

1.1 Senator moves to amend S.F. No. 4365 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1
1.4 COMMERCE FINANCE

1.5 Section 1. HEALTH MAINTENANCE ORGANIZATIONS AND COUNTY-BASED
1.6 PURCHASERS REGULATION; APPROPRIATION.

1.7 \$1,750,000 in fiscal year 2027 is appropriated from the general fund to the commissioner
1.8 of commerce to regulate health maintenance organizations and county-based purchasers.

1.9 Sec. 2. APPROPRIATION REDUCTION.

1.10 The commissioner of management and budget must reduce the Department of Health's
1.11 fiscal year 2027 general fund appropriation by \$1,750,000 and must reduce the Department
1.12 of Health's fiscal year 2027 state government special revenue fund appropriation by
1.13 \$1,836,000 to account for the transfer of health maintenance organization and county-based
1.14 purchaser regulatory responsibilities to the commissioner of commerce. These reductions
1.15 are ongoing.

1.16 ARTICLE 2
1.17 PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL

1.18 Section 1. Minnesota Statutes 2024, section 62J.89, subdivision 1, is amended to read:

1.19 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
1.20 financial or personal association that has the potential to bias or have the appearance of
1.21 biasing a person's decisions in matters related to the board, ~~the advisory council,~~ or in the
1.22 conduct of the board's ~~or council's~~ activities. A conflict of interest includes any instance in
1.23 which a person, a person's immediate family member, including a spouse, parent, child, or
1.24 other legal dependent, or an in-law of any of the preceding individuals, has received or
1.25 could receive a direct or indirect financial benefit of any amount deriving from the result
1.26 or findings of a decision or determination of the board. For purposes of this section, a
1.27 financial benefit includes honoraria, fees, stock, the value of the member's, immediate family
1.28 member's, or in-law's stock holdings, and any direct financial benefit deriving from the
1.29 finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is
1.30 not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange

2.1 traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered
2.2 by an independent trustee.

2.3 Sec. 2. Minnesota Statutes 2024, section 62J.89, subdivision 2, is amended to read:

2.4 Subd. 2. **General.** (a) Prior to the acceptance of an appointment or employment, or prior
2.5 to entering into a contractual agreement, a board ~~or advisory council~~ member, board staff
2.6 member, or third-party contractor must disclose to the appointing authority or the board
2.7 any conflicts of interest. The information disclosed must include the type, nature, and
2.8 magnitude of the interests involved.

2.9 (b) A board member, board staff member, or third-party contractor with a conflict of
2.10 interest with regard to any prescription drug product under review must recuse themselves
2.11 from any discussion, review, decision, or determination made by the board relating to the
2.12 prescription drug product.

2.13 (c) Any conflict of interest must be disclosed in advance of the first meeting after the
2.14 conflict is identified or within five days after the conflict is identified, whichever is earlier.

2.15 Sec. 3. Minnesota Statutes 2024, section 62J.90, subdivision 2, is amended to read:

2.16 Subd. 2. **Identification of certain prescription drug products.** (a) The board, ~~in~~
2.17 ~~consultation with the advisory council, shall~~ must identify selected prescription drug products
2.18 based on the following criteria:

2.19 (1) brand name drugs or biologics for which the WAC increases by more than 15 percent
2.20 or by more than \$3,000 during any 12-month period or course of treatment if less than 12
2.21 months, after adjusting for changes in the consumer price index (CPI);

2.22 (2) brand name drugs or biologics with a WAC of \$60,000 or more per calendar year
2.23 or per course of treatment;

2.24 (3) biosimilar drugs that have a WAC that is not at least 20 percent lower than the
2.25 referenced brand name biologic at the time the biosimilar is introduced; and

2.26 (4) generic drugs for which the WAC:

2.27 (i) is \$100 or more, after adjusting for changes in the CPI, for:

2.28 (A) a 30-day supply;

2.29 (B) a course of treatment lasting less than 30 days; or

3.1 (C) one unit of the drug, if the labeling approved by the Food and Drug Administration
 3.2 does not recommend a finite dosage; and

3.3 (ii) increased by 200 percent or more during the immediate preceding 12-month period,
 3.4 as determined by the difference between the resulting WAC and the average WAC reported
 3.5 over the preceding 12 months, after adjusting for changes in the CPI.

3.6 The board is not required to identify all prescription drug products that meet the criteria in
 3.7 this paragraph.

3.8 (b) The board, in consultation with ~~the advisory council~~ and the commissioner of health,
 3.9 may identify prescription drug products not described in paragraph (a) that may impose
 3.10 costs that create significant affordability challenges for the state health care system or for
 3.11 patients, including but not limited to drugs to address public health emergencies.

3.12 (c) The board shall make available to the public the names and related price information
 3.13 of the prescription drug products identified under this subdivision, with the exception of
 3.14 information determined by the board to be proprietary under the standards developed by
 3.15 the board under section 62J.91, subdivision 3, and information provided by the commissioner
 3.16 of health classified as not public data under section 13.02, subdivision 8a, or as trade secret
 3.17 information under section 13.37, subdivision 1, paragraph (b), or as trade secret information
 3.18 under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as
 3.19 amended.

3.20 **Sec. 4. REPEALER.**

3.21 Minnesota Statutes 2024, sections 62J.86, subdivision 2; and 62J.88, are repealed.

3.22 **ARTICLE 3**

3.23 **NONDEPOSITORY INSTITUTIONS**

3.24 Section 1. Minnesota Statutes 2024, section 47.20, subdivision 1, is amended to read:

3.25 Subdivision 1. **General authority.** Pursuant to rules the commissioner of commerce
 3.26 finds to be necessary and proper, if any, banks, savings banks, and savings associations
 3.27 organized under the laws of this state or the United States, trust companies, trust companies
 3.28 acting as fiduciaries, and other banking institutions subject to the supervision of the
 3.29 commissioner of commerce, including residential mortgage originators and servicers under
 3.30 chapter 58, and mortgagees or lenders approved or certified by the secretary of housing and
 3.31 urban development or approved or certified by the administrator of veterans affairs, or
 3.32 approved or certified by the administrator of the Farmers Home Administration or any

4.1 successor, or approved or certified by the Federal Home Loan Mortgage Corporation, or
4.2 approved or certified by the Federal National Mortgage Association, are authorized:

4.3 (1) to make loans and advances of credit and purchases of obligations representing loans
4.4 and advances of credit which are insured or guaranteed by the secretary of housing and
4.5 urban development pursuant to the National Housing Act, as amended, or the administrator
4.6 of veterans affairs pursuant to the Servicemen's Readjustment Act of 1944, as amended, or
4.7 the administrator of the Farmers Home Administration or any successor pursuant to the
4.8 Consolidated Farm and Rural Development Act, Public Law 87-128, as amended, and to
4.9 obtain the insurance or guarantees;

4.10 (2) to make loans secured by mortgages on real property and loans secured by a share
4.11 or shares of stock or a membership certificate or certificates issued to a stockholder or
4.12 member by a cooperative apartment corporation which the secretary of housing and urban
4.13 development, the administrator of veterans affairs, or the administrator of the Farmers Home
4.14 Administration or any successor has insured or guaranteed or made a commitment to insure
4.15 or guarantee, and to obtain the insurance or guarantees;

4.16 (3) to make, purchase, or participate in such loans and advances of credit; including
4.17 reverse mortgage loans, notwithstanding anything in subdivision 4b, sections 47.58 and
4.18 334.01, and chapter 56 or 58 to the contrary; as would be eligible for purchase, in whole or
4.19 in part, by the Federal National Mortgage Association or the Federal Home Loan Mortgage
4.20 Corporation, but without regard to any limitation placed upon the maximum principal amount
4.21 of an eligible loan; and

4.22 (4) to make, purchase or participate in such loans and advances of credit secured by
4.23 mortgages on real property which are authorized or allowed by the Office of Thrift
4.24 Supervision or the Office of the Comptroller of the Currency, or any successor to these
4.25 federal agencies.

