIDE SUPERVISION OF INTERNATIONALLY ACTIVE INSURANCE GROUPS.

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section. However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

(1) does not have substantial insurance operations in the United States;

(2) has substantial insurance operations in the United States, but not in this state; or

(3) has substantial insurance operations in the United States and this state, but the commissioner has determined pursuant to the factors set forth in ~~subsections~~ paragraphs (b) and (f) that the other regulatory official is the appropriate groupwide supervisor.

44.1 An insurance holding company system that does not otherwise qualify as an internationally
44.2 active insurance group may request that the commissioner make a determination or
44.3 acknowledgment as to a groupwide supervisor pursuant to this section.

44.4 (b) In cooperation with other state, federal, and international regulatory agencies, the
44.5 commissioner ~~will~~ must identify a single groupwide supervisor for an internationally active
44.6 insurance group. The commissioner may determine that the commissioner is the appropriate
44.7 groupwide supervisor for an internationally active insurance group that conducts substantial
44.8 insurance operations concentrated in this state. However, the commissioner may acknowledge
44.9 that a regulatory official from another jurisdiction is the appropriate groupwide supervisor
44.10 for the internationally active insurance group. The commissioner shall consider the following
44.11 factors when making a determination or acknowledgment under this ~~subsection~~ paragraph:

44.12 (1) the place of domicile of the insurers within the internationally active insurance group
44.13 that hold the largest share of the group's written premiums, assets, or liabilities;

44.14 (2) the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance
44.15 holding company system of the internationally active insurance group;

44.16 (3) the location of the executive offices or largest operational offices of the internationally
44.17 active insurance group;

44.18 (4) whether another regulatory official is acting or is seeking to act as the groupwide
44.19 supervisor under a regulatory system that the commissioner determines to be:

44.20 (i) substantially similar to the system of regulation provided under the laws of this state;
44.21 or

44.22 (ii) otherwise sufficient in terms of providing for groupwide supervision, enterprise risk
44.23 analysis, and cooperation with other regulatory officials; and

44.24 (5) whether another regulatory official acting or seeking to act as the groupwide
44.25 supervisor provides the commissioner with reasonably reciprocal recognition and cooperation.

44.26 However, a commissioner identified under this section as the groupwide supervisor may
44.27 determine that it is appropriate to acknowledge another supervisor to serve as the groupwide
44.28 supervisor. The acknowledgment of the groupwide supervisor shall be made after
44.29 consideration of the factors listed in clauses (1) to (5), and shall be made in cooperation
44.30 with and subject to the acknowledgment of other regulatory officials involved with
44.31 supervision of members of the internationally active insurance group, and in consultation
44.32 with the internationally active insurance group.

(c) Notwithstanding any other provision of law, when another regulatory official is acting as the groupwide supervisor of an internationally active insurance group, the commissioner shall acknowledge that regulatory official as the groupwide supervisor. However, in the event of a material change in the internationally active insurance group that results in:

(1) the internationally active insurance group's insurers domiciled in this state holding the largest share of the group's premiums, assets, or liabilities; or

(2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group, the commissioner shall make a determination or acknowledgment as to the appropriate groupwide supervisor for such an internationally active insurance group pursuant to ~~subsection~~ paragraph (b).

(d) Pursuant to section 60D.21, the commissioner is authorized to collect from any insurer registered pursuant to section 60D.19 all information necessary to determine whether the commissioner may act as the groupwide supervisor of an internationally active insurance group or if the commissioner may acknowledge another regulatory official to act as the groupwide supervisor. Prior to issuing a determination that an internationally active insurance group is subject to groupwide supervision by the commissioner, the commissioner shall notify the insurer registered pursuant to section 60D.19 and the ultimate controlling person within the internationally active insurance group. The internationally active insurance group shall have not less than 30 days to provide the commissioner with additional information pertinent to the pending determination. The commissioner shall publish in the State Register and on the department's website the identity of internationally active insurance groups that the commissioner has determined are subject to groupwide supervision by the commissioner.

(e) If the commissioner is the groupwide supervisor for an internationally active insurance group, the commissioner is authorized to engage in any of the following groupwide supervision activities:

(1) assess the enterprise risks within the internationally active insurance group to ensure that:

(i) the material financial condition and liquidity risks to the members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(ii) reasonable and effective mitigation measures are in place; or

(2) request, from any member of an internationally active insurance group subject to the commissioner's supervision, information necessary and appropriate to assess enterprise risk, including but not limited to information about the members of the internationally active insurance group regarding:

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

(3) coordinate and, through the authority of the regulatory officials of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures designed to ensure that the internationally active insurance group is able to timely recognize and mitigate enterprise risks to members of ~~such~~ the internationally active insurance group that are engaged in the business of insurance;

(4) communicate with other state, federal and international regulatory agencies for members within the internationally active insurance group and share relevant information subject to the confidentiality provisions of section 60D.22, through supervisory colleges as set forth in section 60D.215 or otherwise;

(5) enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any member of the internationally active insurance group, and any other state, federal, and international regulatory agencies for members of the internationally active insurance group, providing the basis for or otherwise clarifying the commissioner's role as groupwide supervisor, including provisions for resolving disputes with other regulatory officials. ~~Such~~ Agreements or documentation under this clause shall not serve as evidence in any proceeding that any insurer or person within an insurance holding company system not domiciled or incorporated in this state is doing business in this state or is otherwise subject to jurisdiction in this state; and

(6) other groupwide supervision activities, consistent with the authorities and purposes enumerated above, as considered necessary by the commissioner.

(f) If the commissioner acknowledges that another regulatory official from a jurisdiction that is not accredited by the NAIC is the groupwide supervisor, the commissioner is authorized to reasonably cooperate, through supervisory colleges or otherwise, with groupwide supervision undertaken by the groupwide supervisor, provided that:

(1) the commissioner's cooperation is in compliance with the laws of this state; and

(2) the regulatory official acknowledged as the groupwide supervisor also recognizes and cooperates with the commissioner's activities as a groupwide supervisor for other internationally active insurance groups where applicable. Where ~~such~~ recognition and cooperation by the groupwide supervisor is not reasonably reciprocal, the commissioner is authorized to refuse recognition and cooperation.

(g) The commissioner is authorized to enter into agreements with or obtain documentation from any insurer registered under section 60D.19, any affiliate of the insurer, and other state, federal, and international regulatory agencies for members of the internationally active insurance group, that provide the basis for or otherwise clarify a regulatory official's role as groupwide supervisor.

(h) A registered insurer subject to this section shall be liable for and shall pay the reasonable expenses of the commissioner's participation in the administration of this section, including the engagement of attorneys, actuaries, and any other professionals and all reasonable travel expenses.

Sec. 17. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** (a) Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); 60D.18; 60D.19; ~~and~~ 60D.20; and 60D.21; are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

(b) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and

48.1 any group capital information received from an insurance holding company supervised by
48.2 the Federal Reserve Board or any United States groupwide supervisor.

48.3 (c) For purposes of the information reported and provided to the department pursuant
48.4 to section 60D.19, subdivision 11c, the commissioner must maintain the confidentiality of
48.5 the liquidity stress test results and supporting disclosures and any liquidity stress test
48.6 information received from an insurance holding company supervised by the Federal Reserve
48.7 Board and non-United States groupwide supervisors.

48.8 Sec. 18. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

48.9 Subd. 3. **Sharing of information.** In order to assist in the performance of the
48.10 commissioner's duties, the commissioner:

48.11 (1) may share documents, materials, or other information, including the confidential,
48.12 protected nonpublic, and privileged documents, materials, or information subject to this
48.13 section, including proprietary and trade secret documents and materials, with: (i) other state,
48.14 federal, and international regulatory agencies; ~~with;~~ (ii) the NAIC and its affiliates and
48.15 ~~subsidiaries;~~ (iii) any third-party consultants designated by the commissioner; and ~~with~~
48.16 (iv) state, federal, and international law enforcement authorities, including members of any
48.17 supervisory college described in section 60D.215, provided that the recipient agrees in
48.18 writing to maintain the confidentiality and privileged status of the document, material, or
48.19 other information, and has verified in writing the legal authority to maintain confidentiality;

48.20 (2) notwithstanding clause (1), may only share confidential, protected nonpublic, and
48.21 privileged documents, materials, or information reported pursuant to section 60D.19,
48.22 subdivision 11a, with commissioners of states having statutes or regulations substantially
48.23 similar to subdivision 1 and who have agreed in writing not to disclose this information;

48.24 (3) may receive documents, materials, or information, including otherwise confidential
48.25 and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's
48.26 affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign
48.27 or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or
48.28 privileged any document, material, or information received with notice or the understanding
48.29 that it is confidential or privileged under the laws of the jurisdiction that is the source of the
48.30 document, material, or information; and

48.31 (4) shall enter into written agreements with the NAIC and a third-party consultant
48.32 designated by the commissioner governing sharing and use of information provided pursuant
48.33 to sections 60D.15 to 60D.29 consistent with this clause that shall:

(i) specify procedures and protocols regarding the confidentiality and security of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29, including procedures and protocols for sharing by the NAIC with other state, federal, or international regulators. The agreement must provide that the recipient agrees in writing to maintain the confidentiality and privileged status of the documents, materials, or other information, and has verified in writing the legal authority to maintain confidentiality;

(ii) specify that ownership of information shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant pursuant to sections 60D.15 to 60D.29 remains with the commissioner and the NAIC's or a third-party consultant's, as designated by the commissioner, use of the information is subject to the direction of the commissioner;

(iii) excluding documents, material, or information reported pursuant to section 60D.19, subdivision 11c, prohibit the NAIC or a third-party consultant designated by the commissioner from storing the information shared pursuant to sections 60D.15 to 60D.29 in a permanent database after the underlying analysis is completed;

~~(iii)~~ (iv) require prompt notice to be given to an insurer whose confidential or protected nonpublic information in the possession of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 is subject to a request or subpoena to the NAIC or a third-party consultant designated by the commissioner for disclosure or production; ~~and~~

~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner may be required to disclose confidential or protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29.; and

(vi) for documents, material, or information reported pursuant to section 60D.19, subdivision 11c, in the case of an agreement involving a third-party consultant, provide for notification of the identity of the consultant to the applicable insurers.

Sec. 19. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

Subd. 6. **Classification protection and use by others.** Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant designated

50.1 by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected
50.2 nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or
50.3 admissible in evidence in a private civil action.

50.4 Sec. 20. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to
50.5 read:

50.6 Subd. 7. **Certain disclosures or publication prohibited.** (a) The group capital calculation
50.7 and resulting group capital ratio required under section 60D.19, subdivision 11b, and the
50.8 liquidity stress test along with the liquidity stress test's results and supporting disclosures
50.9 required under section 60D.19, subdivision 11c, are regulatory tools to assess group risks
50.10 and capital adequacy and group liquidity risks, respectively, and are not intended as a means
50.11 to rank insurers or insurance holding company systems generally.

50.12 (b) Except as otherwise required under sections 60D.09 to 60D.29, making, publishing,
50.13 disseminating, circulating, or placing before the public, or causing directly or indirectly to
50.14 be made, published, disseminated, circulated, or placed before the public in a newspaper,
50.15 magazine, or other publication, or in the form of a notice, circular, pamphlet, letter, or poster,
50.16 or over any radio, television station, or any electronic means of communication available
50.17 to the public, or in any other way as an advertisement, announcement, or statement containing
50.18 a representation or statement with regard to the group capital calculation, group capital ratio,
50.19 the liquidity stress test results, or supporting disclosures for the liquidity stress test of any
50.20 insurer or any insurer group, or of any component derived in the calculation by any insurer,
50.21 broker, or other person engaged in any manner in the insurance business is misleading and
50.22 is prohibited.

50.23 (c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written
50.24 publication if any materially false statement with respect to the group capital calculation,
50.25 resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or
50.26 insurance group's group capital calculation or resulting group capital ratio, liquidity stress
50.27 test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison
50.28 of any amount to an insurer's or insurance group's liquidity stress test result or supporting
50.29 disclosures is published in any written publication and the insurer is able to demonstrate to
50.30 the commissioner with substantial proof the statement's falsity or inappropriateness. The
50.31 sole purpose of an announcement under this paragraph must be to rebut the materially false
50.32 statement.

51.1 Sec. 21. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

51.2 Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any
51.3 agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in
51.4 contravention of the provisions of this chapter or of any rule or order issued by the
51.5 commissioner may be voted at any shareholder's meeting, or may be counted for quorum
51.6 purposes, and any action of shareholders requiring the affirmative vote of a percentage of
51.7 shares may be taken as though the securities were not issued and outstanding. No action
51.8 taken at the meeting shall be invalidated by the voting of the securities, unless the action
51.9 would materially affect control of the insurer or unless the courts of this state have so
51.10 ordered. If an insurer or the commissioner has reason to believe that any security of the
51.11 insurer has been or is about to be acquired in contravention of the provisions of this chapter
51.12 or of any rule or order issued by the commissioner, the insurer or the commissioner may
51.13 apply to the district court for the county in which the insurer has its principal place of
51.14 business to enjoin any offer, request, invitation, agreement, or acquisition made in
51.15 contravention of section ~~60D.16~~ 60D.17 or any rule or order issued by the commissioner
51.16 to enjoin the voting of any security so acquired, to void any vote of the security already cast
51.17 at any meeting of shareholders and for other equitable relief as the nature of the case and
51.18 the interest of the insurer's policyholders or the public requires.

51.19 Sec. 22. Minnesota Statutes 2024, section 60D.25, is amended to read:

51.20 **60D.25 RECEIVERSHIP.**

51.21 Whenever it appears to the commissioner that any person has committed a violation of
51.22 this chapter that so impairs the financial condition of a domestic insurer as to threaten
51.23 insolvency or make the further transaction of business by it hazardous to its policyholders,
51.24 creditors, shareholders, or the public, ~~then~~ the commissioner may proceed as provided in
51.25 chapter 60B to take possessions of the property of the domestic insurer and to conduct the
51.26 business of ~~that~~ the domestic insurer.

51.27 Sec. 23. Minnesota Statutes 2024, section 62D.221, is amended by adding a subdivision
51.28 to read:

51.29 Subd. 3. **Exception.** Notwithstanding subdivision 1, health maintenance organizations
51.30 are not subject to oversight under this section with respect to section 60D.20, subdivision
51.31 1, paragraphs (a), clauses (7) to (9), and (f).

52.1 **ARTICLE 5**

52.2 **MEDICARE SUPPLEMENT INSURANCE**

52.3 Section 1. Minnesota Statutes 2024, section 62A.31, subdivision 1b, is amended to read:

52.4 Subd. 1b. **Preexisting condition coverage.** (a) The policy must cover preexisting
52.5 conditions during the first six months of coverage if the insured was not diagnosed or treated
52.6 for the particular condition during the 90 days immediately preceding the effective date of
52.7 coverage.

52.8 (b) The policy must cover preexisting conditions if the insured meets the requirements
52.9 under subdivision 1r, paragraph (c).

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

52.11 Sec. 2. Minnesota Statutes 2024, section 62A.31, subdivision 1f, is amended to read:

52.12 Subd. 1f. **Suspension based on entitlement to medical assistance.** (a) The policy or
52.13 certificate must provide that benefits and premiums under the policy or certificate shall be
52.14 suspended for any period that may be provided by federal regulation at the request of the
52.15 policyholder or certificate holder for the period, not to exceed 24 months, in which the
52.16 policyholder or certificate holder has applied for and is determined to be entitled to medical
52.17 assistance under title XIX of the Social Security Act, but only if the policyholder or certificate
52.18 holder notifies the issuer of the policy or certificate within 90 days after the date the
52.19 individual becomes entitled to this assistance.