4.26 Sec. 2. Minnesota Statutes 2024, section 47.59, subdivision 1, is amended to read:

4.27 Subdivision 1. **Definitions.** For purposes of this section, the following definitions shall
4.28 apply.

4.29 (a) "Actuarial method" has the meaning given the term in Code of Federal Regulations,
4.30 title 12, part 226, and appendix J thereto.

4.31 (b) "Annual percentage rate" has the meaning given the term in Code of Federal
4.32 Regulations, title 12, part 226, but using the definition of "finance charge" used in this
4.33 section.

5.1 (c) "Borrower" means a debtor under a loan or a purchaser or debtor under a credit sale
5.2 contract.

5.3 (d) "Business purpose" means a purpose other than a personal, family, household, or
5.4 agricultural purpose.

5.5 (e) "Cardholder" means a person to whom a credit card is issued or who has agreed with
5.6 the financial institution to pay obligations arising from the issuance to or use of the card by
5.7 another person.

5.8 (f) "Consumer loan" means a loan made by a financial institution in which:

5.9 (1) the debtor is a person other than an organization;

5.10 (2) the debt is incurred primarily for a personal, family, or household purpose; and

5.11 (3) the debt is payable in installments or a finance charge is made.

5.12 (g) "Credit" means the right granted by a financial institution to a borrower to defer
5.13 payment of a debt, to incur debt and defer its payment, or to purchase property or services
5.14 and defer payment.

5.15 (h) "Credit card" means a card or device issued under an arrangement pursuant to which
5.16 a financial institution gives to a cardholder the privilege of obtaining credit from the financial
5.17 institution or other person in purchasing or leasing property or services, obtaining loans, or
5.18 otherwise. A transaction is "pursuant to a credit card" only if credit is obtained according
5.19 to the terms of the arrangement by transmitting information contained on the card or device
5.20 orally, in writing, by mechanical or electronic methods, or in any other manner. A transaction
5.21 is not "pursuant to a credit card" if the card or device is used solely in that transaction to:

5.22 (1) identify the cardholder or evidence the cardholder's creditworthiness and credit is
5.23 not obtained according to the terms of the arrangement;

5.24 (2) obtain a guarantee of payment from the cardholder's deposit account, whether or not
5.25 the payment results in a credit extension to the cardholder by the financial institution; or

5.26 (3) effect an immediate transfer of funds from the cardholder's deposit account by
5.27 electronic or other means, whether or not the transfer results in a credit extension to the
5.28 cardholder by the financial institution.

5.29 (i) "Credit sale contract" means a contract evidencing a credit sale. "Credit sale" means
5.30 a sale of goods or services, or an interest in land, in which:

5.31 (1) credit is granted by a seller who regularly engages as a seller in credit transactions
5.32 of the same kind; and

6.1 (2) the debt is payable in installments or a finance charge is made.

6.2 (j) "Finance charge" has the meaning given in Code of Federal Regulations, title 12, part
6.3 226, except that the following will not in any event be considered a finance charge:

6.4 (1) a charge as a result of default or delinquency under subdivision 6 if made for actual
6.5 unanticipated late payment, delinquency, default, or other similar occurrence, and a charge
6.6 made for an extension or deferment under subdivision 5, unless the parties agree that these
6.7 charges are finance charges;

6.8 (2) an additional charge under subdivision 6;

6.9 (3) a discount, if a financial institution purchases a loan at less than the face amount of
6.10 the obligation or purchases or satisfies obligations of a cardholder pursuant to a credit card
6.11 and the purchase or satisfaction is made at less than the face amount of the obligation;

6.12 (4) fees paid by a borrower to a broker, provided the financial institution or a person
6.13 described in subdivision 4 does not require use of the broker to obtain credit; or

6.14 (5) a commission, expense reimbursement, or other sum received by a financial institution
6.15 or a person described in subdivision 4 in connection with insurance described in subdivision
6.16 6.

6.17 (k) "Financial institution" means a state or federally chartered bank, a state or federally
6.18 chartered bank and trust, a trust company with banking powers, a state or federally chartered
6.19 saving bank, a state or federally chartered savings association, an industrial loan and thrift
6.20 company organized under chapter 53, a sales finance company organized under chapter
6.21 53C, a regulated lender organized under chapter 56, a mortgage originator or servicer
6.22 licensed under chapter 58, or an operating subsidiary of any such institution.

6.23 (l) "Loan" means:

6.24 (1) the creation of debt by the financial institution's payment of money to the borrower
6.25 or a third person for the account of the borrower;

6.26 (2) the creation of debt pursuant to a credit card in any manner, including a cash advance
6.27 or the financial institution's honoring a draft or similar order for the payment of money
6.28 drawn or accepted by the borrower, paying or agreeing to pay the borrower's obligation, or
6.29 purchasing or otherwise acquiring the borrower's obligation from the obligee or the borrower's
6.30 assignee;

6.31 (3) the creation of debt by a cash advance to a borrower pursuant to an overdraft line of
6.32 credit arrangement;

7.1 (4) the creation of debt by a credit to an account with the financial institution upon which
7.2 the borrower is entitled to draw immediately;

7.3 (5) the forbearance of debt arising from a loan; and

7.4 (6) the creation of debt pursuant to open-end credit.

7.5 "Loan" does not include the forbearance of debt arising from a sale or lease, a credit
7.6 sale contract, or an overdraft from a person's deposit account with a financial institution
7.7 which is not pursuant to a written agreement to pay overdrafts with the right to defer
7.8 repayment thereof.

7.9 (m) "Official fees" means:

7.10 (1) fees and charges which actually are or will be paid to public officials for determining
7.11 the existence of or for perfecting, releasing, terminating, or satisfying a security interest or
7.12 mortgage relating to a loan or credit sale, and any separate fees or charges which actually
7.13 are or will be paid to public officials for recording a notice described in section 580.032,
7.14 subdivision 1; and

7.15 (2) premiums payable for insurance in lieu of perfecting a security interest or mortgage
7.16 otherwise required by a financial institution in connection with a loan or credit sale, if the
7.17 premium does not exceed the fees and charges described in clause (1), which would otherwise
7.18 be payable.

7.19 (n) "Organization" means a corporation, government, government subdivision or agency,
7.20 trust, estate, partnership, joint venture, cooperative, limited liability company, limited
7.21 liability partnership, or association.

7.22 (o) "Person" means a natural person or an organization.

7.23 (p) "Principal" means the total of:

7.24 (1) the amount paid to, received by, or paid or repayable for the account of, the borrower;
7.25 and

7.26 (2) to the extent that payment is deferred:

7.27 (i) the amount actually paid or to be paid by the financial institution for additional charges
7.28 permitted under this section; and

7.29 (ii) prepaid finance charges.