52.20 (b) If suspension occurs and if the policyholder or certificate holder loses entitlement
52.21 to this medical assistance, the policy or certificate shall be automatically reinstated, effective
52.22 as of the date of termination of this entitlement, if the policyholder or certificate holder
52.23 provides notice of loss of the entitlement within 90 days after the date of the loss and pays
52.24 the premium attributable to the period, effective as of the date of termination of entitlement.

52.25 (c) The policy must provide that upon reinstatement (1) there is no waiting period if the
52.26 enrollee meets the requirements under subdivision 1r, paragraph (c), with respect to treatment
52.27 of preexisting conditions, (2) coverage is provided which is substantially equivalent to
52.28 coverage in effect before the date of the suspension. If the suspended policy provided
52.29 coverage for outpatient prescription drugs, reinstitution of the policy for Medicare Part D
52.30 enrollees must be without coverage for outpatient prescription drugs and must otherwise
52.31 provide coverage substantially equivalent to the coverage in effect before the date of
52.32 suspension, and (3) premiums are classified on terms that are at least as favorable to the

53.1 policyholder or certificate holder as the premium classification terms that would have applied
53.2 to the policyholder or certificate holder had coverage not been suspended.

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

53.4 Sec. 3. Minnesota Statutes 2024, section 62A.31, subdivision 1h, is amended to read:

53.5 Subd. 1h. **Limitations on denials, conditions, and pricing of coverage.** (a) No health
53.6 carrier issuing Medicare-related coverage in this state may impose preexisting condition
53.7 limitations or otherwise deny or condition the issuance or effectiveness of any such coverage
53.8 available for sale in this state, nor may it discriminate in the pricing of such coverage,
53.9 because of the health status, claims experience, receipt of health care, medical condition,
53.10 or age of an applicant where an application for such coverage is submitted: (1) prior to or
53.11 during the six-month period beginning with the first day of the month in which an individual
53.12 first enrolled for benefits under Medicare Part B; or (2) during the open enrollment period;
53.13 if the applicant:

53.14 (i) is age 65 to 70 and the applicant is applying for coverage during the open enrollment
53.15 period for the first time; and

53.16 (ii) meets the requirements under subdivision 1r, paragraph (c).

53.17 (b) Notwithstanding paragraph (a), the premium increases permitted under subdivision
53.18 1r are allowed.

53.19 (c) This subdivision applies to each Medicare-related coverage offered by a health carrier
53.20 regardless of whether the individual has attained the age of 65 years.

53.21 (d) If an individual who is enrolled in Medicare Part B due to disability status is
53.22 involuntarily disenrolled due to loss of disability status, the individual is eligible for another
53.23 six-month enrollment period provided under this subdivision beginning the first day of the
53.24 month in which the individual later becomes eligible for and enrolls again in Medicare Part
53.25 B and during the open enrollment period. An individual who is or was previously enrolled
53.26 in Medicare Part B due to disability status is eligible for another six-month enrollment
53.27 period under this subdivision beginning the first day of the month in which the individual
53.28 has attained the age of 65 years and either maintains enrollment in, or enrolls again in,
53.29 Medicare Part B ~~and during the open enrollment period.~~ If an individual enrolled in Medicare
53.30 Part B voluntarily disenrolls from Medicare Part B because the individual becomes enrolled
53.31 under an employee welfare benefit plan, the individual is eligible for another six-month
53.32 enrollment period, as provided in this subdivision, beginning the first day of the month in

54.1 which the individual later becomes eligible for and enrolls again in Medicare Part B ~~and~~
54.2 ~~during the open enrollment period.~~

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

54.4 Sec. 4. Minnesota Statutes 2024, section 62A.31, subdivision 1p, is amended to read:

54.5 Subd. 1p. **Renewal or continuation provisions.** (a) Medicare supplement policies and
54.6 certificates shall include a renewal or continuation provision. The language or specifications
54.7 of the provision shall be consistent with the type of contract issued. The provision shall be
54.8 appropriately captioned and shall appear on the first page of the policy or certificate, and
54.9 shall include any reservation by the issuer of the right to change premiums. Except for riders
54.10 or endorsements by which the issuer effectuates a request made in writing by the insured,
54.11 exercises a specifically reserved right under a Medicare supplement policy or certificate,
54.12 or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all
54.13 riders or endorsements added to a Medicare supplement policy or certificate after the date
54.14 of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the
54.15 policy or certificate shall require a signed acceptance by the insured. After the date of policy
54.16 or certificate issue, a rider or endorsement that increases benefits or coverage with a
54.17 concomitant increase in premium during the policy or certificate term shall be agreed to in
54.18 writing and signed by the insured, unless the benefits are required by the minimum standards
54.19 for Medicare supplement policies or if the increased benefits or coverage is required by
54.20 law. Where a separate additional premium is charged for benefits provided in connection
54.21 with riders or endorsements, the premium charge shall be set forth in the policy, declaration
54.22 page, or certificate. If a Medicare supplement policy or certificate contains limitations with
54.23 respect to preexisting conditions, the limitations must appear as a separate paragraph of the
54.24 policy or certificate and be labeled as "preexisting condition limitations."

54.25 (b) Issuers of accident and sickness policies or certificates that provide hospital or medical
54.26 expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare
54.27 shall provide to those applicants a "Guide to Health Insurance for People with Medicare"
54.28 in the form developed by the Centers for Medicare and Medicaid Services and in a type
54.29 size no smaller than 12-point type. Delivery of the guide must be made whether or not such
54.30 policies or certificates are advertised, solicited, or issued as Medicare supplement policies
54.31 or certificates as defined in this section and section 62A.3099. Except in the case of direct
54.32 response issuers, delivery of the guide must be made to the applicant at the time of
54.33 application, and acknowledgment of receipt of the guide must be obtained by the issuer.

55.1 Direct response issuers shall deliver the guide to the applicant upon request, but no later
55.2 than the time at which the policy is delivered.

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

55.4 Sec. 5. Minnesota Statutes 2024, section 62A.31, subdivision 1r, is amended to read:

55.5 Subd. 1r. **Community rate.** (a) Each health maintenance organization, health service
55.6 plan corporation, insurer, or fraternal benefit society that sells Medicare-related coverage
55.7 shall establish a separate community rate for that coverage. ~~Beginning January 1, 1993, No~~
55.8 Medicare-related coverage may be offered, issued, sold, or renewed to a Minnesota resident,
55.9 except at the community rate required by this subdivision. The same community rate must
55.10 apply to newly issued coverage and to renewal coverage.

55.11 (b) For coverage that supplements Medicare and for the Part A rate calculation for plans
55.12 governed by section 1833 of the federal Social Security Act, United States Code, title 42,
55.13 section 1395, et seq., the community rate may take into account only the following factors:

55.14 (1) actuarially valid differences in benefit designs or provider networks;

55.15 (2) geographic variations in rates if preapproved by the commissioner of commerce;

55.16 ~~and~~

55.17 (3) premium reductions in recognition of healthy lifestyle behaviors, including but not
55.18 limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid
55.19 and must relate only to those healthy lifestyle behaviors that have a proven positive impact
55.20 on health. Factors used by the health carrier making this premium reduction must be filed
55.21 with and approved by the commissioner of commerce; and

55.22 (4) for coverage that supplements Medicare, premium increases on an individual who
55.23 enrolls in a Medicare supplement policy outside of the individual's initial enrollment period
55.24 in Medicare Part B. This paragraph does not apply to individuals who enroll in a Medicare
55.25 supplement policy pursuant to subdivision 1u, paragraph (b), clauses (1) to (8). The increases
55.26 described in paragraph (c) apply each year an individual is enrolled in a Medicare supplement
55.27 policy and are in addition to any standard increases in community rate.

55.28 (c) The premium increases permitted under paragraph (b), clause (4):

55.29 (1) apply to an individual age 65 to 70;

55.30 (2) apply to an individual who enrolls in a Medicare supplement policy pursuant to
55.31 subdivision 1h, paragraph (a), clause (2);

55.32 (3) apply only the first time the individual enrolls;

56.1 (4) apply for the duration of time the policy is in force; and

56.2 (5) must equal:

56.3 (i) for an individual who enrolls during the 2026 open enrollment period, 15 percent;

56.4 (ii) for an individual who enrolls during the 2027 open enrollment period, 20 percent;

56.5 (iii) for an individual who enrolls during the 2028 open enrollment period, 25 percent;

56.6 (iv) for an individual who enrolls during the 2029 open enrollment period, 30 percent;

56.7 (v) for an individual who enrolls during the 2030 open enrollment period, 35 percent;

56.8 and

56.9 (vi) for an individual who enrolls during an open enrollment period after 2029, 35 percent.

56.10 If an individual age 65 to 70 enrolls in a subsequent Medicare supplement policy that is not

56.11 a replacement or renewal, the individual is not subject to the premium increases as described

56.12 in paragraph (b), clause (4).

56.13 ~~For insureds not residing in Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott,~~

56.14 ~~or Washington County, a health plan may, at the option of the health carrier, phase in~~

56.15 ~~compliance under the following timetable:~~

56.16 ~~(i) a premium adjustment as of March 1, 1993, that consists of one-half of the difference~~

56.17 ~~between the community rate that would be applicable to the person as of March 1, 1993,~~

56.18 ~~and the premium rate that would be applicable to the person as of March 1, 1993, under the~~

56.19 ~~rate schedule permitted on December 31, 1992. A health plan may, at the option of the~~

56.20 ~~health carrier, implement the entire premium difference described in this clause for any~~

56.21 ~~person as of March 1, 1993, if the premium difference would be 15 percent or less of the~~

56.22 ~~premium rate that would be applicable to the person as of March 1, 1993, under the rate~~

56.23 ~~schedule permitted on December 31, 1992, if the health plan does so uniformly regardless~~

56.24 ~~of whether the premium difference causes premiums to rise or to fall. The premium difference~~

56.25 ~~described in this clause is in addition to any premium adjustment attributable to medical~~

56.26 ~~cost inflation or any other lawful factor and is intended to describe only the premium~~

56.27 ~~difference attributable to the transition to the community rate; and~~

56.28 ~~(ii) with respect to any person whose premium adjustment was constrained under clause~~

56.29 ~~(i), a premium adjustment as of January 1, 1994, that consists of the remaining one-half of~~

56.30 ~~the premium difference attributable to the transition to the community rate, as described in~~

56.31 ~~clause (i).~~

~~A health plan that initially follows the phase-in timetable may at any subsequent time
comply on a more rapid timetable. A health plan that is in full compliance as of January 1,
1993, may not use the phase-in timetable and must remain in full compliance. Health plans
that follow the phase-in timetable must charge the same premium rate for newly issued
coverage that they charge for renewal coverage. A health plan whose premiums are
constrained by clause (i) may take the constraint into account in establishing its community
rate.~~

~~From January 1, 1993 to February 28, 1993, a health plan may, at the health carrier's
option, charge the community rate under this paragraph or may instead charge premiums
permitted as of December 31, 1992.~~

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

Sec. 6. Minnesota Statutes 2024, section 62A.31, subdivision 1u, is amended to read:

Subd. 1u. **Guaranteed issue for eligible persons.** (a)(1) Eligible persons are those
individuals described in paragraph (b) who seek to enroll under the policy during the period
specified in paragraph (c) and who submit evidence of the date of termination or
disenrollment described in paragraph (b), or of the date of Medicare Part D enrollment, with
the application for a Medicare supplement policy.

(2) With respect to eligible persons, an issuer shall not: deny or condition the issuance
or effectiveness of a Medicare supplement policy described in paragraph (c) that is offered
and is available for issuance to new enrollees by the issuer; discriminate in the pricing of
such a Medicare supplement policy because of health status, claims experience, receipt of
health care, medical condition, or age; or impose an exclusion of benefits based upon a
preexisting condition under such a Medicare supplement policy.

(b) An eligible person is an individual described in any of the following:

(1) the individual is enrolled under an employee welfare benefit plan that provides health
benefits that supplement the benefits under Medicare; and the plan terminates, or the plan
ceases to provide all such supplemental health benefits to the individual;

(2) the individual is enrolled with a Medicare Advantage organization under a Medicare
Advantage plan under Medicare Part C, and any of the following circumstances apply, or
the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive
Care for the Elderly (PACE) provider under section 1894 of the federal Social Security Act,
and there are circumstances similar to those described in this clause that would permit

58.1 discontinuance of the individual's enrollment with the provider if the individual were enrolled
58.2 in a Medicare Advantage plan:

58.3 (i) the organization's or plan's certification under Medicare Part C has been terminated
58.4 or the organization has terminated or otherwise discontinued providing the plan in the area
58.5 in which the individual resides;

58.6 (ii) the individual is no longer eligible to elect the plan because of a change in the
58.7 individual's place of residence or other change in circumstances specified by the secretary,
58.8 but not including termination of the individual's enrollment on the basis described in section
58.9 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section
58.10 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has
58.11 engaged in disruptive behavior as specified in standards under section 1856 of the federal
58.12 Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated
58.13 for all individuals within a residence area;

58.14 (iii) the individual demonstrates, in accordance with guidelines established by the
58.15 Secretary, that:

58.16 (A) the organization offering the plan substantially violated a material provision of the
58.17 organization's contract in relation to the individual, including the failure to provide an
58.18 enrollee on a timely basis medically necessary care for which benefits are available under
58.19 the plan or the failure to provide such covered care in accordance with applicable quality
58.20 standards; or

58.21 (B) the organization, or agent or other entity acting on the organization's behalf, materially
58.22 misrepresented the plan's provisions in marketing the plan to the individual; or

58.23 (iv) the individual meets such other exceptional conditions as the secretary may provide;

58.24 (3)(i) the individual is enrolled with:

58.25 (A) an eligible organization under a contract under section 1876 of the federal Social
58.26 Security Act, United States Code, title 42, section 1395mm (Medicare cost);

58.27 (B) a similar organization operating under demonstration project authority, effective for
58.28 periods before April 1, 1999;

58.29 (C) an organization under an agreement under section 1833(a)(1)(A) of the federal Social
58.30 Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment
58.31 plan); or

59.1 (D) an organization under a Medicare Select policy under section 62A.318 or the similar
59.2 law of another state; and

59.3 (ii) the enrollment ceases under the same circumstances that would permit discontinuance
59.4 of an individual's election of coverage under clause (2);

59.5 (4) the individual is enrolled under a Medicare supplement policy, and the enrollment
59.6 ceases because:

59.7 (i)(A) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or

59.8 (B) of other involuntary termination of coverage or enrollment under the policy;

59.9 (ii) the issuer of the policy substantially violated a material provision of the policy; or

59.10 (iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially
59.11 misrepresented the policy's provisions in marketing the policy to the individual;

59.12 (5)(i) the individual was enrolled under a Medicare supplement policy and terminates
59.13 that enrollment and subsequently enrolls, for the first time, with any Medicare Advantage
59.14 organization under a Medicare Advantage plan under Medicare Part C; any eligible
59.15 organization under a contract under section 1876 of the federal Social Security Act, United
59.16 States Code, title 42, section 1395mm (Medicare cost); any similar organization operating
59.17 under demonstration project authority; any PACE provider under section 1894 of the federal
59.18 Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law
59.19 of another state; and

59.20 (ii) the subsequent enrollment under item (i) is terminated by the enrollee during any
59.21 period within the first 12 months of the subsequent enrollment during which the enrollee
59.22 is permitted to terminate the subsequent enrollment under section 1851(e) of the federal
59.23 Social Security Act;

59.24 (6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a
59.25 Medicare Advantage plan under Medicare Part C, or with a PACE provider under section
59.26 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12
59.27 months after the effective date of enrollment;

59.28 (7) the individual enrolls in a Medicare Part D plan during the initial Part D enrollment
59.29 period, as defined under United States Code, title 42, section 1395ss(v)(6)(D), and, at the
59.30 time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers
59.31 outpatient prescription drugs and the individual terminates enrollment in the Medicare
59.32 supplement policy and submits evidence of enrollment in Medicare Part D along with the
59.33 application for a policy described in paragraph (e), clause (4); or

(8) the individual was enrolled in a state public program and is losing coverage due to the unwinding of the Medicaid continuous enrollment conditions, as provided by Code of Federal Regulations, title 45, section 155.420 (d)(9) and (d)(1), and Public Law 117-328, section 5131 (2022); or

(9) the individual meets the requirements under subdivision 1r, paragraph (c), and enrolls during the open enrollment period.