8.1 Sec. 3. Minnesota Statutes 2024, section 47.60, subdivision 1, is amended to read:

8.2 Subdivision 1. **Definitions.** For purposes of this section, the terms defined have the
8.3 meanings given them:

8.4 (a) "Consumer small loan" is a loan transaction in which cash is advanced to a borrower
8.5 for the borrower's own personal, family, or household purpose. A consumer small loan is
8.6 a short-term, unsecured loan to be repaid in a single installment. The cash advance of a
8.7 consumer small loan is equal to or less than \$350. A consumer small loan includes an
8.8 indebtedness evidenced by but not limited to a promissory note or agreement to defer the
8.9 presentation of a personal check for a fee.

8.10 (b) "Consumer small loan lender" is a financial institution as defined in section 47.59
8.11 or a business entity registered with the commissioner and engaged in the business of making
8.12 or arranging consumer small loans. For purposes of this paragraph, arranging a consumer
8.13 small loan includes but is not limited to any substantial involvement to facilitate, market,
8.14 generate leads for, underwrite, or collect a consumer small loan.

8.15 (c) "Annual percentage rate" means a measure of the cost of credit, expressed as a yearly
8.16 rate, that relates the amount and timing of value received by the consumer to the amount
8.17 and timing of payments made. Annual percentage rate includes all interest, finance charges,
8.18 and fees. The annual percentage rate must be determined in accordance with either the
8.19 actuarial method or the United States Rule method.

8.20 Sec. 4. Minnesota Statutes 2024, section 53.04, subdivision 3a, is amended to read:

8.21 Subd. 3a. **Loans.** (a) The right to make loans, secured or unsecured, at the rates and on
8.22 the terms and other conditions permitted under chapters 47 and 334. Loans made under this
8.23 authority must be in amounts in compliance with section 53.05, clause (7). A licensee making
8.24 a loan under this chapter secured by a lien on real estate shall comply with the requirements
8.25 of section 47.20, subdivision 8. A licensee making a loan that is a consumer small loan, as
8.26 defined in section 47.60, subdivision 1, paragraph (a), must comply with section 47.60. A
8.27 licensee making a loan that is a consumer short-term loan, as defined in section 47.601,
8.28 subdivision 1, paragraph ~~(d)~~ (e), must comply with section 47.601.

8.29 (b) Loans made under this subdivision may be secured by real or personal property, or
8.30 both. If the proceeds of a loan secured by a first lien on the borrower's primary residence
8.31 are used to finance the purchase of the borrower's primary residence, the loan must comply
8.32 with the provisions of section 47.20.

9.1 (c) An agency or instrumentality of the United States government or a corporation
9.2 otherwise created by an act of the United States Congress or a lender approved or certified
9.3 by the secretary of housing and urban development, or approved or certified by the
9.4 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
9.5 Home Administration, or approved or certified by the Federal Home Loan Mortgage
9.6 Corporation, or approved or certified by the Federal National Mortgage Association, that
9.7 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
9.8 direct collection of payments from or enforcement of rights against borrowers arising from
9.9 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
9.10 order to purchase or take assignments of mortgage loans from persons holding a certificate
9.11 of authorization under this chapter.

9.12 (d) This subdivision does not authorize an industrial loan and thrift company to make
9.13 loans under an overdraft checking plan.

9.14 Sec. 5. Minnesota Statutes 2024, section 53B.74, is amended to read:

9.15 **53B.74 VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL**
9.16 **REQUIREMENTS.**

9.17 (a) A licensee engaged in virtual currency business activities ~~may include virtual currency~~
9.18 ~~in the licensee's calculation of tangible net worth, by measuring the average value of the~~
9.19 ~~virtual currency in United States dollar equivalent over the prior six months, excluding~~
9.20 ~~control of virtual currency for a person entitled to the protections under section 53B.73. is~~
9.21 not required to subtract virtual currency from total assets in the licensee's calculation of
9.22 tangible net worth if:

9.23 (1) the licensee's day-to-day business includes incurring obligations to customers
9.24 denominated in the virtual currency;

9.25 (2) the virtual currency asset has a corresponding liability denominated in the virtual
9.26 currency;

9.27 (3) the virtual currency is unencumbered; and

9.28 (4) the virtual currency assets that are not subtracted from total assets are limited to the
9.29 virtual currency assets that have a corresponding liability denominated in the same virtual
9.30 currency.

9.31 (b) A licensee must maintain, for all virtual-currency business activity with or on behalf
9.32 of a person five years after the date of the activity, a record of:

10.1 (1) each of the licensee's transactions with or on behalf of the person, or for the licensee's
10.2 account in Minnesota, including:

10.3 (i) the identity of the person;

10.4 (ii) the form of the transaction;

10.5 (iii) the amount, date, and payment instructions given by the person; and

10.6 (iv) the account number, name, and United States Postal Service address of the person,
10.7 and, to the extent feasible, other parties to the transaction;

10.8 (2) the aggregate number of transactions and aggregate value of transactions by the
10.9 licensee with or on behalf of the person and for the licensee's account in this state, expressed
10.10 in the United States dollar equivalent of the virtual currency for the previous 12 calendar
10.11 months;

10.12 (3) each transaction in which the licensee exchanges one form of virtual currency for
10.13 money or another form of virtual currency with or on behalf of the person;

10.14 (4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities,
10.15 capital, income, and expenses;

10.16 (5) each business-call report the licensee is required to create or provide to the department
10.17 or NMLS;

10.18 (6) bank statements and bank reconciliation records for the licensee and the name,
10.19 account number, and United States Postal Service address of each bank the licensee uses
10.20 to conduct virtual-currency business activity with or on behalf of the person;

10.21 (7) a report of any dispute with the person; and

10.22 (8) a report of any virtual-currency business activity transaction with or on behalf of a
10.23 person which the licensee was unable to complete.

10.24 (c) A licensee must maintain records required by paragraph (b) in a form that enables
10.25 the commissioner to determine whether the licensee is in compliance with this chapter, any
10.26 court order, and law of Minnesota other than this chapter.

10.27 Sec. 6. Minnesota Statutes 2024, section 53C.09, subdivision 4, is amended to read:

10.28 Subd. 4. **Other law may apply.** In lieu of this section and sections 53C.01, subdivisions
10.29 2, 4, and 13; 53C.08; 53C.10; and 53C.11, a retail seller or sales finance company may
10.30 proceed under section 47.59 ~~relating to credit sales made by a third party~~, subdivisions 4,
10.31 4a, and 6. In cases where the retail seller or sales finance company proceeds under section

11.1 47.59, the remaining provisions of sections 53C.01 to 53C.14 apply notwithstanding section
11.2 47.59.

11.3 Sec. 7. Minnesota Statutes 2024, section 56.002, is amended to read:

11.4 **56.002 APPLICATION.**

11.5 This chapter does not apply to a person doing business under and as permitted by any
11.6 law of this state or of the United States relating to banks, savings associations, trust
11.7 companies, licensed pawnbrokers, a residential mortgage originator or servicer licensed
11.8 under chapter 58 that offers residential mortgage origination services or residential mortgage
11.9 servicing, or credit unions. Notwithstanding the provisions of section 56.01, an industrial
11.10 loan and thrift company under chapter 53 may contract for and receive the charges, including
11.11 those in section 56.155, authorized by this chapter without being licensed pursuant to this
11.12 chapter, but shall comply with all other provisions of this chapter when contracting for or
11.13 receiving charges on loans regulated by this chapter.