(c)(1) In the case of an individual described in paragraph (b), clause (1), the guaranteed issue period begins on the later of: (i) the date the individual receives a notice of termination or cessation of all supplemental health benefits or, if a notice is not received, notice that a claim has been denied because of a termination or cessation; or (ii) the date that the applicable coverage terminates or ceases; and ends 63 days after the later of those two dates.

(2) In the case of an individual described in paragraph (b), clause (2), (3), (5), or (6), whose enrollment is terminated involuntarily, the guaranteed issue period begins on the date that the individual receives a notice of termination and ends 63 days after the date the applicable coverage is terminated.

(3) In the case of an individual described in paragraph (b), clause (4), item (i), the guaranteed issue period begins on the earlier of: (i) the date that the individual receives a notice of termination, a notice of the issuer's bankruptcy or insolvency, or other such similar notice if any; and (ii) the date that the applicable coverage is terminated, and ends on the date that is 63 days after the date the coverage is terminated.

(4) In the case of an individual described in paragraph (b), clause (2), (4), (5), or (6), who disenrolls voluntarily, the guaranteed issue period begins on the date that is 60 days before the effective date of the disenrollment and ends on the date that is 63 days after the effective date.

(5) In the case of an individual described in paragraph (b), clause (7), the guaranteed issue period begins on the date the individual receives notice pursuant to section 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the 60-day period immediately preceding the initial Part D enrollment period and ends on the date that is 63 days after the effective date of the individual's coverage under Medicare Part D.

(6) In the case of an individual described in paragraph (b) but not described in this paragraph, the guaranteed issue period begins on the effective date of disenrollment and ends on the date that is 63 days after the effective date.

61.1 (7) ~~For all individuals described in paragraph (b), the open enrollment period is a~~
61.2 ~~guaranteed issue period.~~ For an individual described in paragraph (b), clause (9), the
61.3 guarantee issue period is the open enrollment period.

61.4 (d)(1) In the case of an individual described in paragraph (b), clause (5), or deemed to
61.5 be so described, pursuant to this paragraph, whose enrollment with an organization or
61.6 provider described in paragraph (b), clause (5), item (i), is involuntarily terminated within
61.7 the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with
61.8 another such organization or provider, the subsequent enrollment is deemed to be an initial
61.9 enrollment described in paragraph (b), clause (5).

61.10 (2) In the case of an individual described in paragraph (b), clause (6), or deemed to be
61.11 so described, pursuant to this paragraph, whose enrollment with a plan or in a program
61.12 described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months
61.13 of enrollment, and who, without an intervening enrollment, enrolls in another such plan or
61.14 program, the subsequent enrollment is deemed to be an initial enrollment described in
61.15 paragraph (b), clause (6).

61.16 (3) For purposes of paragraph (b), clauses (5) and (6), no enrollment of an individual
61.17 with an organization or provider described in paragraph (b), clause (5), item (i), or with a
61.18 plan or in a program described in paragraph (b), clause (6), may be deemed to be an initial
61.19 enrollment under this paragraph after the two-year period beginning on the date on which
61.20 the individual first enrolled with the organization, provider, plan, or program.

61.21 (e) The Medicare supplement policy to which eligible persons are entitled under:

61.22 (1) paragraph (b), clauses (1) to (4), is any Medicare supplement policy that has a benefit
61.23 package consisting of the basic Medicare supplement plan described in section 62A.316,
61.24 paragraph (a), plus any combination of the three optional riders described in section 62A.316,
61.25 paragraph (b), clauses (1) to (3), offered by any issuer;

61.26 (2) paragraph (b), clause (5), is the same Medicare supplement policy in which the
61.27 individual was most recently previously enrolled, if available from the same issuer, or, if
61.28 not so available, any policy described in clause (1) offered by any issuer, except that after
61.29 December 31, 2005, if the individual was most recently enrolled in a Medicare supplement
61.30 policy with an outpatient prescription drug benefit, a Medicare supplement policy to which
61.31 the individual is entitled under paragraph (b), clause (5), is:

61.32 (i) the policy available from the same issuer but modified to remove outpatient
61.33 prescription drug coverage; or

(ii) at the election of the policyholder, a policy described in clause (4), except that the policy may be one that is offered and available for issuance to new enrollees that is offered by any issuer;

(3) paragraph (b), clause (6), is any Medicare supplement policy offered by any issuer;

(4) paragraph (b), clause (7), is a Medicare supplement policy that has a benefit package classified as a basic plan under section 62A.316 if the enrollee's existing Medicare supplement policy is a basic plan or, if the enrollee's existing Medicare supplement policy is an extended basic plan under section 62A.315, a basic or extended basic plan at the option of the enrollee, provided that the policy is offered and is available for issuance to new enrollees by the same issuer that issued the individual's Medicare supplement policy with outpatient prescription drug coverage. The issuer must permit the enrollee to retain all optional benefits contained in the enrollee's existing coverage, other than outpatient prescription drugs, subject to the provision that the coverage be offered and available for issuance to new enrollees by the same issuer.

(f)(1) At the time of an event described in paragraph (b), because of which an individual loses coverage or benefits due to the termination of a contract or agreement, policy, or plan, the organization that terminates the contract or agreement, the issuer terminating the policy, or the administrator of the plan being terminated, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated contemporaneously with the notification of termination.

(2) At the time of an event described in paragraph (b), because of which an individual ceases enrollment under a contract or agreement, policy, or plan, the organization that offers the contract or agreement, regardless of the basis for the cessation of enrollment, the issuer offering the policy, or the administrator of the plan, respectively, shall notify the individual of the individual's rights under this subdivision, and of the obligations of issuers of Medicare supplement policies under paragraph (a). The notice must be communicated within ten working days of the issuer receiving notification of disenrollment.

(g) Reference in this subdivision to a situation in which, or to a basis upon which, an individual's coverage has been terminated does not provide authority under the laws of this state for the termination in that situation or upon that basis.

(h) An individual's rights under this subdivision are in addition to, and do not modify or limit, the individual's rights under subdivision 1h.

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

63.1 Sec. 7. Minnesota Statutes 2024, section 62A.31, subdivision 4, is amended to read:

63.2 Subd. 4. **Prohibited policy provisions.** (a) A Medicare supplement policy or certificate
63.3 in force in the state shall not contain benefits that duplicate benefits provided by Medicare
63.4 or contain exclusions on coverage that are more restrictive than those of Medicare.
63.5 Duplication of benefits is permitted to the extent permitted under subdivision 1s, paragraph
63.6 (a), for benefits provided by Medicare Part D.

63.7 (b) No Medicare supplement policy or certificate may use waivers to exclude, limit, or
63.8 reduce coverage or benefits for specifically named or described preexisting diseases or
63.9 physical conditions, except as permitted under subdivision 1h.

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

63.11 Sec. 8. Minnesota Statutes 2024, section 62A.44, subdivision 2, is amended to read:

63.12 Subd. 2. **Questions.** (a) Application forms shall include the following questions designed
63.13 to elicit information as to whether, as of the date of the application, the applicant has another
63.14 Medicare supplement or other health insurance policy or certificate in force or whether a
63.15 Medicare supplement policy or certificate is intended to replace any other accident and
63.16 sickness policy or certificate presently in force. A supplementary application or other form
63.17 to be signed by the applicant and agent containing the questions and statements may be
63.18 used.

63.19 "(1) You do not need more than one Medicare supplement policy or certificate.

63.20 (2) If you purchase this policy, you may want to evaluate your existing health coverage
63.21 and decide if you need multiple coverages.

63.22 (3) You may be eligible for benefits under Medicaid and may not need a Medicare
63.23 supplement policy or certificate.

63.24 (4) The benefits and premiums under your Medicare supplement policy or certificate
63.25 can be suspended, if requested, during your entitlement to benefits under Medicaid for
63.26 24 months. You must request this suspension within 90 days of becoming eligible for
63.27 Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be
63.28 reinstated if requested within 90 days of losing Medicaid eligibility.

63.29 (5) Counseling services may be available in Minnesota to provide advice concerning
63.30 medical assistance through state Medicaid, Qualified Medicare Beneficiaries (QMBs),
63.31 and Specified Low-Income Medicare Beneficiaries (SLMBs).

63.32 To the best of your knowledge:

- 64.1 (1) Do you have another Medicare supplement policy or certificate in force?
- 64.2 (a) If so, with which company?
- 64.3 (b) If so, do you intend to replace your current Medicare supplement policy with this
- 64.4 policy or certificate?
- 64.5 (2) Do you have any other health insurance policies that provide benefits which this
- 64.6 Medicare supplement policy or certificate would duplicate?
- 64.7 (a) If so, please name the company.
- 64.8 (b) What kind of policy?
- 64.9 (3) Are you covered for medical assistance through the state Medicaid program? If so,
- 64.10 which of the following programs provides coverage for you?
- 64.11 (a) Specified Low-Income Medicare Beneficiary (SLMB),
- 64.12 (b) Qualified Medicare Beneficiary (QMB), or
- 64.13 (c) full Medicaid Beneficiary?"
- 64.14 (b) Agents shall list any other health insurance policies they have sold to the applicant.
- 64.15 (1) List policies sold that are still in force.
- 64.16 (2) List policies sold in the past five years that are no longer in force.
- 64.17 (c) In the case of a direct response issuer, a copy of the application or supplemental
- 64.18 form, signed by the applicant, and acknowledged by the insurer, shall be returned to the
- 64.19 applicant by the insurer on delivery of the policy or certificate.
- 64.20 (d) Upon determining that a sale will involve replacement of Medicare supplement
- 64.21 coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the
- 64.22 applicant, before issuance or delivery of the Medicare supplement policy or certificate, a
- 64.23 notice regarding replacement of Medicare supplement coverage. One copy of the notice
- 64.24 signed by the applicant and the agent, except where the coverage is sold without an agent,
- 64.25 shall be provided to the applicant and an additional signed copy shall be retained by the
- 64.26 issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of
- 64.27 the policy or certificate the notice regarding replacement of Medicare supplement coverage.
- 64.28 (e) The notice required by paragraph (d) for an issuer shall be provided in substantially
- 64.29 the following form in no less than 12-point type:

64.30 "NOTICE TO APPLICANT REGARDING REPLACEMENT

64.31 OF MEDICARE SUPPLEMENT INSURANCE

65.1 (Insurance company's name and address)

65.2 SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

65.3 According to (your application) (information you have furnished), you intend to terminate
 65.4 existing Medicare supplement insurance and replace it with a policy or certificate to be
 65.5 issued by (Company Name) Insurance Company. Your new policy or certificate will provide
 65.6 30 days within which you may decide without cost whether you desire to keep the policy
 65.7 or certificate.

65.8 You should review this new coverage carefully. Compare it with all accident and sickness
 65.9 coverage you now have. If, after due consideration, you find that purchase of this Medicare
 65.10 supplement coverage is a wise decision you should terminate your present Medicare
 65.11 supplement policy. You should evaluate the need for other accident and sickness coverage
 65.12 you have that may duplicate this policy.

65.13 STATEMENT TO APPLICANT BY ISSUER, AGENT, (BROKER OR OTHER
 65.14 REPRESENTATIVE): I have reviewed your current medical or health insurance
 65.15 coverage. To the best of my knowledge this Medicare supplement policy will not duplicate
 65.16 your existing Medicare supplement policy because you intend to terminate the existing
 65.17 Medicare supplement policy. The replacement policy or certificate is being purchased
 65.18 for the following reason(s) (check one):

- 65.19 Additional benefits
- 65.20 No change in benefits, but lower premiums
- 65.21 Fewer benefits and lower premiums
- 65.22 Other (please specify)
- 65.23
- 65.24
- 65.25

65.26 (1) Health conditions which you may presently have (preexisting conditions) may not
 65.27 be immediately or fully covered under the new policy or certificate. This could result
 65.28 in denial or delay of a claim for benefits under the new policy or certificate, whereas a
 65.29 similar claim might have been payable under your present policy or certificate.

65.30 (2) State law provides that your replacement policy or certificate may not contain new
 65.31 preexisting conditions, waiting periods, elimination periods, or probationary periods.
 65.32 The insurer will waive any time periods applicable to preexisting conditions, waiting
 65.33 periods, elimination periods, or probationary periods in the new policy (or coverage)

66.1 for similar benefits to the extent the time was spent (depleted) under the original policy
66.2 or certificate.

66.3 (3) If you still wish to terminate your present policy or certificate and replace it with
66.4 new coverage, be certain to truthfully and completely answer all questions on the
66.5 application concerning your medical and health history. Failure to include all material
66.6 medical information on an application may provide a basis for the company to deny any
66.7 future claims and to refund your premium as though your policy or certificate had never
66.8 been in force. After the application has been completed and before you sign it, review
66.9 it carefully to be certain that all information has been properly recorded. (If the policy
66.10 or certificate is guaranteed issue, this paragraph need not appear.)

66.11 Do not cancel your present policy or certificate until you have received your new policy
66.12 or certificate and you are sure that you want to keep it.

66.13
66.14 (Signature of Agent, Broker, or Other Representative)*

66.15
66.16 (Typed Name and Address of Issuer, Agent, or Broker)

66.17
66.18 (Date)

66.19
66.20 (Applicant's Signature)

66.21
66.22 (Date)

66.23 *Signature not required for direct response sales."

66.24 (f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting
66.25 conditions) may be deleted by an issuer if the replacement does not involve application of
66.26 a new preexisting condition limitation.

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

66.28 Sec. 9. **REPEALER.**

66.29 Laws 2023, chapter 57, article 2, sections 13, as amended by Laws 2024, chapter 114,
66.30 article 6, section 7; and 66, as amended by Laws 2025, chapter 20, section 290, are repealed.

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

ARTICLE 6**REINSURANCE**

Section 1. Minnesota Statutes 2024, section 60A.052, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The commissioner may by order take any or all of the following actions: (a) deny, suspend, or revoke a certificate of authority; (b) censure the insurance company; (c) impose a civil penalty as provided for in section 45.027, subdivision 6; or (d) under a written agreement with the insurance company based upon the company's financial condition, impose conditions or restrictions on the insurance company's authority to transact business in Minnesota. In order to take this action the commissioner must find that the order is in the public interest, and the insurance company:

(1) has a board of directors or principal management that is incompetent, untrustworthy, or so lacking in insurance company managerial experience as to make its operation hazardous to policyholders, its stockholders, or to the insurance buying public;

(2) is controlled directly or indirectly through ownership, management, reinsurance transactions, or other business relations by any person or persons whose business operations are or have been marked by manipulation of any assets, reinsurance, or accounts as to create a hazard to the company's policyholders, stockholders, or the insurance buying public;

(3) is in an unsound or unsafe condition;

(4) has the actual liabilities that exceed the actual funds of the company;

(5) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it was made, contained any misrepresentation or was false, misleading, or fraudulent;

(6) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, or similar conduct;

(7) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(8) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(9) has had a certificate of authority denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state;

(10) agents, officers, or directors refuse to submit to examination or perform any related legal obligation; ~~or~~

(11) has violated or failed to comply with, any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters; or

(12) has failed to pay the assessment imposed under section 62E.23, subdivision 1a.