11.14 Sec. 8. Minnesota Statutes 2024, section 56.01, is amended to read:

11.15 **56.01 NECESSITY OF LICENSE.**

11.16 (a) Except as authorized by this chapter and without first obtaining a license from the
11.17 commissioner, no person shall engage in the business of making loans of money, credit,
11.18 goods, or things in action, in an amount or of a value not exceeding that specified in section
11.19 56.131, subdivision 1, and charge, contract for, or receive on the loan a greater rate of
11.20 interest, discount, or consideration than the lender would be permitted by law to charge if
11.21 not a licensee under this chapter. A person must obtain a license from the commissioner
11.22 under this chapter before arranging a consumer short-term loan under section 47.601.

11.23 (b) An agency or instrumentality of the United States government or a corporation
11.24 otherwise created by an act of the United States Congress or a lender approved or certified
11.25 by the secretary of housing and urban development, or approved or certified by the
11.26 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
11.27 Home Administration, or approved or certified by the Federal Home Loan Mortgage
11.28 Corporation, or approved or certified by the Federal National Mortgage Association, that
11.29 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
11.30 direct collection of payments from or enforcement of rights against borrowers arising from
11.31 mortgage loans, is not required to be licensed under this chapter in order to purchase or take
11.32 assignments of mortgage loans from licensees under this chapter.

12.1 Sec. 9. Minnesota Statutes 2024, section 56.05, is amended to read:

12.2 **56.05 LICENSE; TO BE POSTED.**

12.3 (a) The license shall state the address at which the business is to be conducted and shall
12.4 state fully the name of the licensee, and if the licensee is a copartnership or association, the
12.5 names of the members thereof, and if a corporation, the date and place of its incorporation.

12.6 (b) The license shall be kept conspicuously posted in the place of business of the licensee,
12.7 and shall not be transferable or assignable. For a licensee that offers service via the Internet,
12.8 the license number must be clearly displayed on each web page or other document required
12.9 by an order issued by the commissioner.

12.10 Sec. 10. Minnesota Statutes 2024, section 58.06, subdivision 2, is amended to read:

12.11 Subd. 2. **Application contents.** (a) The application must contain the name and complete
12.12 business address or addresses of the license applicant. The license applicant must be a
12.13 partnership, limited liability partnership, association, limited liability company, corporation,
12.14 or other form of business organization, and the application must contain the names and
12.15 complete business addresses of each partner, member, director, and principal officer. The
12.16 application must also include a description of the activities of the license applicant, in the
12.17 detail and for the periods the commissioner may require.

12.18 (b) ~~A residential mortgage originator~~ An applicant must submit a surety bond that meets
12.19 the requirements of section 58.08, subdivision 1a.

12.20 (c) The application must also include all of the following:

12.21 (1) an affirmation under oath that the applicant:

12.22 (i) is in compliance with the requirements of section 58.125;

12.23 (ii) will advise the commissioner of any material changes to the information submitted
12.24 in the most recent application within ten days of the change;

12.25 (iii) will advise the commissioner in writing immediately of any bankruptcy petitions
12.26 filed against or by the applicant or licensee;

12.27 (iv) will maintain at all times a surety bond in the amount of at least ~~\$100,000~~ \$125,000;

12.28 (v) complies with federal and state tax laws; and

12.29 (vi) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law;

12.30 (2) information as to the mortgage lending, servicing, or brokering experience of the
12.31 applicant and persons in control of the applicant;

13.1 (3) information as to criminal convictions, excluding traffic violations, of persons in
13.2 control of the license applicant;

13.3 (4) whether a court of competent jurisdiction has found that the applicant or persons in
13.4 control of the applicant have engaged in conduct evidencing gross negligence, fraud,
13.5 misrepresentation, or deceit in performing an act for which a license is required under this
13.6 chapter;

13.7 (5) whether the applicant or persons in control of the applicant have been the subject of:
13.8 an order of suspension or revocation, cease and desist order, or injunctive order, or order
13.9 barring involvement in an industry or profession issued by this or another state or federal
13.10 regulatory agency or by the Secretary of Housing and Urban Development within the ten-year
13.11 period immediately preceding submission of the application; and

13.12 (6) other information required by the commissioner.

13.13 Sec. 11. Minnesota Statutes 2024, section 58B.051, is amended to read:

13.14 **58B.051 REGISTRATION FOR LENDERS.**

13.15 (a) Beginning January 1, 2025, a lender must register with the commissioner as a lender
13.16 before providing services in Minnesota. A lender must not offer or make a student loan to
13.17 a resident of Minnesota without first registering with the commissioner as provided in this
13.18 section.

13.19 (b) A registration application must include:

13.20 (1) the lender's name;

13.21 (2) the lender's address;

13.22 (3) the names of all officers, directors, owners, or other persons in control of an applicant,
13.23 as defined in section 58B.02, subdivision 6; and

13.24 (4) any other information the commissioner requires ~~by rule~~.

13.25 (c) Registration issued or renewed expires December 31 of each year. A lender must
13.26 renew the lender's registration on an annual basis.

13.27 (d) The commissioner may adopt and enforce:

13.28 (1) registration procedures for lenders, which may include using the Nationwide
13.29 Multistate Licensing System and Registry;

13.30 (2) nonrefundable registration fees for lenders, which may include fees for using the
13.31 Nationwide Multistate Licensing System and Registry, to be paid directly by the lender;

14.1 (3) procedures and nonrefundable fees to renew a lender's registration, which may include
14.2 fees for the renewed use of Nationwide Multistate Licensing System and Registry, to be
14.3 paid directly by the lender; and

14.4 (4) alternate registration procedures and nonrefundable fees for postsecondary education
14.5 institutions that offer student loans.

14.6 Sec. 12. Minnesota Statutes 2024, section 332.52, subdivision 3, is amended to read:

14.7 Subd. 3. **Credit services organization.** (a) "Credit services organization" means any
14.8 person that, with respect to the extension of credit by others, sells, provides, performs, or
14.9 represents that the person will sell, provide, or perform, in return for the payment of money
14.10 or other valuable consideration, any of the following services:

14.11 (1) improve a buyer's credit record, history, or rating;

14.12 (2) obtain an extension of credit for a buyer; or

14.13 (3) provide advice or assistance to a buyer with regard to either clause (1) or (2).

14.14 (b) "Credit services organization" does not include:

14.15 (1) any person authorized to make loans or extensions of credit under the laws of this
14.16 state or the United States, if the person is subject to regulation and supervision by this state
14.17 or the United States or a lender approved by the United States Secretary of Housing and
14.18 Urban Development for participation in any mortgage insurance program under the National
14.19 Housing Act, United States Code, title 12, section 1701 et seq.;

14.20 (2) any bank, savings bank, or savings and loan institution whose deposits or accounts
14.21 are eligible for insurance by the Federal Deposit Insurance Corporation or a subsidiary of
14.22 the bank, savings bank, or savings and loan institution;

14.23 (3) any credit union, federal credit union, or out-of-state credit union doing business in
14.24 this state;

14.25 (4) any nonprofit organization exempt from taxation under section 501(c)(3) of the
14.26 Internal Revenue Code of 1986, as amended through December 31, 1990;

14.27 (5) any person ~~licensed as a prorating agency~~ registered as a debt management services
14.28 provider or debt settlement services provider under the laws of this state, if the person is
14.29 acting within the course and scope of ~~that license~~ the applicable registration;

14.30 (6) any person licensed as a real estate broker by this state if the person is acting within
14.31 the course and scope of that license;

15.1 (7) any person licensed as a collection agency under the laws of this state if the person
15.2 is acting within the course and scope of that license;

15.3 (8) any person licensed to practice law in this state if the person renders services within
15.4 the course and scope of practice as an attorney;

15.5 (9) any broker-dealer registered with the Securities and Exchange Commission or the
15.6 Commodity Futures Trading Commission if the broker-dealer is acting within the course
15.7 and scope of that regulation; or

15.8 (10) any consumer reporting agency as defined in the federal Fair Credit Reporting Act,
15.9 United States Code, title 15, sections 1681 to 1681t, as amended through December 31,
15.10 1990.