Sec. 2. Minnesota Statutes 2024, section 62E.21, is amended by adding a subdivision to read:

Subd. 2a. **Assessment.** "Assessment" means the amount a group health carrier must pay to the association under section 62E.23, subdivision 1a.

Sec. 3. Minnesota Statutes 2024, section 62E.21, is amended by adding a subdivision to read:

Subd. 8a. **Group health carrier.** "Group health carrier" means any of the following that offer a group health plan, as defined in section 62A.011, subdivision 1c:

(1) an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance, as defined in section 62A.01;

(2) a nonprofit health service plan corporation operating under chapter 62C; or

(3) a health maintenance organization operating under chapter 62D.

Sec. 4. Minnesota Statutes 2024, section 62E.23, is amended by adding a subdivision to read:

Subd. 1a. **2028 assessment on group health carriers.** (a) An assessment is imposed in calendar year 2028 on group health carriers operating under the Minnesota premium security plan in benefit year 2027. This is a onetime assessment.

(b) By May 1, 2028, the association must provide each group health carrier with an estimate of the carrier's assessment under paragraph (a).

(c) By June 30, 2028, the association must notify each group health carrier of the carrier's assessment amount under paragraph (a). The association must determine each carrier's assessment amount, in consultation with the commissioner, based on the group health

69.1 carrier's portion of the total premiums for group health plans written in Minnesota for benefit
69.2 year 2027. The association must establish the assessment amount for each group health plan
69.3 so that the aggregate assessment amount collected from group health plans under this
69.4 subdivision equals the amount necessary for the appropriations and transfers under section
69.5 62E.25, subdivision 1.

69.6 (d) Subject to paragraph (e), each group health carrier must pay the assessment under
69.7 paragraph (a) to the association by August 1, 2028. A group health plan must pay the
69.8 assessment in the manner determined by the commissioner.

69.9 (e) A group health carrier may apply to the commissioner to defer all or part of the
69.10 assessment imposed under paragraph (a). The application must be submitted to the
69.11 commissioner by May 15, 2028. The commissioner may defer all or part of the assessment
69.12 if the commissioner determines the payment of the assessment places the group health
69.13 carrier in a financially impaired condition. The commissioner may deny an application for
69.14 deferral under this paragraph. No later than June 15, 2028, the commissioner must notify
69.15 the association and the group health carrier whether the assessment deferral is approved or
69.16 denied. If the commissioner approves the deferral request, the notice must include the amount
69.17 of and due date for the deferred portion of the assessment. If all or part of the assessment
69.18 is deferred, the association must include the amount deferred in the other group health
69.19 carriers' assessments in a proportionate manner consistent with this subdivision. The group
69.20 health carrier that receives a deferral is liable to the association for the amount deferred and
69.21 is prohibited from receiving or becoming entitled to a reinsurance payment under the
69.22 Minnesota premium security plan until the group health carrier has paid the deferred
69.23 assessment.

69.24 (f) If the association determines the assessment imposed under paragraph (a) exceeds
69.25 or is less than the amount necessary to operate and administer the Minnesota premium
69.26 security plan and issue reinsurance payments, the association must require group health
69.27 carriers to pay an additional amount or the association must issue a refund to the group
69.28 health carriers. The association must determine the accuracy of the assessment by May 30,
69.29 2029.

69.30 (g) By August 15, 2028, the association must remit the assessments collected under this
69.31 subdivision to the commissioner for deposit in the premium security plan account created
69.32 under section 62E.25.

70.1 Sec. 5. Minnesota Statutes 2024, section 62E.23, subdivision 2, is amended to read:

70.2 Subd. 2. **Payment parameters.** (a) The board must design and adjust the payment
70.3 parameters to ensure the payment parameters:

70.4 (1) will stabilize or reduce premium rates in the individual market;

70.5 (2) will increase participation in the individual market;

70.6 (3) will improve access to health care providers and services for those in the individual
70.7 market;

70.8 (4) mitigate the impact high-risk individuals have on premium rates in the individual
70.9 market;

70.10 (5) take into account any federal funding available for the plan; ~~and~~

70.11 (6) for benefit year 2027, take into account the assessment under subdivision 1a;

70.12 (7) ensure the premium security plan account created under section 62E.25, subdivision
70.13 1, has sufficient money to ensure MNsure's stable operation after taking into account the
70.14 Minnesota premium security plan's effect on MNsure's funding; and

70.15 ~~(6)~~ (8) take into account the total amount available to fund the plan.

70.16 (b) The attachment point for the plan is the threshold amount for claims costs incurred
70.17 by an eligible health carrier for an enrolled individual's covered benefits in a benefit year,
70.18 beyond which the claims costs for benefits are eligible for reinsurance payments. The
70.19 attachment point shall be set by the board at \$50,000 or more, but not exceeding the
70.20 reinsurance cap.

70.21 (c) The coinsurance rate for the plan is the rate at which the association will reimburse
70.22 an eligible health carrier for claims incurred for an enrolled individual's covered benefits
70.23 in a benefit year above the attachment point and below the reinsurance cap. The coinsurance
70.24 rate shall be set by the board at a rate between 50 and 80 percent.

70.25 (d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible
70.26 health carrier for an enrolled individual's covered benefits, after which the claims costs for
70.27 benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set
70.28 by the board at \$250,000 or less.

70.29 (e) The board may adjust the payment parameters to the extent necessary to secure
70.30 federal approval of the state innovation waiver request in Laws 2017, chapter 13, article 1,
70.31 section 8.

71.1 (f) For purposes of paragraph (a), clause (7), the association must consult with the
71.2 commissioner of management and budget and the board of directors of MNsure to determine
71.3 the amount of funding necessary to ensure MNsure's stable operation.

71.4 Sec. 6. Minnesota Statutes 2024, section 62E.23, subdivision 3, is amended to read:

71.5 Subd. 3. **Operation.** (a) The board shall propose to the commissioner the payment
71.6 parameters for the next benefit year by January 15 of the year before the applicable benefit
71.7 year. The commissioner shall approve or reject the payment parameters no later than 14
71.8 days following the board's proposal. If the commissioner fails to approve or reject the
71.9 payment parameters within 14 days following the board's proposal, the proposed payment
71.10 parameters are final and effective.

71.11 (b) If the amount in the premium security plan account in section 62E.25, subdivision
71.12 1, is not anticipated to be adequate to fully fund the approved payment parameters as of
71.13 July 1 of the year before the applicable benefit year, the board, in consultation with the
71.14 commissioner and the commissioner of management and budget, shall propose payment
71.15 parameters within the available appropriations or, for benefit year 2027, assess group health
71.16 carriers to obtain the necessary funding. The commissioner must permit an eligible health
71.17 carrier to revise an applicable rate filing based on the final payment parameters for the next
71.18 benefit year.

71.19 (c) Notwithstanding paragraph (a), the payment parameters for benefit years 2023 through
71.20 2027 are:

- 71.21 (1) an attachment point of \$50,000;
- 71.22 (2) a coinsurance rate of 80 percent; and
- 71.23 (3) a reinsurance cap of \$250,000.

71.24 Sec. 7. Minnesota Statutes 2024, section 62E.23, is amended by adding a subdivision to
71.25 read:

71.26 Subd. 5a. **Group health carrier records; audit.** (a) A group health carrier must maintain
71.27 documents and records, whether paper, electronic, or in other media, sufficient to substantiate
71.28 the amount assessed, paid, or deferred under subdivision 1a. The documents and records
71.29 must be maintained for at least six years. A group health carrier must make documents and
71.30 records maintained under this subdivision available to the commissioner upon the
71.31 commissioner's request.

72.1 (b) Effective January 1, 2028, the association may have a group health carrier audited
72.2 to assess the carrier's compliance with this section. The group health carrier must ensure
72.3 that the group health carrier's contractors, subcontractors, and agents cooperate with any
72.4 audit under this paragraph.

72.5 Sec. 8. Minnesota Statutes 2024, section 62E.24, subdivision 1, is amended to read:

72.6 Subdivision 1. **Accounting.** The board must keep an accounting for each benefit year
72.7 of all:

72.8 (1) funds appropriated for reinsurance payments and administrative and operational
72.9 expenses;

72.10 (2) requests for reinsurance payments received from eligible health carriers;

72.11 (3) for benefit year 2027, assessments collected and deferred under section 62E.23,
72.12 subdivision 1a;

72.13 ~~(3)~~ (4) reinsurance payments made to eligible health carriers; and

72.14 ~~(4)~~ (5) administrative and operational expenses incurred for the plan.

72.15 Sec. 9. Minnesota Statutes 2024, section 62E.24, subdivision 2, is amended to read:

72.16 Subd. 2. **Reports.** (a) The board must submit to the commissioner and to the chairs and
72.17 ranking minority members of the legislative committees with jurisdiction over commerce
72.18 and health and make available to the public quarterly reports on plan operations and an
72.19 annual report summarizing the plan operations for each benefit year. All reports must be
72.20 made public by posting the report on the Minnesota Comprehensive Health Association
72.21 website. The annual summary must be made available by November 1 of the year following
72.22 the applicable benefit year or 60 calendar days following the final disbursement of
72.23 reinsurance payments for the applicable benefit year, whichever is later.

72.24 (b) The reports must include information about:

72.25 (1) the reinsurance parameters used;

72.26 (2) the metal levels affected;

72.27 (3) the number of claims payments estimated and submitted for payment per products
72.28 offered on-exchange and off-exchange and per eligible health carrier;

72.29 (4) the estimated reinsurance payments by plan type based on carrier-submitted templates;

73.1 (5) funds appropriated for reinsurance payments and administrative and operational
73.2 expenses for each year, including: (i) the federal and state contributions received; (ii)
73.3 investment income; (iii) for benefit year 2027, assessments collected under section 62E.23,
73.4 subdivision 1a; and (iv) any other revenue or funds received;

73.5 (6) the total amount of reinsurance payments made to each eligible health carrier; and

73.6 (7) administrative and operational expenses incurred for the plan, including the total
73.7 amount incurred and as a percentage of the plan's operational budget.

73.8 Sec. 10. Minnesota Statutes 2024, section 62E.25, subdivision 1, is amended to read:

73.9 Subdivision 1. **Premium security plan account.** (a) The premium security plan account
73.10 is created in the special revenue fund of the state treasury.

73.11 (b) Funds in the account are appropriated annually to the commissioner of commerce
73.12 for grants to the Minnesota Comprehensive Health Association for the operational and
73.13 administrative costs and reinsurance payments relating to the ~~start-up and~~ operation of the
73.14 Minnesota premium security plan. Notwithstanding section 11A.20, all investment income
73.15 and all investment losses attributable to the investment of the premium security plan account
73.16 shall be credited to the premium security plan account.

73.17 (c) The commissioner of commerce must annually transfer the amount determined by
73.18 the association under section 62E.23, subdivision 2, paragraph (a), clause (7), from the
73.19 premium security plan account to the MNsure account established in section 62V.07.

73.20 (d) Federal funds received for the Minnesota premium security plan must not be used
73.21 for the transfer under paragraph (c).

73.22 **EFFECTIVE DATE.** This section is effective January 1, 2026.

73.23 Sec. 11. Minnesota Statutes 2024, section 62V.06, subdivision 5, is amended to read:

73.24 Subd. 5. **Data sharing.** (a) MNsure may share or disseminate data classified as private
73.25 or nonpublic in subdivision 3 as follows:

73.26 (1) to the subject of the data, as provided in section 13.04;

73.27 (2) according to a court order;

73.28 (3) according to a state or federal law specifically authorizing access to the data;

73.29 (4) with other state or federal agencies, only to the extent necessary to verify the identity
73.30 of, determine the eligibility of, process premiums for, process enrollment of, or investigate

74.1 fraud related to an individual, employer, or employee participating in MNsure, provided
74.2 that MNsure must enter into a data-sharing agreement with the agency prior to sharing data
74.3 under this clause; ~~and~~

74.4 (5) with a nongovernmental person or entity, only to the extent necessary to verify the
74.5 identity of, determine the eligibility of, process premiums for, process enrollment of, or
74.6 investigate fraud related to an individual, employer, or employee participating in MNsure,
74.7 provided that MNsure must enter into a contract with the person or entity, as provided in
74.8 section 13.05, subdivision 6 or 11, prior to disseminating data under this clause; and

74.9 (6) with the Department of Revenue, as necessary, to implement the reinsurance credit
74.10 under section 297I.20.

74.11 (b) MNsure may share or disseminate data classified as private or nonpublic in subdivision
74.12 4 as follows:

74.13 (1) to the subject of the data, as provided in section 13.04;

74.14 (2) according to a court order;

74.15 (3) according to a state or federal law specifically authorizing access to the data;

74.16 (4) with other state or federal agencies, only to the extent necessary to carry out the
74.17 functions of MNsure, provided that MNsure must enter into a data-sharing agreement with
74.18 the agency prior to sharing data under this clause; and

74.19 (5) with a nongovernmental person or entity, only to the extent necessary to carry out
74.20 the functions of MNsure, provided that MNsure must enter a contract with the person or
74.21 entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under
74.22 this clause.

74.23 (c) Sharing or disseminating data outside of MNsure in a manner not authorized by this
74.24 subdivision is prohibited. The list of authorized dissemination and sharing contained in this
74.25 subdivision must be included in the Tennessen warning required by section 13.04, subdivision
74.26 2.

74.27 (d) Until July 1, 2014, state agencies must share data classified as private or nonpublic
74.28 on individuals, employees, or employers participating in MNsure with MNsure, only to the
74.29 extent such data are necessary to verify the identity of, determine the eligibility of, process
74.30 premiums for, process enrollment of, or investigate fraud related to a MNsure participant.
74.31 The agency must enter into a data-sharing agreement with MNsure prior to sharing any data
74.32 under this paragraph.

75.1 **EFFECTIVE DATE.** This section is effective January 1, 2029.

75.2 Sec. 12. Minnesota Statutes 2024, section 297I.20, is amended by adding a subdivision
75.3 to read:

75.4 Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028,
75.5 a taxpayer may claim a credit against the premiums tax imposed under this chapter equal
75.6 to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately
75.7 preceding calendar year. If the amount of the credit exceeds the liability for tax under this
75.8 chapter, the commissioner must refund the excess to the insurance company. An amount
75.9 sufficient to pay the refunds under this section is appropriated to the commissioner from
75.10 the general fund. The credit under this subdivision does not affect the calculation of fire
75.11 state aid under section 477B.03 and police state aid under section 477C.03. The commissioner
75.12 of commerce must annually provide to the commissioner a list of assessments paid by
75.13 taxpayers under section 62E.23 by March 1 of the calendar year following the assessment.

75.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
75.15 31, 2028.

75.16 Sec. 13. Minnesota Statutes 2024, section 297I.40, is amended by adding a subdivision
75.17 to read:

75.18 Subd. 2a. **Special provision; reinsurance credit.** The credit allowed under section
75.19 297I.20, subdivision 7, is not allowed for purposes of determining the amount of the required
75.20 March and June installments in calendar year 2029. For the September and December
75.21 required installments in calendar year 2029 and for all installments thereafter, the installments
75.22 may be reduced, but not to an amount less than zero, by the entire amount of the credit
75.23 allowed. A taxpayer may claim a refund of the amount of credit allowed under section
75.24 297I.20, subdivision 7, remaining after the December required installment. The credit must
75.25 be claimed in the form and manner prescribed by the commissioner.

75.26 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
75.27 31, 2028.

75.28 Sec. 14. **PREMIUM SECURITY PLAN ACCOUNT; TRANSFER.**

75.29 (a) The commissioner of management and budget must transfer \$145,000,000 in fiscal
75.30 year 2026 from the health care access fund under Minnesota Statutes, section 16A.724,
75.31 subdivision 1, to the premium security plan account under Minnesota Statutes, section
75.32 62E.25, subdivision 1. This is a onetime transfer.

(b) Money transferred under paragraph (a) that remains unspent by August 31, 2027,
cancels to the health care access fund under Minnesota Statutes, section 16A.724, subdivision
1.

Sec. 15. **TRANSFER FOR REINSURANCE CREDIT.**

Subdivision 1. Notice of credit amount. By June 1, 2030, the commissioner of revenue
must notify the commissioner of management and budget of the amount of the credit under
section 297I.20, subdivision 7, attributable to the tax imposed under section 297I.05,
subdivision 5.

Subd. 2. Transfer. By June 30, 2030, the commissioner of management and budget
must transfer the amount established under subdivision 1 from the general fund to the health
care access fund. This is a onetime transfer.

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

ARTICLE 7

COMMERCE AND CONSUMER PROTECTION POLICY

Section 1. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. Definitions. For the purposes of this section, the terms defined in this
subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products,
including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other
renewable resources, including residue and waste generated from the production, processing,
and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-04a~~ D4806-21a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance
the value of agricultural crop or livestock commodities or by-products or waste from farming
operations through new and improved value-added conversion processes and technologies,
the development of more timely and efficient infrastructure delivery systems, and the
enhancement of marketing opportunities. "Rural economic infrastructure" also means land,
buildings, structures, fixtures, and improvements located or to be located in Minnesota and

77.1 used or operated primarily for the processing or the support of production of marketable
77.2 products from agricultural commodities or wind energy produced in Minnesota.

77.3 Sec. 2. [45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.

77.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this
77.5 subdivision have the meanings given.

77.6 (b) "Association" means an association of apartment owners, as defined in section 515.02,
77.7 subdivision 5, an association, as defined in section 515A.1-103, clause (3), and association
77.8 as defined in section 515B.1-103, clause (4).

77.9 (c) "Common interest community" has the meaning given in section 515B.1-103, clause
77.10 (10).

77.11 (d) "Governing documents" means a common interest community's declaration, articles
77.12 of incorporation, bylaws, and any amendments to a common interest community's declaration,
77.13 articles of incorporation, or bylaws.

77.14 (e) "Unit owner" means an apartment owner, as defined in section 515.02, subdivision
77.15 3, a unit owner under section 515A.1-103, clause (20), and a unit owner, as defined in
77.16 section 515B.1-103, clause (37).

77.17 Subd. 2. **Establishment.** (a) A common interest community ombudsperson position is
77.18 established within the Department of Commerce to:

77.19 (1) assist unit owners, unit owners' tenants, and associations in understanding the rights
77.20 each possesses under chapter 515B and the applicable governing documents; and

77.21 (2) facilitate the resolution of disputes between unit owners and associations.

77.22 (b) The ombudsperson is appointed by the commissioner and serves in the unclassified
77.23 service.

77.24 Subd. 3. **Qualifications.** The ombudsperson must be selected without regard to political
77.25 affiliation, must be qualified and experienced to perform the duties of the office, and must
77.26 be skilled in dispute resolution techniques. The ombudsperson must not be a unit owner,
77.27 be employed by a business entity that provides management or consulting services to an
77.28 association, or otherwise be affiliated with an association or management company. A
77.29 person is prohibited from serving as ombudsperson while holding another public office.

77.30 Subd. 4. **Duties.** (a) The ombudsperson must execute the duties under subdivision 2,
77.31 paragraph (a), by taking the following actions:

78.1 (1) creating plain language explanations of common provisions in governing documents;
78.2 and

78.3 (2) identifying and providing resources and referrals related to the rights and
78.4 responsibilities of unit owners and associations.

78.5 (b) Upon the request of a unit owner or an association, the ombudsperson may provide
78.6 informal mediation services in disputes concerning chapter 515B and governing documents,
78.7 except where:

78.8 (1) a complaint based on the same dispute is pending in a judicial or administrative
78.9 proceeding;

78.10 (2) the same disputed issue has been addressed or is currently in arbitration, mediation,
78.11 or another alternative dispute resolution process; or

78.12 (3) the association notifies the ombudsperson that an order under section 609.748 is in
78.13 effect against the unit owner.

78.14 (c) The ombudsperson must compile and analyze complaints received to identify issues
78.15 and trends.

78.16 (d) The ombudsperson must maintain a website containing, at a minimum:

78.17 (1) the text of chapter 515B and any other relevant statutes or rules;

78.18 (2) a plain language explanation of common provisions of governing documents;

78.19 (3) information regarding the services provided by the common interest community
78.20 ombudsperson, including assistance with dispute resolution;

78.21 (4) information and referrals regarding alternative dispute resolution methods and
78.22 programs, and resources regarding the rights and responsibilities of unit owners and
78.23 associations; and

78.24 (5) any other information that the ombudsperson determines is useful to unit owners,
78.25 their tenants, associations, and common interest community property management companies.

78.26 (e) When requested or as the ombudsperson deems necessary, the ombudsperson must
78.27 provide reports and recommendations to the legislative committees with jurisdiction over
78.28 common interest communities.

78.29 Subd. 5. **Powers limited.** The ombudsperson and the commissioner are prohibited from
78.30 providing legal advice regarding a dispute between a unit owner and an association. The
78.31 ombudsperson and commissioner are prohibited from making a formal determination or

79.1 issuing an order regarding disputes between a unit owner and an association. Nothing in
79.2 this paragraph limits the ability of the commissioner to execute duties or powers under any
79.3 other law.

79.4 Subd. 6. **Cooperation.** Upon request, unit owners and associations may participate in
79.5 the dispute resolution process under this section and make good faith efforts to resolve
79.6 disputes.

79.7 Subd. 7. **Data.** Data identifying a unit owner, an association, a unit owner's tenant, or a
79.8 common interest community that are collected, created, or maintained by the office of the
79.9 ombudsperson under this section are private data on individuals or nonpublic data.

79.10 Subd. 8. **Landlord and tenant law.** Nothing in this section modifies, supersedes, limits,
79.11 or expands the rights and duties of landlords and tenants established under chapter 504B or
79.12 any other law.

79.13 Sec. 3. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

79.14 Subdivision 1. **General powers.** (a) In connection with the duties and responsibilities
79.15 entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner
79.16 of commerce may:

79.17 (1) make public or private investigations within or without this state as the commissioner
79.18 considers necessary to determine whether any person has violated or is about to violate any
79.19 law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

79.20 (2) require or permit any person to file a statement in writing, under oath or otherwise
79.21 as the commissioner determines, as to all the facts and circumstances concerning the matter
79.22 being investigated;

79.23 (3) hold hearings, upon reasonable notice, in respect to any matter arising out of the
79.24 duties and responsibilities entrusted to the commissioner;

79.25 (4) conduct investigations and hold hearings for the purpose of compiling information
79.26 related to the duties and responsibilities entrusted to the commissioner;

79.27 (5) examine the books, accounts, records, and files of every licensee, and of every person
79.28 who is engaged in any activity regulated; the commissioner or a designated representative
79.29 shall have free access during normal business hours to the offices and places of business of
79.30 the person, and to all books, accounts, papers, records, files, safes, and vaults maintained
79.31 in the place of business;

79.32 (6) publish information which is contained in any order issued by the commissioner;

(7) require any person subject to duties and responsibilities entrusted to the commissioner, to report all sales or transactions that are regulated. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction; ~~and~~

(8) assess a natural person or entity subject to the jurisdiction of the commissioner the necessary expenses of the investigation performed by the department when an investigation is made by order of the commissioner. The cost of the investigation shall be determined by the commissioner and is based on the salary cost of investigators or assistants and at an average rate per day or fraction thereof so as to provide for the total cost of the investigation. All money collected must be deposited into the general fund. A natural person or entity licensed under chapter 60K, 82, or 82B shall not be charged costs of an investigation if the investigation results in no finding of a violation. This clause does not apply to a natural person or entity already subject to the assessment provisions of sections 60A.03 and 60A.031; and

(9) issue data calls.

(b) For purposes of this section, "data call" means a written request from the commissioner to two or more natural persons or entities subject to the commissioner's jurisdiction to provide data or other information within a reasonable time period commensurate with the volume and nature of the data required to be collected in the data call for a specific, targeted regulatory oversight purpose. A data call is not market analysis, as defined under section 60A.031, subdivision 4, paragraph (f), and is not subject to section 60A.033.

Sec. 4. Minnesota Statutes 2024, section 45.027, is amended by adding a subdivision to read:

Subd. 1b. **Data calls.** (a) Information provided in response to a data call issued by the commissioner: (1) must be treated as nonpublic data, as defined under section 13.02, subdivision 9; and (2) is not subject to subpoena. If the commissioner performs a data call, the commissioner may make the results available for public inspection in an aggregated format and in a manner that does not disclose the identity of a specific natural person or entity, including the name of any natural person or entity who responded to the data call. Prior to making the aggregated results of a data call available for public inspection, the commissioner must provide all natural persons and entities that responded to the data call 15 days' notice of the information to be publicly released. Nothing in this subdivision requires

81.1 the commissioner to publicly release aggregated results from a data call. The results of a
81.2 data call that requests data for the National Association of Insurance Commissioners' Market
81.3 Conduct Annual Statement is subject to confidential treatment under section 60A.031,
81.4 subdivision 4, paragraph (f).

81.5 (b) The commissioner may grant access to data submitted by insurers in response to a
81.6 data call issued by the commissioner with other state, federal, and international regulatory
81.7 agencies; with the National Association of Insurance Commissioners and its affiliates and
81.8 subsidiaries; and with state, federal, and international law enforcement authorities if the
81.9 recipient agrees in writing to maintain the data as nonpublic data and has the legal authority
81.10 to maintain the data as nonpublic data.

81.11 Sec. 5. Minnesota Statutes 2024, section 45.027, subdivision 2, is amended to read:

81.12 Subd. 2. **Power to compel production of evidence.** For the purpose of any investigation,
81.13 hearing, proceeding, or inquiry related to the duties and responsibilities entrusted to the
81.14 commissioner, the commissioner or a designated representative may issue data calls,
81.15 administer oaths and affirmations, subpoena witnesses, compel their attendance, take
81.16 evidence, and require the production of books, papers, correspondence, memoranda,
81.17 agreements, or other documents or records that the commissioner considers relevant or
81.18 material to the inquiry.

81.19 A subpoena issued pursuant to this subdivision must state that the person to whom the
81.20 subpoena is directed may not disclose the fact that the subpoena was issued or the fact that
81.21 the requested records have been given to law enforcement personnel except:

81.22 (1) insofar as the disclosure is necessary to find and disclose the records; or

81.23 (2) pursuant to court order.

81.24 Sec. 6. Minnesota Statutes 2024, section 45.24, is amended to read:

81.25 **45.24 LICENSE TECHNOLOGY FEES.**

81.26 (a) The commissioner may establish and maintain an electronic licensing database system
81.27 for license origination, renewal, and tracking the completion of continuing education
81.28 requirements by individual licensees who have continuing education requirements, and
81.29 other related purposes.

81.30 (b) The commissioner shall pay for the cost of operating and maintaining the electronic
81.31 database system described in paragraph (a) through a technology surcharge imposed upon

82.1 the fee for license origination and renewal, for individual licenses that require continuing
82.2 education.

82.3 (c) The surcharge permitted under paragraph (b) shall be up to \$40 for each two-year
82.4 licensing period, except as otherwise provided in paragraph (f), and shall be payable at the
82.5 time of license origination and renewal.

82.6 (d) The Commerce Department technology account is hereby created as an account in
82.7 the special revenue fund.

82.8 (e) The commissioner shall deposit the surcharge permitted under this section in the
82.9 account created in paragraph (d), and funds in the account are appropriated to the
82.10 commissioner in the amounts needed for purposes of this section. The commissioner of
82.11 management and budget shall transfer an amount determined by the commissioner of
82.12 commerce from the account to the statewide electronic licensing system account under
82.13 section 16E.22 for the costs of the statewide licensing system attributable to the inclusion
82.14 of licenses subject to this section.

82.15 (f) The commissioner ~~shall~~ may temporarily reduce or suspend the surcharge as necessary
82.16 if the balance in the account created in paragraph (d) exceeds \$2,000,000 as of the end of
82.17 June in any calendar year and shall must annually review the anticipated costs under
82.18 paragraph (b) to determine the amount to increase or decrease the surcharge ~~as necessary~~
82.19 to keep the fund balance at an adequate level but not in excess of \$2,000,000.

82.20 Sec. 7. Minnesota Statutes 2024, section 80A.58, is amended to read:

82.21 **80A.58 SECTION 403; INVESTMENT ADVISER REGISTRATION**
82.22 **REQUIREMENT AND EXEMPTIONS.**

82.23 (a) **Registration requirement.** It is unlawful for a person to transact business in this
82.24 state as an investment adviser or investment adviser representative unless the person is
82.25 registered under this chapter or is exempt from registration under subsection (b).

82.26 (b) **Exemptions from registration.** The following persons are exempt from the
82.27 registration requirement of subsection (a):

82.28 (1) any person whose only clients in this state are:

82.29 (A) federal covered investment advisers, investment advisers registered under this
82.30 chapter, or broker-dealers registered under this chapter;

83.1 (B) bona fide preexisting clients whose principal places of residence are not in this state
83.2 if the investment adviser is registered under the securities act of the state in which the clients
83.3 maintain principal places of residence; or

83.4 (C) any other client exempted by rule adopted or order issued under this chapter;

83.5 (2) a person without a place of business in this state if the person has had, during the
83.6 preceding 12 months, not more than five clients that are resident in this state in addition to
83.7 those specified under paragraph (1);

83.8 (3) A private fund ~~adviser~~ adviser, subject to the additional requirements of subsection
83.9 (c), if the private fund adviser satisfies each of the following conditions:

83.10 (i) neither the private fund adviser nor any of its advisory affiliates are subject to a
83.11 disqualification as described in Rule 262 of SEC Regulation A, Code of Federal Regulations,
83.12 title 17, section 230.262;

83.13 (ii) the private fund adviser files with the state each report and amendment thereto that
83.14 an exempt reporting adviser is required to file with the Securities and Exchange Commission
83.15 pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4; ~~or~~
83.16 and

83.17 (iii) the private fund adviser pays the fees under section 80A.65, subdivision 2b; or

83.18 (4) any other person exempted by rule adopted or order issued under this chapter.

83.19 (c) **Additional requirements for private fund advisers to certain 3(c)(1) funds.** In
83.20 order to qualify for the exemption described in subsection (b)(3), a private fund adviser
83.21 who advises at least one 3(c)(1) fund that is not a venture capital fund shall, in addition to
83.22 satisfying each of the conditions specified in subsection (b)(3), comply with the following
83.23 requirements:

83.24 (1) The private fund adviser shall advise only those 3(c)(1) funds, other than venture
83.25 capital funds, whose outstanding securities, other than short-term paper, are beneficially
83.26 owned entirely by persons who, after deducting the value of the primary residence from the
83.27 person's net worth, would each meet the definition of a qualified client in SEC Rule 205-3,
83.28 Code of Federal Regulations, title 17, section 275.205-3, at the time the securities are
83.29 purchased from the issuer;

83.30 (2) At the time of purchase, the private fund adviser shall disclose the following in
83.31 writing to each beneficial owner of a 3(c)(1) fund that is not a venture capital fund:

83.32 (i) all services, if any, to be provided to individual beneficial owners;

84.1 (ii) all duties, if any, the investment adviser owes to the beneficial owners; and

84.2 (iii) any other material information affecting the rights or responsibilities of the beneficial
84.3 owners; and

84.4 (3) The private fund adviser shall obtain on an annual basis audited financial statements
84.5 of each 3(c)(1) fund that is not a venture capital fund and shall deliver a copy of such audited
84.6 financial statements to each beneficial owner of the fund.