15.11 Sec. 13. Minnesota Statutes 2024, section 332A.04, subdivision 1, is amended to read:

15.12 Subdivision 1. **Form.** Application for registration to operate as a debt management
15.13 services provider in this state must be made in writing to the commissioner, under oath, in
15.14 the form prescribed by the commissioner, and must contain:

15.15 (1) the full name of each principal of the entity applying;

15.16 (2) the address, which must not be a post office box, and the telephone number and, if
15.17 applicable, email address, of the applicant;

15.18 (3) identification of the trust account required under section 332A.13;

15.19 (4) consent to the jurisdiction of the courts of this state;

15.20 (5) the name and address of the registered agent authorized to accept service of process
15.21 on behalf of the applicant or appointment of the commissioner as the applicant's agent for
15.22 purposes of accepting service of process;

15.23 (6) disclosure of:

15.24 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
15.25 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
15.26 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
15.27 other similar offense or violation, or any violation of a federal or state law or regulation in
15.28 connection with activities relating to the rendition of debt management services or involving
15.29 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
15.30 protection law;

16.1 (ii) any judgments, private or public litigation, tax liens, written complaints, administrative
16.2 actions, or investigations by any government agency against the applicant or any officer,
16.3 director, manager, or shareholder owning more than five percent interest in the applicant,
16.4 unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

16.5 (iii) whether the applicant or any person employed by the applicant has had a record of
16.6 having defaulted in the payment of money collected for others, including the discharge of
16.7 debts through bankruptcy proceedings; and

16.8 (iv) whether the applicant's license or registration to provide debt management services
16.9 in any other state has ever been revoked or suspended;

16.10 (7) a copy of the applicant's standard debt management services agreement that the
16.11 applicant intends to execute with debtors; and

16.12 ~~(8) proof of accreditation, unless the applicant was licensed in Minnesota as a debt~~
16.13 ~~prorater immediately before August 1, 2007; and~~

16.14 ~~(9)~~ (8) any other information and material as the commissioner may require.

16.15 The commissioner may, for good cause shown, temporarily waive any requirement of
16.16 this subdivision.

16.17 Sec. 14. Minnesota Statutes 2024, section 332B.04, subdivision 1, is amended to read:

16.18 Subdivision 1. **Form.** Application for registration to operate as a debt settlement services
16.19 provider in this state must be made in writing to the commissioner, under oath, in the form
16.20 prescribed by the commissioner, and must contain:

16.21 (1) the full name of each principal of the entity applying;

16.22 (2) the address, which must not be a post office box, and the telephone number and, if
16.23 applicable, email address of the applicant;

16.24 (3) consent to the jurisdiction of the courts of this state;

16.25 (4) the name and address of the registered agent authorized to accept service of process
16.26 on behalf of the applicant or appointment of the commissioner as the applicant's agent for
16.27 purposes of accepting service of process;

16.28 (5) disclosure of:

16.29 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
16.30 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
16.31 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any

17.1 other similar offense or violation, or any violation of a federal or state law or regulation in
 17.2 connection with activities relating to the rendition of debt settlement services or involving
 17.3 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
 17.4 protection law;

17.5 (ii) any judgments, private or public litigation, tax liens, written complaints, administrative
 17.6 actions, or investigations by any government agency against the applicant or any officer,
 17.7 director, manager, or shareholder owning more than five percent interest in the applicant,
 17.8 unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

17.9 (iii) whether the applicant or any person employed by the applicant has had a record of
 17.10 having defaulted in the payment of money collected for others, including the discharge of
 17.11 debts through bankruptcy proceedings; and

17.12 (iv) whether the applicant's license or registration to provide debt settlement services in
 17.13 any other state has ever been revoked or suspended;

17.14 (6) a copy of the applicant's standard debt settlement services agreement that the applicant
 17.15 intends to execute with debtors; and

17.16 ~~(7) proof of accreditation, unless the applicant submits an affidavit attesting that the~~
 17.17 ~~applicant does not provide credit counseling services; and~~

17.18 ~~(8)~~ (7) any other information and material as the commissioner may require.

17.19 The commissioner may, for good cause shown, temporarily waive any requirement of
 17.20 this subdivision.

17.21 Sec. 15. **REPEALER.**

17.22 Minnesota Statutes 2024, sections 56.08; 332A.02, subdivision 2; and 332B.02,
 17.23 subdivision 2, are repealed.

17.24 **ARTICLE 4**

17.25 **HEALTH PLAN REGULATORY ALIGNMENT**

17.26 Section 1. **[60A.071] SUBSTANTIAL ENROLLMENT GROWTH; NOTIFICATION.**

17.27 Subdivision 1. **Notice required.** (a) No later than April 15 each year, an insurance
 17.28 company that issues health plans, as defined in section 62A.011, and is licensed under this
 17.29 chapter to offer, sell, or issue a policy of accident and sickness insurance, as defined in
 17.30 section 62A.01, subdivision 1, or that is a nonprofit health service plan corporation operating
 17.31 under chapter 62C must notify the commissioner if, for an insurance company or nonprofit

18.1 health service plan corporation with at least 25,000 enrollees, the insurance company or
18.2 nonprofit health service plan corporation:

18.3 (1) increases the total number of enrollees, as of April 1 in the current calendar year, by
18.4 more than 35 percent of the insurance company's or nonprofit health service plan corporation's
18.5 total number of enrollees for the immediately preceding calendar year; or

18.6 (2) increases the total number of enrollees in a specific line of business or product by a
18.7 percentage that is greater than the percentage of growth threshold established by the
18.8 commissioner for the specific line of business or product.

18.9 (b) For purposes of this section, the number of enrollees must be calculated in a manner
18.10 consistent with the insurance company or nonprofit health service plan corporation's reported
18.11 covered lives in the company's National Association of Insurance Commissioners Annual
18.12 Statement.

18.13 Subd. 2. **Additional information.** (a) Upon receiving notice under subdivision 1, the
18.14 commissioner may request and the insurance company or nonprofit health service plan
18.15 corporation must provide additional information regarding the insurance company's or
18.16 nonprofit health service plan corporation's financial readiness to serve the increased
18.17 enrollment. The additional information requested may include but is not limited to:

18.18 (1) the conditions contributing to the insurance company's or nonprofit health service
18.19 plan corporation's enrollment growth;

18.20 (2) a three-year projected statutory balance sheet, income statements, and cash flow
18.21 statements for the current year and the subsequent two years;

18.22 (3) the key assumptions impacting the projections and the sensitivity of the projections
18.23 to the assumptions; and

18.24 (4) a description of anticipated issues associated with the insurance company's or
18.25 nonprofit health service plan corporation's business, including but not limited to (i) assets,
18.26 (ii) anticipated business growth and associated surplus strain, (iii) significant change in risk
18.27 profile, (iv) mix of business, and (v) reinsurance use, if any, in each case.