84.7 (d) **Federal covered investment advisers.** If a private fund adviser is registered with
84.8 the Securities and Exchange Commission, the adviser shall not be eligible for the private
84.9 fund adviser exemption under paragraph (b), clause (3), and shall comply with the state
84.10 notice filing requirements applicable to federal covered investment advisers in section
84.11 80A.58.

84.12 (e) **Investment adviser representatives.** A person is exempt from the registration
84.13 requirements of section 80A.58, paragraph (a), if he or she is employed by or associated
84.14 with an investment adviser that is exempt from registration in this state pursuant to the
84.15 private fund adviser exemption under paragraph (b), clause (3), and does not otherwise
84.16 engage in activities that would require registration as an investment adviser representative.

84.17 (f) **Electronic filings.** The report filings described in subsection (b)(3)(ii) shall be made
84.18 electronically through the IARD. A report shall be deemed filed when the report and the
84.19 fee required by sections 80A.60 and 80A.65 are filed and accepted by the IARD on the
84.20 state's behalf.

84.21 (g) **Transition.** An investment adviser who becomes ineligible for the exemption provided
84.22 by this section must comply with all applicable laws and rules requiring registration or
84.23 notice filing within 90 days from the date of the investment adviser's eligibility for this
84.24 exemption ceases.

84.25 (h) **Grandfathering for investment advisers to 3(c)(1) funds with nonqualified**
84.26 **clients.** An investment adviser to a 3(c)(1) fund (other than a venture capital fund) that has
84.27 one or more beneficial owners who are not qualified clients as described in paragraph (c),
84.28 clause (1), is eligible for the exemption contained in paragraph (b), clause (3), if the following
84.29 conditions are satisfied:

84.30 (1) the subject fund existed prior to August 1, 2013;

84.31 (2) as of August 1, 2013, the subject fund ceases to accept beneficial owners who are
84.32 not qualified clients, as described in paragraph (c), clause (1);

85.1 (3) the investment adviser discloses in writing the information described in paragraph
85.2 (c), clause (2), to all beneficial owners of the fund; and

85.3 (4) as of August 1, 2013, the investment adviser delivers audited financial statements
85.4 as required by paragraph (c), clause (3).

85.5 (i) **Limits on employment or association.** It is unlawful for an investment adviser,
85.6 directly or indirectly, to employ or associate with an individual to engage in an activity
85.7 related to investment advice in this state if the registration of the individual is suspended
85.8 or revoked or the individual is barred from employment or association with an investment
85.9 adviser, federal covered investment adviser, or broker-dealer by an order under this chapter,
85.10 the Securities and Exchange Commission, or a self-regulatory organization, unless the
85.11 investment adviser did not know, and in the exercise of reasonable care could not have
85.12 known, of the suspension, revocation, or bar. Upon request from the investment adviser and
85.13 for good cause, the administrator, by order, may waive, in whole or in part, the application
85.14 of the prohibitions of this subsection to the investment adviser.

85.15 Sec. 8. Minnesota Statutes 2024, section 80A.65, subdivision 2, is amended to read:

85.16 Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial
85.17 or renewal registration shall pay a filing fee of \$200 in the case of a broker-dealer, \$65 in
85.18 the case of an agent, \$100 in the case of an investment adviser, and \$50 in the case of an
85.19 investment adviser representative. When an application is denied or withdrawn, the filing
85.20 fee shall be retained. A registered agent who has terminated employment with one
85.21 broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer
85.22 fee of ~~\$25~~ \$65. A registered investment adviser representative who has terminated
85.23 employment with one investment adviser must, before beginning employment with another
85.24 investment adviser, pay a \$50 transfer fee.

85.25 Sec. 9. Minnesota Statutes 2024, section 80A.65, is amended by adding a subdivision to
85.26 read:

85.27 Subd. 2b. **Private fund adviser filings.** A private fund adviser must pay a \$100 filing
85.28 fee when filing an initial or renewal notice required under section 80A.58.

85.29 Sec. 10. Minnesota Statutes 2024, section 80A.66, is amended to read:

85.30 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

85.31 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
85.32 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940

86.1 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
86.2 minimum financial requirements for broker-dealers registered or required to be registered
86.3 under this chapter and investment advisers registered or required to be registered under this
86.4 chapter.

86.5 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
86.6 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
86.7 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
86.8 chapter and an investment adviser registered or required to be registered under this chapter
86.9 shall file such financial reports as are required by a rule adopted or order issued under this
86.10 chapter. If the information contained in a record filed under this subsection is or becomes
86.11 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
86.12 amendment.

86.13 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
86.14 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
86.15 U.S.C. Section 80b-22):

86.16 (1) a broker-dealer registered or required to be registered under this chapter and an
86.17 investment adviser registered or required to be registered under this chapter shall make and
86.18 maintain the accounts, correspondence, memoranda, papers, books, and other records
86.19 required by rule adopted or order issued under this chapter;

86.20 (2) broker-dealer records required to be maintained under paragraph (1) may be
86.21 maintained in any form of data storage acceptable under Section 17(a) of the Securities
86.22 Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the
86.23 administrator; and

86.24 (3) investment adviser records required to be maintained under paragraph (d)(1) may
86.25 be maintained in any form of data storage required by rule adopted or order issued under
86.26 this chapter.

86.27 (d) **Records and reports of private funds.**

86.28 (1) **In general.** An investment adviser to a private fund shall maintain such records of,
86.29 and file with the administrator such reports and amendments thereto, that an exempt reporting
86.30 adviser is required to file with the Securities and Exchange Commission pursuant to SEC
86.31 Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

87.1 (2) **Treatment of records.** The records and reports of any private fund to which an
87.2 investment adviser provides investment advice shall be deemed to be the records and reports
87.3 of the investment adviser.

87.4 (3) **Required information.** The records and reports required to be maintained by an
87.5 investment adviser, which are subject to inspection by a representative of the administrator
87.6 at any time, shall include for each private fund advised by the investment adviser, a
87.7 description of:

87.8 (A) the amount of assets under management;

87.9 (B) the use of leverage, including off-balance-sheet leverage, as to the assets under
87.10 management;

87.11 (C) counterparty credit risk exposure;

87.12 (D) trading and investment positions;

87.13 (E) valuation policies and practices of the fund;

87.14 (F) types of assets held;

87.15 (G) side arrangements or side letters, whereby certain investors in a fund obtain more
87.16 favorable rights or entitlements than other investors;

87.17 (H) trading practices; and

87.18 (I) such other information as the administrator determines is necessary and appropriate
87.19 in the public interest and for the protection of investors, which may include the establishment
87.20 of different reporting requirements for different classes of fund advisers, based on the type
87.21 or size of the private fund being advised.

87.22 (4) **Filing of records.** A rule or order under this chapter may require each investment
87.23 adviser to a private fund to file reports containing such information as the administrator
87.24 deems necessary and appropriate in the public interest and for the protection of investors.

87.25 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be
87.26 registered under this chapter and of an investment adviser registered or required to be
87.27 registered under this chapter, including the records of a private fund described in paragraph
87.28 (d) and the records of investment advisers to private funds, are subject to such reasonable
87.29 periodic, special, or other audits or inspections by a representative of the administrator,
87.30 within or without this state, as the administrator considers necessary or appropriate in the
87.31 public interest and for the protection of investors. An audit or inspection may be made at
87.32 any time and without prior notice. The administrator may copy, and remove for audit or

88.1 inspection copies of, all records the administrator reasonably considers necessary or
88.2 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
88.3 charge for conducting an audit or inspection under this subsection.

88.4 **(f) Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
88.5 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
88.6 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
88.7 under this chapter may require a broker-dealer or investment adviser that has custody of or
88.8 discretionary authority over funds or securities of a customer or client to obtain insurance
88.9 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
88.10 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
88.11 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
88.12 of security may not be required of a broker-dealer registered under this chapter whose net
88.13 capital exceeds, or of an investment adviser registered under this chapter whose minimum
88.14 financial requirements exceed, the amounts required by rule or order under this chapter.
88.15 The insurance, bond, or other satisfactory form of security must permit an action by a person
88.16 to enforce any liability on the insurance, bond, or other satisfactory form of security if
88.17 instituted within the time limitations in section 80A.76(j)(2).

88.18 **(g) Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
88.19 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
88.20 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
88.21 customer except under the supervision of a broker-dealer and an investment adviser
88.22 representative may not have custody of funds or securities of a client except under the
88.23 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
88.24 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
88.25 regarding custody of funds or securities of a customer and on an investment adviser regarding
88.26 custody of securities or funds of a client.

88.27 **(h) Investment adviser brochure rule.** With respect to an investment adviser registered
88.28 or required to be registered under this chapter, a rule adopted or order issued under this
88.29 chapter may require that information or other record be furnished or disseminated to clients
88.30 or prospective clients in this state as necessary or appropriate in the public interest and for
88.31 the protection of investors and advisory clients.

88.32 **(i) Continuing education.** A rule adopted or order issued under this chapter may require
88.33 an individual registered under section 80A.57 or 80A.58 to participate in a continuing
88.34 education program approved by the Securities and Exchange Commission and administered

89.1 by a self-regulatory organization, the North American Securities Administrators Association,
89.2 or the commissioner.

89.3 Sec. 11. Minnesota Statutes 2024, section 80E.12, is amended to read:

89.4 **80E.12 UNLAWFUL ACTS BY MANUFACTURERS, DISTRIBUTORS, OR**
89.5 **FACTORY BRANCHES.**

89.6 It shall be unlawful for any manufacturer, distributor, or factory branch to require a new
89.7 motor vehicle dealer to do any of the following:

89.8 (a) order or accept delivery of any new motor vehicle, part or accessory thereof,
89.9 equipment, or any other commodity not required by law which has not been voluntarily
89.10 ordered by the new motor vehicle dealer, provided that this paragraph does not modify or
89.11 supersede reasonable provisions of the franchise requiring the dealer to market a
89.12 representative line of the new motor vehicles the manufacturer or distributor is publicly
89.13 advertising;

89.14 (b) order or accept delivery of any new motor vehicle, part or accessory thereof,
89.15 equipment, or any other commodity not required by law in order for the dealer to obtain
89.16 delivery of any other motor vehicle ordered by the dealer;

89.17 (c) order or accept delivery of any new motor vehicle with special features, accessories,
89.18 or equipment not included in the list price of the motor vehicles as publicly advertised by
89.19 the manufacturer or distributor;

89.20 (d) participate monetarily in an advertising campaign or contest, or to purchase any
89.21 promotional materials, showroom, or other display decorations or materials at the expense
89.22 of the new motor vehicle dealer;

89.23 (e) enter into any agreement with the manufacturer or to do any other act prejudicial to
89.24 the new motor vehicle dealer by threatening to cancel a franchise or any contractual
89.25 agreement existing between the dealer and the manufacturer. Notice in good faith to any
89.26 dealer of the dealer's violation of any terms of the franchise agreement shall not constitute
89.27 a violation of sections 80E.01 to 80E.17;

89.28 (f) change the capital structure of the new motor vehicle dealer or the means by or
89.29 through which the dealer finances the operation of the dealership; provided, that the new
89.30 motor vehicle dealer at all times meets any reasonable capital standards agreed to by the
89.31 dealer; and also provided, that no change in the capital structure shall cause a change in the
89.32 principal management or have the effect of a sale of the franchise without the consent of
89.33 the manufacturer or distributor as provided in section 80E.13, paragraph (j);

90.1 (g) prevent or attempt to prevent, by contract or otherwise, any motor vehicle dealer
90.2 from changing the executive management control of the new motor vehicle dealer unless
90.3 the franchisor proves that the change of executive management will result in executive
90.4 management control by a person who is not of good moral character or who does not meet
90.5 the franchisor's existing reasonable capital standards and, with consideration given to the
90.6 volume of sales and services of the new motor vehicle dealer, uniformly applied minimum
90.7 business experience standards in the market area; provided, that where the manufacturer,
90.8 distributor, or factory branch rejects a proposed change in executive management control,
90.9 the manufacturer, distributor, or factory branch shall give written notice of its reasons to
90.10 the dealer;

90.11 (h) refrain from participation in the management of, investment in, or the acquisition
90.12 of, any other line of new motor vehicle or related products or establishment of another make
90.13 or line of new motor vehicles in the same dealership facilities as those of the manufacturer;
90.14 provided, however, that this clause does not apply unless the new motor vehicle dealer
90.15 maintains a reasonable line of credit for each make or line of new motor vehicle, and that
90.16 the new motor vehicle dealer remains in substantial compliance with the terms and conditions
90.17 of the franchise and with any reasonable facilities requirements of the manufacturer and
90.18 that the acquisition or addition is not unreasonable in light of all existing circumstances;
90.19 provided further that if a manufacturer determines to deny a dealer's request for a change
90.20 described in this paragraph, such denial must be in writing, must offer an analysis of the
90.21 grounds for the denial addressing the criteria contained in this paragraph, and must be
90.22 delivered to the new motor vehicle dealer within 60 days after the manufacturer receives
90.23 the completed application or documents customarily used by the manufacturer for dealer
90.24 actions described in this paragraph. If a denial that meets the requirements of this paragraph
90.25 is not sent within this period, the manufacturer shall be deemed to have given its consent
90.26 to the proposed change.

90.27 For purposes of this section and sections 80E.07, subdivision 1, paragraph (c), and 80E.14,
90.28 subdivision 4, reasonable facilities requirements shall not include a requirement that a dealer
90.29 establish or maintain exclusive facilities for the manufacturer of a line make unless
90.30 determined to be reasonable in light of all existing circumstances or the dealer and the
90.31 manufacturer voluntarily agree to such a requirement and separate and adequate consideration
90.32 was offered and accepted;

90.33 (i) during the course of the agreement, change the location of the new motor vehicle
90.34 dealership or make any substantial alterations to the dealership premises during the course
90.35 of the agreement, when to do so would be unreasonable or if the manufacturer fails to

91.1 provide the dealer 180 days' prior written notice of a required change in location or substantial
91.2 premises alteration; ~~or~~

91.3 (j) prospectively assent to a release, assignment, novation, waiver, or estoppel whereby
91.4 a dealer relinquishes any rights under sections 80E.01 to 80E.17, or which would relieve
91.5 any person from liability imposed by sections 80E.01 to 80E.17 or to require any controversy
91.6 between a new motor vehicle dealer and a manufacturer, distributor, or factory branch to
91.7 be referred to any person or tribunal other than the duly constituted courts of this state or
91.8 the United States, if the referral would be binding upon the new motor vehicle dealer; or

91.9 (k) refrain from participation in an auto show described in section 168.27, subdivision
91.10 10a.

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

91.12 Sec. 12. Minnesota Statutes 2024, section 82B.19, subdivision 5, is amended to read:

91.13 Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision,
91.14 the following terms have the meanings given:

91.15 (1) "asynchronous educational offering" has the meaning given in the most recent version
91.16 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
91.17 Qualifications Board; and

91.18 (2) "synchronous educational offering" has the meaning given in the most recent version
91.19 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
91.20 Qualifications Board, and includes an educational process based on live or real-time
91.21 instruction where there is no geographic separation of instructor and student.

91.22 (b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser or course
91.23 provider may submit, in a form prescribed by the commissioner, an application for continuing
91.24 education credit for a synchronous educational offering that has not been submitted for prior
91.25 approval in Minnesota. The commissioner must grant a real estate appraiser continuing
91.26 education credit if:

91.27 (1) the application is submitted on or before August 1 of the year in which the real estate
91.28 appraiser license is due for renewal;

91.29 (2) the synchronous educational offering has been approved for continuing education
91.30 credit by the regulator of real estate appraisers in at least one other state or United States
91.31 territory; and

92.1 (3) an application is submitted by the real estate appraiser or course provider to the
92.2 commissioner within ~~30~~ 60 days of successful completion of the synchronous educational
92.3 offering.

92.4 (c) The application must include a certificate of successful completion from the
92.5 synchronous educational offering provider. The commissioner must grant a real estate
92.6 appraiser the same number of continuing education credits for the successful completion
92.7 of the synchronous educational offering as was approved for the offering by the out-of-state
92.8 real estate appraiser regulatory authority. The commissioner must grant a real estate appraiser
92.9 continuing education credit within 60 days of the submission of the completed application
92.10 for out-of-state continuing education credit.

92.11 (d) The commissioner may charge a fee to a real estate appraiser, in an amount to be
92.12 determined by the commissioner, to submit an application under this subdivision.

92.13 (e) This subdivision does not apply to asynchronous educational offerings.

92.14 Sec. 13. Minnesota Statutes 2024, section 168.27, is amended by adding a subdivision to
92.15 read:

92.16 Subd. 10a. **Participation in auto shows.** (a) A new motor vehicle dealer may participate
92.17 in an auto show outside the county where the dealer maintains the dealer's licensed location
92.18 to sell new vehicles without obtaining an additional license if:

92.19 (1) the dealer participates in an auto show that takes place in a county other than the
92.20 county where the dealer maintains a licensed location not more than four times during any
92.21 calendar year;

92.22 (2) the auto show is not held at a licensed location of any participating dealer;

92.23 (3) the auto show is of a duration of no more than 12 consecutive days; and

92.24 (4) the auto show expressly prohibits:

92.25 (i) the sale or lease of vehicles at the show;

92.26 (ii) labeling or marking vehicles as "For Sale" or "Sold";

92.27 (iii) labeling or marking a vehicle with a price other than the manufacturer's retail price
92.28 label;

92.29 (iv) using printed posters, cards, and other printed materials that contain special dealership
92.30 pricing; and

92.31 (v) appraisal of trade-in vehicles and quoting a trade-in price for a particular vehicle.

93.1 (b) The auto show may permit:

93.2 (1) exhibitor staff to distribute business cards, coupons, vehicle promotional materials,
93.3 and factory-approved rebates;

93.4 (2) exhibitor staff to make appointments for potential customers to visit the dealership,
93.5 collect names of customer leads for later contact, and discuss the suggested retail price of
93.6 a vehicle and the availability of particular lines of vehicles; and

93.7 (3) test rides or test drives of new vehicles, but only under a program conducted by the
93.8 auto show.

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

93.10 Sec. 14. Minnesota Statutes 2024, section 216B.40, is amended to read:

93.11 **216B.40 EXCLUSIVE SERVICE RIGHT; SERVICE EXTENSION.**

93.12 Except as provided in sections 216B.42 ~~and~~, 216B.421, and 216B.422, each electric
93.13 utility shall have the exclusive right to provide electric service at retail to each and every
93.14 present and future customer in its assigned service area and no electric utility shall render
93.15 or extend electric service at retail within the assigned service area of another electric utility
93.16 unless the electric utility consents thereto in writing; provided that any electric utility may
93.17 extend its facilities through the assigned service area of another electric utility if the extension
93.18 is necessary to facilitate the electric utility connecting its facilities or customers within its
93.19 own assigned service area.

93.20 Sec. 15. **[216B.422] ELECTRICITY SALES FOR CHARGING ELECTRIC**
93.21 **VEHICLES.**

93.22 A retail seller of electricity used to recharge a battery that powers an electric vehicle, as
93.23 defined in section 169.011, subdivision 26a, and that is not otherwise a public utility under
93.24 this chapter, is not in violation of section 216B.40 if the electricity the retailer sells was
93.25 provided by the utility serving the location of the charging station.

93.26 Sec. 16. Minnesota Statutes 2024, section 216B.62, is amended by adding a subdivision
93.27 to read:

93.28 **Subd. 9. Administrative costs for discontinuation of telecommunication services.** The
93.29 commission may assess fees for the actual commission costs to administer the discontinuation
93.30 of telecommunication services under section 237.181. The money received from the
93.31 assessment must be deposited into an account in the special revenue fund and all money

94.1 deposited is appropriated to the commission for the purposes specified under this subdivision.
94.2 The commission may initially assess for estimated costs under section 237.181, then must
94.3 adjust subsequent assessments for actual costs incurred under section 237.181. An assessment
94.4 made under this subdivision is not subject to the cap on assessments provided in subdivision
94.5 3 or any other law.

94.6 **EFFECTIVE DATE.** This section is effective July 1, 2026.

94.7 Sec. 17. **[237.181] CUSTOMER TRANSITION PLANS FOR AREAS WITH VOIP**
94.8 **ALTERNATIVES.**

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

94.11 (b) "Commission" means the Public Utilities Commission.

94.12 (c) "Voice over internet protocol" or "VOIP" has the meaning given in section 237.025.

94.13 (d) "Alternative providers" means: (1) one or more providers the Federal Communications
94.14 Commission has identified through Broadband Data Collection, location fabric data, or a
94.15 successor data program as having a provider offering wireline broadband access service
94.16 through fiber optic cable to the home capable of carrying VOIP of at least 25 megabits per
94.17 second download speed and three megabit per second upload speed and offers VOIP services
94.18 at a rate no more than 120 percent of the current rate for local flat-rated voice service; or
94.19 (2) upon a request by a telephone company or telecommunications carrier, a Federal
94.20 Communications Commission-approved adequate replacement provider if the requesting
94.21 telephone company or telecommunications carrier meets the requirements of this section.

94.22 Subd. 2. **Customer transition plans.** (a) A telephone company or telecommunications
94.23 carrier may submit a petition to the commission for approval of a customer transition plan
94.24 to discontinue telecommunications service in an area where the telephone company or
94.25 telecommunications carrier has shown that customers in the affected area have access to
94.26 one or more providers for the telecommunications service provided by the telephone company
94.27 or telecommunications carrier.

94.28 (b) The proposed customer transition plan must:

94.29 (1) clearly identify the area and affected customers;

94.30 (2) clearly identify the alternative providers available to customers in the affected area;

94.31 (3) provide for technical assistance to affected customers who request assistance with
94.32 the transition to an alternate provider;

95.1 (4) include draft consumer dispute forms for commission approval;

95.2 (5) describe the public education meeting plans for affected customers when required
95.3 by the commission;

95.4 (6) provide onetime connection fees and device costs for households eligible for credit
95.5 as defined in section 237.70, subdivision 4a; and

95.6 (7) describe plans to transition or maintain critical government lines for which VOIP
95.7 service is not a reasonable alternative.

95.8 Subd. 3. **Commission process.** The commission must provide for notice and comment
95.9 on the petition for a customer transition plan. The commission must approve, modify, or
95.10 reject a petition filed under this section. The commission may approve a plan under this
95.11 section only if the commission finds that the telephone company or telecommunications
95.12 carrier:

95.13 (1) has met the telephone company's or telecommunications carrier's burden of
95.14 demonstrating to the commission that customers in the affected area have at least one
95.15 alternative provider available to those customers;

95.16 (2) has demonstrated that it will put sufficient resources into assisting customers to
95.17 transition to an alternate provider, including providing onetime connection fees and device
95.18 costs for households eligible for credit as defined in section 237.70, subdivision 4a; and

95.19 (3) has held a public meeting in the affected area and provided written notice of the
95.20 meeting to customers 60 days in advance.

95.21 Subd. 4. **Obligations upon approval.** (a) Upon approval of a petition for a customer
95.22 transition plan under this section, the telephone company or telecommunications carrier
95.23 that proposed the petition must continue to serve an affected customer until (1) the telephone
95.24 company or telecommunications carrier completes the required actions in subdivision 2,
95.25 and (2) any disputes brought before the commission by the customer are resolved.

95.26 (b) Nothing in this section relieves a telephone company or telecommunications carrier
95.27 from their obligations under current law, rule, and commission order for customers for
95.28 whom the commission has not granted approval of a transition plan pursuant to subdivision
95.29 3.

95.30 Subd. 5. **Dispute resolution.** The commission must resolve any dispute over whether a
95.31 location has service available at the rates described in subdivision 1 on an expedited basis
95.32 pursuant to section 237.61, prior to the date service is discontinued. A dispute must be

96.1 submitted at least 90 days prior to the date of service discontinuance and resolved 15 days
96.2 prior to the date of service discontinuation.

96.3 Subd. 6. **Reinstatement of service.** (a) The commission may reinstate existing obligations
96.4 on the telephone company or telecommunications carrier to provide services to customers
96.5 affected by this section:

96.6 (1) on the commission's own initiative; or

96.7 (2) in response to a request for agency action.

96.8 (b) Before acting under this subdivision, the commission must:

96.9 (1) provide notice and conduct a hearing; and

96.10 (2) determine that reinstating any existing obligation to serve is necessary because
96.11 customers lack access to one or more providers.

96.12 (c) The telephone company or telecommunications carrier that would be affected by
96.13 modification or reinstatement of service bears the burden of proof in a proceeding under
96.14 this subdivision.

96.15 Subd. 7. **Local exchange carrier.** Nothing in this section relieves an incumbent local
96.16 exchange carrier, as defined under United States Code, title 47, section 251(h)(1), of the
96.17 incumbent local exchange carrier's existing interconnection obligations or terminates existing
96.18 interconnection agreements in a manner other than according to the terms of the existing
96.19 interconnection agreements or other existing law.

96.20 Subd. 8. **No relinquishment of ETC status.** A petition approved under this section is
96.21 not a relinquishment of any eligible telecommunications carrier designation that has been
96.22 granted to the petitioning telephone company or telecommunications carrier under federal
96.23 and state law.

96.24 **EFFECTIVE DATE.** This section is effective July 1, 2026.

96.25 Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

96.26 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
96.27 with water or other impurities and must comply with ASTM specification ~~D4814-11b~~
96.28 D4814-24a. Gasoline that is not blended with biofuel must also comply with the volatility
96.29 requirements in Code of Federal Regulations, title 40, part 1090.

96.30 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
96.31 a person responsible for the product:

97.1 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
97.2 4;

97.3 (2) shall not blend the gasoline with any oxygenate other than biofuel;

97.4 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
97.5 biofuel;

97.6 (4) shall not blend the gasoline with products commonly and commercially known as
97.7 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
97.8 gasoline; and

97.9 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
97.10 designed to replace tetra-ethyl lead, that is registered by the EPA.

97.11 Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

97.12 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
97.13 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
97.14 5.

97.15 (b) A gasoline-ethanol blend must:

97.16 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
97.17 1090;

97.18 (2) comply with ASTM specification ~~D4814-11b~~ D4814-24a, or the gasoline base stock
97.19 from which a gasoline-ethanol blend was produced must comply with ASTM specification
97.20 ~~D4814-11b~~ D4814-24a; and

97.21 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
97.22 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
97.23 or otherwise removed from a refinery or terminal.

97.24 Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

97.25 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must
97.26 be agriculturally derived and must comply with ASTM specification ~~D4806-11a~~ D4806-21a.
97.27 This includes the requirement that ethanol may be denatured only as specified in Code of
97.28 Federal Regulations, title 27, parts 20 and 21.

98.1 Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

98.2 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for
98.3 the product shall comply with the following requirements:

98.4 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total,
98.5 of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any
98.6 time in this state; and

98.7 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
98.8 paragraph (b) must not be sold or offered for sale in this state.

98.9 (b) The oxygenates prohibited under paragraph (a) are:

98.10 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

98.11 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

98.12 (3) tertiary amyl methyl ether.

98.13 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
98.14 specification ~~D4814-11b~~ D4814-24a. Nonethanol oxygenates must not be blended into
98.15 gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery
98.16 or terminal.

98.17 Sec. 22. Minnesota Statutes 2024, section 239.791, subdivision 11, is amended to read:

98.18 Subd. 11. **Exemption for motor sports racing.** (a) A person responsible for the product
98.19 may offer for sale, sell, or dispense at a public or private racecourse or a retail gasoline
98.20 station, gasoline that is not oxygenated in accordance with subdivision 1 if the gasoline is
98.21 intended to be used exclusively as a fuel for off-highway motor sports racing events.

98.22 (b) No more than one storage tank on the premises of a retail gasoline station may be
98.23 used to store nonoxygenated motor sports racing gasoline that is offered for sale, sold, or
98.24 dispensed at the station. The pump stand at the station must be posted with a permanent,
98.25 conspicuously placed notice in full view of consumers stating: "FOR USE IN
98.26 OFF-HIGHWAY MOTOR SPORTS ENGINES ONLY."

98.27 Sec. 23. **[239.90] RETAIL ELECTRIC VEHICLE SUPPLY EQUIPMENT.**

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

99.1 (b) "Electric vehicle supply equipment" or "EVSE" means a conductor, including an
99.2 ungrounded, grounded, and equipment grounding conductor, electric vehicle connector,
99.3 attachment plug, and other fitting, device, power outlet, or apparatus installed specifically
99.4 to measure, deliver, and compute the price of electrical energy delivered to an electric
99.5 vehicle.

99.6 (c) "Electricity sold as vehicle fuel" means electrical energy transferred to or stored
99.7 onboard an electric vehicle primarily to propel the electric vehicle.

99.8 (d) "Fixed service" means a service that continuously provides the nominal power that
99.9 is possible with the equipment as installed.

99.10 (e) "Nominal power" means the intended, named, or stated, as opposed to the actual,
99.11 rate of electrical energy transfer.

99.12 (f) "Variable service" means a service that may be controlled, resulting in periods of
99.13 reduced or interrupted transfer of electrical energy.

99.14 Subd. 2. **Inspection; fees.** The director must inspect a retail EVSE annually or as often
99.15 as is possible given budgetary and staffing limitations. The director must charge a retail
99.16 EVSE owner a \$100 fee to inspect and test each retail EVSE charging port.

99.17 Subd. 3. **Retail EVSE program account; appropriation.** A retail EVSE program
99.18 account is created in the special revenue fund of the state treasury. The commissioner must
99.19 credit to the account fees collected from inspections under this section and appropriations
99.20 and transfers made to the account. Earnings, including interest, dividends, and any other
99.21 earnings arising from assets of the account, must be credited to the account. Money in the
99.22 account is appropriated to the commissioner to pay for operations of the retail EVSE program.

99.23 Subd. 4. **Method of sale.** (a) Electrical energy kept, offered, or exposed for sale and
99.24 sold at retail as a vehicle fuel must be expressed in kilowatt-hour units.

99.25 (b) In addition to the price per kilowatt-hour for the quantity of electrical energy sold,
99.26 a fee may be assessed for other services. A fee assessed for another service may be a fixed
99.27 fee or may be based on time measurement.

99.28 Subd. 5. **Labeling.** (a) A computing retail EVSE must display the unit price in whole
99.29 cents or tenths of one cent, based on the price per kilowatt-hour. If the electrical energy is
99.30 unlimited or free of charge, the computing retail EVSE must clearly indicate that the electrical
99.31 energy is unlimited or free of charge in lieu of the unit price.

99.32 (b) For a fixed service application, the following information must be conspicuously
99.33 displayed or posted on the face of the device:

100.1 (1) the level of electric vehicle service, expressed as the nominal power transfer; and

100.2 (2) the type of electrical energy transfer.