18.28 (b) If the information reported under paragraph (a) raises a concern with respect to an
18.29 insurance company's or nonprofit health service plan corporation's business on a prospective
18.30 basis due to anticipated business growth, including but not limited to anticipated business
18.31 growth, strain on surplus, increased exposure to risk, or an imbalanced mix of business, the
18.32 commissioner may issue a corrective order specifying corrective actions the commissioner

19.1 determines are required. A corrective order issued under this paragraph is subject to review
19.2 under chapter 14.

19.3 Sec. 2. Minnesota Statutes 2024, section 60A.50, subdivision 1, is amended to read:

19.4 Subdivision 1. **Scope.** For purposes of sections 60A.50 to ~~60A.592~~ 60A.593, the terms
19.5 in subdivisions 2 to 13 have the meanings given ~~them~~.

19.6 Sec. 3. Minnesota Statutes 2024, section 60A.50, subdivision 3, is amended to read:

19.7 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce ~~or the~~
19.8 ~~commissioner of health, whichever commissioner otherwise regulates the health organization.~~

19.9 Sec. 4. **[60A.593] PROHIBITED ACTIVITIES.**

19.10 A domestic health organization that has a total adjusted capital equal to or less than the
19.11 domestic health organization's company action level RBC is prohibited from, without
19.12 receiving advance approval from the commissioner: (1) increasing the salary or benefits of
19.13 an officer or director, or (2) making preferential payment of bonuses, dividends, or other
19.14 payments the commissioner determines are preferential.

19.15 Sec. 5. Minnesota Statutes 2024, section 60A.951, subdivision 3, is amended to read:

19.16 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce ~~for~~
19.17 ~~insurers regulated by the commissioner of commerce, and means the commissioner of health~~
19.18 ~~for insurers regulated by the commissioner of health.~~

19.19 Sec. 6. Minnesota Statutes 2024, section 60A.985, subdivision 8, is amended to read:

19.20 Subd. 8. **Licensee.** "Licensee" means any person licensed, authorized to operate, or
19.21 registered, or required to be licensed, authorized, or registered by the Department of
19.22 Commerce ~~or the Department of Health~~ under chapters 59A to 62M, 62Q to 62V, and 64B
19.23 to 79A.

19.24 Sec. 7. Minnesota Statutes 2024, section 60A.9853, subdivision 1, is amended to read:

19.25 Subdivision 1. **Notification to the commissioner.** Each licensee shall notify the
19.26 commissioner of commerce ~~or commissioner of health, whichever commissioner otherwise~~
19.27 ~~regulates the licensee~~, without unreasonable delay but in no event later than five business
19.28 days from a determination that a cybersecurity event has occurred when either of the
19.29 following criteria has been met:

20.1 (1) this state is the licensee's state of domicile, in the case of an insurer, or this state is
 20.2 the licensee's home state, in the case of a producer, as those terms are defined in chapter
 20.3 60K and the cybersecurity event has a reasonable likelihood of materially harming:

20.4 (i) any consumer residing in this state; or

20.5 (ii) any part of the normal operations of the licensee; or

20.6 (2) the licensee reasonably believes that the nonpublic information involved is of 250
 20.7 or more consumers residing in this state and that is either of the following:

20.8 (i) a cybersecurity event impacting the licensee of which notice is required to be provided
 20.9 to any government body, self-regulatory agency, or any other supervisory body pursuant
 20.10 to any state or federal law; or

20.11 (ii) a cybersecurity event that has a reasonable likelihood of materially harming:

20.12 (A) any consumer residing in this state; or

20.13 (B) any part of the normal operations of the licensee.

20.14 Sec. 8. Minnesota Statutes 2024, section 60A.9854, is amended to read:

20.15 **60A.9854 POWER OF COMMISSIONER.**

20.16 (a) The commissioner of commerce ~~or commissioner of health, whichever commissioner~~
 20.17 ~~otherwise regulates the licensee, shall have~~ has power to examine and investigate into the
 20.18 affairs of any licensee to determine whether the licensee has been or is engaged in any
 20.19 conduct in violation of sections 60A.985 to 60A.9857. This power is in addition to the
 20.20 powers which the commissioner has under section 60A.031. Any such investigation or
 20.21 examination shall be conducted pursuant to section 60A.031.

20.22 (b) Whenever the commissioner of commerce ~~or commissioner of health~~ has reason to
 20.23 believe that a licensee has been or is engaged in conduct in this state which violates sections
 20.24 60A.985 to 60A.9857, the commissioner of commerce ~~or commissioner of health~~ may take
 20.25 action that is necessary or appropriate to enforce those sections.

20.26 Sec. 9. Minnesota Statutes 2024, section 60B.03, subdivision 2, is amended to read:

20.27 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce ~~of the~~
 20.28 ~~state of Minnesota~~ and, in that commissioner's absence or disability, a deputy or other person
 20.29 duly designated to act in that commissioner's place. ~~In the context of rehabilitation or~~
 20.30 ~~liquidation of a health maintenance organization, "commissioner" means the commissioner~~

21.1 ~~of health of the state of Minnesota and, in that commissioner's absence or disability, a deputy~~
21.2 ~~or other person duly designated to act in that commissioner's place.~~

21.3 Sec. 10. Minnesota Statutes 2024, section 60G.01, subdivision 2, is amended to read:

21.4 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce, ~~except~~
21.5 ~~that "commissioner" means the commissioner of health for administrative supervision of~~
21.6 ~~health maintenance organizations.~~

21.7 Sec. 11. Minnesota Statutes 2024, section 60G.01, subdivision 4, is amended to read:

21.8 Subd. 4. **Department.** "Department" means the Department of Commerce, ~~except that~~
21.9 ~~"department" means the Department of Health for administrative supervision of health~~
21.10 ~~maintenance organizations.~~

21.11 Sec. 12. Minnesota Statutes 2024, section 62A.02, subdivision 8, is amended to read:

21.12 Subd. 8. **Filing by health carriers for purposes of complying with the certification**
21.13 **requirements of MNsure.** No qualified health plan shall be offered through MNsure until
21.14 its form and the premium rates pertaining to the form have been approved by the
21.15 commissioner of commerce ~~or health, as appropriate,~~ and the health plan has been determined
21.16 to comply with the certification requirements of MNsure in accordance with an agreement
21.17 between the commissioners of commerce and health and MNsure.

21.18 Sec. 13. Minnesota Statutes 2024, section 62A.021, subdivision 1, is amended to read:

21.19 Subdivision 1. **Loss ratio standards.** (a) Notwithstanding section 62A.02, subdivision
21.20 3, relating to loss ratios, and except as otherwise authorized by section 62A.02, subdivision
21.21 3a, for individual policies or certificates, health care policies or certificates shall not be
21.22 delivered or issued for delivery to an individual or to a small employer as defined in section
21.23 62L.02, unless the policies or certificates can be expected, as estimated for the entire period
21.24 for which rates are computed to provide coverage, to return to Minnesota policyholders and
21.25 certificate holders in the form of aggregate benefits not including anticipated refunds or
21.26 credits, provided under the policies or certificates, (1) at least 75 percent of the aggregate
21.27 amount of premiums earned in the case of policies issued in the small employer market, as
21.28 defined in section 62L.02, subdivision 27, calculated on an aggregate basis; and (2) at least
21.29 65 percent of the aggregate amount of premiums earned in the case of each policy form or
21.30 certificate form issued in the individual market; calculated on the basis of incurred claims
21.31 experience or incurred health care expenses where coverage is provided by a health

22.1 maintenance organization on a service rather than reimbursement basis and earned premiums
22.2 for the period and according to accepted actuarial principles and practices. Assessments by
22.3 the reinsurance association created in chapter 62L and all types of taxes, surcharges, or
22.4 assessments created by Laws 1992, chapter 549, or created on or after April 23, 1992, are
22.5 included in the calculation of incurred claims experience or incurred health care expenses.
22.6 The applicable percentage for policies and certificates issued in the small employer market,
22.7 as defined in section 62L.02, increases by one percentage point on July 1 of each year,
22.8 beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The
22.9 applicable percentage for policy forms and certificate forms issued in the individual market
22.10 increases by one percentage point on July 1 of each year, beginning on July 1, 1994, until
22.11 a 72 percent loss ratio is reached on July 1, 2000. A health carrier that enters a market after
22.12 July 1, 1993, does not start at the beginning of the phase-in schedule and must instead
22.13 comply with the loss ratio requirements applicable to other health carriers in that market
22.14 for each time period. Premiums earned and claims incurred in markets other than the small
22.15 employer and individual markets are not relevant for purposes of this section.

22.16 (b) All filings of rates and rating schedules shall demonstrate that actual expected claims
22.17 in relation to premiums comply with the requirements of this section when combined with
22.18 actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated
22.19 loss ratio over the entire future period for which the revised rates are computed to provide
22.20 coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss
22.21 ratio from inception of the policy form or certificate form shall equal or exceed the
22.22 appropriate loss ratio standards.

22.23 (c) A health carrier that issues health care policies and certificates to individuals or to
22.24 small employers, as defined in section 62L.02, in this state shall file annually its rates, rating
22.25 schedule, and supporting documentation including ratios of incurred losses to earned
22.26 premiums by policy form or certificate form duration for approval by the commissioner
22.27 according to the filing requirements and procedures prescribed by the commissioner. The
22.28 supporting documentation shall also demonstrate in accordance with actuarial standards of
22.29 practice using reasonable assumptions that the appropriate loss ratio standards can be
22.30 expected to be met over the entire period for which rates are computed. The demonstration
22.31 shall exclude active life reserves. If the data submitted does not confirm that the health
22.32 carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify
22.33 the health carrier in writing of the deficiency. The health carrier shall have 30 days from
22.34 the date of the commissioner's notice to file amended rates that comply with this section.
22.35 If the health carrier fails to file amended rates within the prescribed time, the commissioner

23.1 shall order that the health carrier's filed rates for the nonconforming policy form or certificate
23.2 form be reduced to an amount that would have resulted in a loss ratio that complied with
23.3 this section had it been in effect for the reporting period of the supplement. The health
23.4 carrier's failure to file amended rates within the specified time or the issuance of the
23.5 commissioner's order amending the rates does not preclude the health carrier from filing an
23.6 amendment of its rates at a later time. The commissioner shall annually make the submitted
23.7 data available to the public at a cost not to exceed the cost of copying. The data must be
23.8 compiled in a form useful for consumers who wish to compare premium charges and loss
23.9 ratios.

23.10 (d) Each sale of a policy or certificate that does not comply with the loss ratio
23.11 requirements of this section is an unfair or deceptive act or practice in the business of
23.12 insurance and is subject to the penalties in sections 72A.17 to 72A.32.

23.13 (e)(1) For purposes of this section, health care policies issued as a result of solicitations
23.14 of individuals through the mail or mass media advertising, including both print and broadcast
23.15 advertising, shall be treated as individual policies.

23.16 (2) For purposes of this section, (i) "health care policy" or "health care certificate" is a
23.17 health plan as defined in section 62A.011; and (ii) "health carrier" has the meaning given
23.18 in section 62A.011 and includes all health carriers delivering or issuing for delivery health
23.19 care policies or certificates in this state or offering these policies or certificates to residents
23.20 of this state.

23.21 (f) The loss ratio phase-in as described in paragraph (a) does not apply to individual
23.22 policies and small employer policies issued by a health plan company that is assessed less
23.23 than three percent of the total annual amount assessed by the Minnesota Comprehensive
23.24 Health Association. These policies must meet a 68 percent loss ratio for individual policies,
23.25 a 71 percent loss ratio for small employer policies with fewer than ten employees, and a 75
23.26 percent loss ratio for all other small employer policies.

23.27 (g) Notwithstanding paragraphs (a) and (f), the loss ratio shall be 60 percent for a health
23.28 plan as defined in section 62A.011, offered by an insurance company licensed under chapter
23.29 60A that is assessed less than ten percent of the total annual amount assessed by the
23.30 Minnesota Comprehensive Health Association. For purposes of the percentage calculation
23.31 of the association's assessments, an insurance company's assessments include those of its
23.32 affiliates.

23.33 (h) The ~~commissioners~~ commissioner of commerce and health ~~shall each~~ must annually
23.34 issue a public report listing, by health plan company, the actual loss ratios experienced in

24.1 the individual and small employer markets in this state ~~by the health plan companies that~~
 24.2 ~~the commissioners respectively regulate. The commissioners shall coordinate release of~~
 24.3 ~~these reports so as to release them as a joint report or as separate reports issued the same~~
 24.4 ~~day.~~ The report or reports shall be released no later than June 1 for loss ratios experienced
 24.5 for the preceding calendar year. Health plan companies shall provide to the ~~commissioners~~
 24.6 commissioner any information requested by the ~~commissioners~~ commissioner for purposes
 24.7 of this paragraph.

24.8 Sec. 14. Minnesota Statutes 2024, section 62A.61, is amended to read:

24.9 **62A.61 DISCLOSURE OF METHODS USED BY HEALTH CARRIERS TO**
 24.10 **DETERMINE USUAL AND CUSTOMARY FEES.**

24.11 (a) A health carrier that bases reimbursement to health care providers upon a usual and
 24.12 customary fee must maintain in its office a copy of a description of the methodology used
 24.13 to calculate fees including at least the following:

24.14 (1) the frequency of the determination of usual and customary fees;

24.15 (2) a general description of the methodology used to determine usual and customary
 24.16 fees; and

24.17 (3) the percentile of usual and customary fees that determines the maximum allowable
 24.18 reimbursement.

24.19 (b) A health carrier must provide a copy of the information described in paragraph (a)
 24.20 to the commissioner of health or the commissioner of commerce, upon request.

24.21 (c) ~~The commissioner of health or the commissioner of commerce, as appropriate, may~~
 24.22 ~~use to enforce this section~~ any enforcement powers otherwise available to the commissioner
 24.23 with respect to the health carrier to enforce this section. The commissioner of ~~health or~~
 24.24 ~~commerce, as appropriate,~~ may require health carriers to provide the information required
 24.25 under this section and may use any powers granted under other laws relating to the regulation
 24.26 of health carriers to enforce compliance.

24.27 (d) For purposes of this section, "health carrier" has the meaning given in section
 24.28 62A.011.

24.29 (e) "Usual and customary" means the normal charge, in the absence of insurance, of the
 24.30 provider for a service or article, but not more than the prevailing charge in the area for like
 24.31 service or article. A "like service" is the same nature and duration, requires the same skill,
 24.32 and is performed by a provider of similar training and experience. A "like article" is one

25.1 that is identically or substantially equivalent. "Area" means the municipality or, in the case
25.2 of a large city, a subdivision of the city, in which the service or article is actually provided
25.3 or a greater area as is necessary to obtain a representative cross-section of charges for like
25.4 service or article.