100.3 (c) If a fee is assessed for other services in direct connection with fueling the vehicle,

100.4 including but not limited to a fee based on time measurement or a fixed fee, the additional

100.5 fee must be displayed.

100.6 (d) A retail EVSE must be labeled in a manner that complies with Federal Trade

100.7 Commissioner labeling requirements for alternative fuels and alternative fueled vehicles,

100.8 Code of Federal Regulations, title 16, part 309.

100.9 (e) A retail EVSE must be listed and labeled in a manner that complies with the National

100.10 Electric Code NFPA 70, Article 625, Electric Vehicle Charging Systems.

100.11 Subd. 6. **Advertising; sign prices.** (a) When a sign or device is used to advertise the

100.12 price of electricity to fuel a vehicle, the price for electrical energy must be expressed in

100.13 price per kilowatt-hour, in whole cents or tenths of one cent. If the electrical energy is

100.14 unlimited or free of charge, the advertising or sign must clearly indicate that the electrical

100.15 energy is unlimited or free of charge in lieu of the unit price.

100.16 (b) If more than one electrical energy unit price may apply over the duration of a single

100.17 transaction or sale to the general public, the terms and conditions that determine each unit

100.18 price and the times each unit price apply must be clearly displayed.

100.19 (c) For a fixed service application, the following information must be conspicuously

100.20 displayed or posted:

100.21 (1) the level of electric vehicle service, expressed as the nominal power transfer; and

100.22 (2) the type of electrical energy transfer.

100.23 (d) For a variable service application, the following information must be conspicuously

100.24 displayed or posted:

100.25 (1) the type of delivery;

100.26 (2) the minimum and maximum power transfer that may occur during a transaction,

100.27 including whether service may be reduced to zero;

100.28 (3) the conditions under which a variation in electrical energy transfer occurs; and

100.29 (4) the type of electrical energy transfer.

101.1 (e) If a fee is assessed for other services in direct connection with the fueling of the
101.2 vehicle, including but not limited to a fee based on time measurement or a fixed fee, the
101.3 additional fee must be included on all street signs or other advertising.

101.4 Subd. 7. **Administrative rulemaking.** For purposes of this section, the commissioner
101.5 may use the expedited rulemaking process under section 14.389 to adopt administrative
101.6 rules that incorporate the 2025 version of NIST Handbook 44 into Minnesota Rules, chapter
101.7 7601.

101.8 Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

101.9 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
101.10 with gasoline, has been agriculturally derived, and complies with ASTM specification
101.11 ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only
101.12 as specified in Code of Federal Regulations, title 27, parts 20 and 21.

101.13 Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

101.14 Subd. 23. **Gasoline.** (a) "Gasoline" means:

101.15 (1) all products commonly or commercially known or sold as gasoline regardless of
101.16 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
101.17 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
101.18 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
101.19 removed from a refinery or terminal; and

101.20 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
101.21 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
101.22 tested by the Weights and Measures Division meets the specifications in ASTM specification
101.23 ~~D4814-11b~~ D4814-24a.

101.24 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
101.25 other impurities and must comply with both ASTM specification ~~D4814-11b~~ D4814-24a
101.26 and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

101.27 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
101.28 a person responsible for the product:

101.29 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
101.30 24;

102.1 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
102.2 derived ethanol;

102.3 (3) must not blend the gasoline with other petroleum products that are not gasoline or
102.4 denatured, agriculturally derived ethanol;

102.5 (4) must not blend the gasoline with products commonly and commercially known as
102.6 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
102.7 gasoline; and

102.8 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
102.9 designed to replace tetra-ethyl lead, that is registered by the EPA.

102.10 Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

102.11 Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with
102.12 nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or
102.13 ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that
102.14 complies with ASTM specification ~~D4814-11b~~ D4814-24a. Oxygenates, other than denatured
102.15 ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or
102.16 otherwise removed from a refinery or terminal.

102.17 Sec. 27. Minnesota Statutes 2024, section 325E.3892, subdivision 1, is amended to read:

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

102.20 (b) "Covered product" means any of the following products or product components:

102.21 (1) jewelry;

102.22 (2) toys;

102.23 (3) cosmetics and personal care products;

102.24 (4) puzzles, board games, card games, and similar games;

102.25 (5) play sets and play structures;

102.26 (6) outdoor games;

102.27 (7) school supplies, except ink pens and mechanical pencils;

102.28 (8) pots and pans;

102.29 (9) cups, bowls, and other food containers;

103.1 (10) craft supplies and jewelry-making supplies;

103.2 (11) chalk, crayons, children's paints, and other art supplies except professional artist
103.3 materials, including but not limited to oil-based paints, water-based paints, paints, pastels,
103.4 pigments, ceramic glazes, markers, and encaustics;

103.5 (12) fidget spinners;

103.6 (13) costumes, costume accessories, and children's and seasonal party supplies;

103.7 (14) keys, key chains, and key rings; and

103.8 (15) clothing, footwear, headwear, and accessories.

103.9 (c) "Pastels" means a crayon composed of powdered pigments bonded with gum or resin.

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

103.11 Sec. 28. Minnesota Statutes 2024, section 325E.3892, subdivision 2, is amended to read:

103.12 Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or
103.13 distribute or offer for use in this state any covered product containing:

103.14 (1) lead at more than 0.009 percent by total weight (90 parts per million); or

103.15 (2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

103.16 (b) This section does not apply to:

103.17 (1) covered products containing lead or cadmium, or both, when regulation is preempted
103.18 by federal law;

103.19 (2) covered products that contain lead only in solder used in internal components if:

103.20 (i) the product is not imported, manufactured, sold, held for sale, distributed, or offered
103.21 for use in this state after July 1, 2028; and

103.22 (ii) the manufacturer of the product submits biennial reports to the commissioner of the
103.23 Pollution Control Agency that explain the barriers to removing lead from the product,
103.24 progress towards adoption of lead-free alternatives, and a timeline to fully adopt a lead-free
103.25 alternative;

103.26 (3) keys that contain lead and are imported, manufactured, sold, held for sale, distributed,
103.27 or offered for use in Minnesota before July 1, 2028;

103.28 (4) keys that contain lead equal to or less than 1.5 percent by total weight and are
103.29 imported, manufactured, sold, held for sale, distributed, or offered for use in Minnesota
103.30 after July 1, 2028; or

104.1 (5) pots and pans, if the pot or pan:

104.2 (i) is made of cast iron or steel;

104.3 (ii) has cadmium contained only in a vitreous enamel that does not come into contact
104.4 with food; and

104.5 (iii) does not contain lead in concentration greater than the limit established in subdivision
104.6 2, paragraph (a).

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

104.8 Sec. 29. Minnesota Statutes 2024, section 325F.072, subdivision 3, is amended to read:

104.9 Subd. 3. **Prohibition.** (a) No person, political subdivision, or state agency shall
104.10 manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this
104.11 state, and no person shall use in this state, class B firefighting foam containing PFAS
104.12 chemicals.

104.13 (b) This subdivision does not apply to the manufacture, sale, distribution, or use of class
104.14 B firefighting foam for which the inclusion of PFAS chemicals is required by federal law,
104.15 including but not limited to Code of Federal Regulations, title 14, section 139.317. If a
104.16 federal requirement to include PFAS chemicals in class B firefighting foam is revoked after
104.17 January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer
104.18 exempt under this paragraph effective one year after the day of revocation.

104.19 (c) This subdivision does not apply to the manufacture, sale, distribution, or use of class
104.20 B firefighting foam for purposes of use at an airport, as defined under section 360.013,
104.21 subdivision 39, until the state fire marshal makes a determination that:

104.22 (1) the Federal Aviation Administration has provided policy guidance on the transition
104.23 to fluorine-free firefighting foam;

104.24 (2) a fluorine-free firefighting foam product is included in the Federal Aviation
104.25 Administration's Qualified Product Database; and

104.26 (3) a firefighting foam product included in the database under clause (2) is commercially
104.27 available in quantities sufficient to reliably meet the requirements under Code of Federal
104.28 Regulations, title 14, part 139.

104.29 (d) Until the state fire marshal makes a determination under paragraph (c), the operator
104.30 of an airport using class B firefighting foam containing PFAS chemicals must, on or before
104.31 December 31 each calendar year, submit a report to the state fire marshal regarding the
104.32 status of the airport's conversion to class B firefighting foam products without intentionally

105.1 added PFAS, the disposal of class B firefighting foam products with intentionally added
105.2 PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

105.3 (e) Until January 1, 2028, this subdivision does not apply to the manufacture, sale,
105.4 distribution, or use of class B firefighting foam for use in fixed firefighting systems in a
105.5 hangar at an airport. The commissioner of the Pollution Control Agency, in consultation
105.6 with the state fire marshal, may issue a hangar operator one-year extensions beyond January
105.7 1, 2028, if the commissioner determines (1) the need for additional time is beyond the
105.8 operator's control, and (2) public safety and the environment is sufficiently protected during
105.9 each extension period.

105.10 Sec. 30. **[325F.677] AVAILABILITY OF WATER AT PLACES OF**
105.11 **ENTERTAINMENT.**

105.12 Subdivision 1. **Definition.** For purposes of this section, "place of entertainment" has the
105.13 meaning given in section 325F.676, subdivision 1, paragraph (h).

105.14 Subd. 2. **Available water requirement.** When a place of entertainment's occupancy
105.15 exceeds 100 attendees and where an attendee must have a ticket in order to access the place
105.16 of entertainment, a place of entertainment must provide attendees with access to potable
105.17 water by:

105.18 (1) providing water at no cost to the attendees;

105.19 (2) allowing attendees to bring factory-sealed bottled water into the place of
105.20 entertainment; or

105.21 (3) allowing attendees to bring an empty water bottle to the place of entertainment and
105.22 providing attendees with access to potable water to fill the bottle. A place of entertainment
105.23 may prohibit certain types and sizes of water bottles in order to protect the safety of others.

105.24 Subd. 3. **Exceptions.** An exhibit, gallery, or presentation space where beverages are
105.25 prohibited is not required to allow water into the exhibit, gallery, or presentation space if
105.26 water is available at no cost in an accessible location outside of the exhibit, gallery, or
105.27 presentation space.

105.28 Sec. 31. Minnesota Statutes 2024, section 325G.24, subdivision 2, is amended to read:

105.29 Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to
105.30 become a member of a club may unilaterally terminate such membership, in the person's
105.31 exclusive discretion, by giving notice of termination at any time.

106.1 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed,
106.2 and postage prepaid.

106.3 (c) A club must not impose a termination fee or any other liability on the member for
106.4 termination under this subdivision.

106.5 (d) Termination under this subdivision is effective at the end of the membership term
106.6 in which the member provides the notice of termination. If membership is at-will without
106.7 a defined membership term, then termination under this subdivision is effective ~~immediately,~~
106.8 ~~unless~~ no later than 30 days after the date of a verified consumer's notice of termination. If
106.9 the member indicates a future effective date of termination, in which event beyond those
106.10 set forth herein, the date indicated by the member is the effective date of termination.

106.11 (e) If a member provides notice of termination at any time before midnight of the third
106.12 business day following the date on which membership was attained, the club must treat the
106.13 notice as a notice of cancellation under subdivision 1, unless the member specifically
106.14 provides for a future termination effective date.

106.15 **EFFECTIVE DATE.** This section is effective July 1, 2025, and applies to contracts
106.16 entered into, modified, or renewed on or after that date.

106.17 Sec. 32. Minnesota Statutes 2024, section 550.136, subdivision 3, is amended to read:

106.18 Subd. 3. **Limitation on levy on earnings.** (a) Unless the judgment is for child support,
106.19 the maximum part of the aggregate disposable earnings of an individual for any pay period
106.20 subjected to an execution levy may not exceed the lesser of:

106.21 (1) 25 percent of the judgment debtor's disposable earnings; or

106.22 (2) the amount by which the judgment debtor's disposable earnings exceed the greater
106.23 of: (i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a),
106.24 clause ~~(3)~~ (4); or (ii) 40 times the federal minimum hourly wages prescribed by section
106.25 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section
106.26 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks
106.27 in the pay period. When a pay period consists of other than a whole number of work weeks,
106.28 each day of that pay period in excess of the number of completed work weeks shall be
106.29 counted as a fraction of a work week equal to the number of excess workdays divided by
106.30 the number of days in the normal work week.

106.31 (b) If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

Execution levies under this section on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(c) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 33. Minnesota Statutes 2024, section 551.06, subdivision 3, is amended to read:

Subd. 3. **Limitation on levy on earnings.** (a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the greater of: (i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a), clause ~~(3)~~ (4); or (ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(b) If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

Execution levies under this section on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(c) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 34. Minnesota Statutes 2024, section 571.922, is amended to read:

571.922 LIMITATION ON WAGE GARNISHMENT.

(a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 80 times the greater of the hourly wage described in paragraph (b);

(2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 60 times, but is less than or equal to 80 times, the greater of the hourly wages described in paragraph (b); or

(3) ten percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 40 times, but is less than or equal to 60 times, the greater of the hourly wages described in paragraph (b).

109.1 (b) The amount by which the debtor's disposable earnings exceed the greater of:

109.2 (i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a),
109.3 clause ~~(3)~~ (4); or

109.4 (ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair
109.5 Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The calculation
109.6 of the amount that is subject to garnishment must be based on the hourly wage in effect at
109.7 the time the earnings are payable, times the number of work weeks in the pay period. When
109.8 a pay period consists of other than a whole number of work weeks, each day of that pay
109.9 period in excess of the number of completed work weeks shall be counted as a fraction of
109.10 a work week equal to the number of excess workdays divided by the number of days in the
109.11 normal work week.

109.12 (c) If the judgment is for child support, the garnishment may not exceed:

109.13 (1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is
109.14 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
109.15 to be calculated to the beginning of the work week in which the execution levy is received);

109.16 (2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is
109.17 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
109.18 to be calculated to the beginning of the work week in which the garnishment summons is
109.19 received);

109.20 (3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not
109.21 supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks
109.22 to be calculated to the beginning of the work week in which the execution levy is received);
109.23 or

109.24 (4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not
109.25 supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks
109.26 to be calculated to the beginning of the work week in which the garnishment summons is
109.27 received).

109.28 Wage garnishments on judgments for child support are effective until the judgments are
109.29 satisfied if the judgment creditor is a county and the employer is notified by the county
109.30 when the judgment is satisfied.

109.31 (d) No court may make, execute, or enforce an order or any process in violation of this
109.32 section.

110.1 Sec. 35. **SECURITIES BROKER-DEALER CONDUCT; EXPEDITED**
110.2 **RULEMAKING.**

110.3 The commissioner of commerce must adopt rules amending Minnesota Rules, part
110.4 2876.5021, to reflect that NASD is now referred to as FINRA and to comply with FINRA's
110.5 new securities broker-dealer conduct rules. The commissioner of commerce may use the
110.6 expedited rulemaking process under Minnesota Statutes, section 14.389, to amend Minnesota
110.7 Rules, part 2876.5021, under this section.

APPENDIX
Article locations for 25-05685

ARTICLE 1 COMMERCE FINANCE..... Page.Ln 2.2

ARTICLE 2 FINANCIAL INSTITUTIONS POLICY..... Page.Ln 7.23

ARTICLE 3 INSURANCE..... Page.Ln 19.1

ARTICLE 4 INSURANCE HOLDING COMPANY SYSTEMS..... Page.Ln 29.25

ARTICLE 5 MEDICARE SUPPLEMENT INSURANCE..... Page.Ln 52.1

ARTICLE 6 REINSURANCE..... Page.Ln 67.1

ARTICLE 7 COMMERCE AND CONSUMER PROTECTION POLICY..... Page.Ln 76.13