25.5 Sec. 15. Minnesota Statutes 2024, section 62A.65, subdivision 7, is amended to read:

25.6 Subd. 7. **Short-term coverage.** (a) For purposes of this section, "short-term coverage"
25.7 means an individual health plan that:

25.8 (1) is issued to provide coverage for a period of 185 days or less, except that the health
25.9 plan may permit coverage to continue until the end of a period of hospitalization for a
25.10 condition for which the covered person was hospitalized on the day that coverage would
25.11 otherwise have ended;

25.12 (2) is nonrenewable, provided that the health carrier may provide coverage for one or
25.13 more subsequent periods that satisfy clause (1), if the total of the periods of coverage do
25.14 not exceed a total of 365 days out of any 555-day period, plus any additional days covered
25.15 as a result of hospitalization on the day that a period of coverage would otherwise have
25.16 ended;

25.17 (3) does not cover any preexisting conditions, including ones that originated during a
25.18 previous identical policy or contract with the same health carrier where coverage was
25.19 continuous between the previous and the current policy or contract; and

25.20 (4) is available with an immediate effective date without underwriting upon receipt of
25.21 a completed application indicating eligibility under the health carrier's eligibility
25.22 requirements, provided that coverage that includes optional benefits may be offered on a
25.23 basis that does not meet this requirement.

25.24 (b) Short-term coverage is not subject to subdivisions 2 and 5. Short-term coverage may
25.25 exclude as a preexisting condition any injury, illness, or condition for which the covered
25.26 person had medical treatment, symptoms, or any manifestations before the effective date
25.27 of the coverage, but dependent children born or placed for adoption during the policy period
25.28 must not be subject to this provision.

25.29 (c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine
25.30 short-term coverage with its most commonly sold individual qualified plan, as defined in
25.31 section 62E.02, other than short-term coverage, for purposes of complying with the loss
25.32 ratio requirement.

26.1 (d) The 365-day coverage limitation provided in paragraph (a) applies to the total number
26.2 of days of short-term coverage that covers a person, regardless of the number of policies,
26.3 contracts, or health carriers that provide the coverage. A written application for short-term
26.4 coverage must ask the applicant whether the applicant has been covered by short-term
26.5 coverage by any health carrier within the 555 days immediately preceding the effective date
26.6 of the coverage being applied for. Short-term coverage issued in violation of the 365-day
26.7 limitation is valid until the end of its term and does not lose its status as short-term coverage,
26.8 in spite of the violation. A health carrier that knowingly issues short-term coverage in
26.9 violation of the 365-day limitation is subject to the administrative penalties otherwise
26.10 available to the commissioner of commerce ~~or the commissioner of health, as appropriate.~~

26.11 Sec. 16. Minnesota Statutes 2024, section 62A.65, subdivision 8, is amended to read:

26.12 **Subd. 8. Cessation of individual business.** Notwithstanding the provisions of
26.13 subdivisions 1 to 7, a health carrier may elect to cease doing business in the individual health
26.14 plan market in this state if it complies with the requirements of this subdivision. For purposes
26.15 of this section, "cease doing business" means to discontinue issuing new individual health
26.16 plans and to refuse to renew all of the health carrier's existing individual health plans issued
26.17 in this state whose terms permit refusal to renew under the circumstances specified in this
26.18 subdivision. This subdivision does not permit cancellation of an individual health plan,
26.19 unless the terms of the health plan permit cancellation under the circumstances specified in
26.20 this subdivision. A health carrier electing to cease doing business in the individual health
26.21 plan market in this state shall notify the commissioner 180 days prior to the effective date
26.22 of the cessation. Within 30 days after the termination, the health carrier shall submit to the
26.23 commissioner a complete list of policyholders that have been terminated. The cessation of
26.24 business does not include the failure of a health carrier to offer or issue new business in the
26.25 individual health plan market or continue an existing product line in that market, provided
26.26 that a health carrier does not terminate, cancel, or fail to renew its current individual health
26.27 plan business. A health carrier electing to cease doing business in the individual health plan
26.28 market shall provide 120 days' written notice to each policyholder covered by an individual
26.29 health plan issued by the health carrier. This notice must also inform each policyholder of
26.30 the existence of the Minnesota Comprehensive Health Association, the requirements for
26.31 being accepted, the procedures for applying for coverage, and the telephone numbers at the
26.32 ~~Department of Health and the Department of Commerce~~ for information about private
26.33 individual or family health coverage. A health carrier that ceases to write new business in
26.34 the individual health plan market shall continue to be governed by this section with respect
26.35 to continuing individual health plan business conducted by the health carrier. A health carrier

27.1 that ceases to do business in the individual health plan market after July 1, 1994, is prohibited
27.2 from writing new business in the individual health plan market in this state for a period of
27.3 five years from the date of notice to the commissioner. This subdivision applies to any
27.4 health maintenance organization that ceases to do business in the individual health plan
27.5 market in one service area with respect to that service area only. Nothing in this subdivision
27.6 prohibits an affiliated health maintenance organization from continuing to do business in
27.7 the individual health plan market in that same service area. The right to refuse to renew an
27.8 individual health plan under this subdivision does not apply to individual health plans issued
27.9 on a guaranteed renewable basis that does not permit refusal to renew under the circumstances
27.10 specified in this subdivision.

27.11 **Sec. 17. [62D.015] REGULATORY DUTIES; TRANSFER.**

27.12 Subdivision 1. **Transfer and restructuring.** (a) The regulatory oversight with respect
27.13 to health maintenance organizations transfers from the commissioner of health to the
27.14 commissioner of commerce on July 1, 2026.

27.15 (b) The agency restructuring under this section must be conducted in accordance with
27.16 sections 15.039 and 43A.045.

27.17 Subd. 2. **Succession; employees; liability.** (a) Employees related to the functions
27.18 assigned to the commissioner of health are transferred to the Department of Commerce 30
27.19 days after the date the commissioner of health approves the transfer.

27.20 (b) An employee transferred under paragraph (a):

27.21 (1) must not have the employee's employment status or job classification altered as a
27.22 result of the transfer;

27.23 (2) if represented by an exclusive representative before the transfer, remains represented
27.24 by the same exclusive representative after the transfer occurs;

27.25 (3) if an applicable collective bargaining agreement with an exclusive representative
27.26 was effective before the transfer, remains subject to the collective bargaining agreement
27.27 for the remainder of the agreement's term; and

27.28 (4) if employed in a temporary unclassified position, the total length of time that the
27.29 employee has served in the appointment includes all time served in the appointment at the
27.30 transferring agency and the time served in the appointment at the department. An employee
27.31 in a temporary unclassified position who was hired by a transferring agency through an
27.32 open competitive selection process in accordance with a policy enacted by the commissioner

28.1 of management and budget is considered to have been hired through an open competitive
28.2 selection process after the transfer.

28.3 (c) The state must meet and negotiate with the exclusive representatives of transferred
28.4 employees regarding proposed changes that affect or relate to the transferred employees'
28.5 terms and conditions of employment to the extent that the proposed changes are not addressed
28.6 in the applicable collective bargaining agreement.

28.7 (d) If the state transfers ownership or control of a department facility, service, or operation
28.8 to a private or public entity by subcontracting, sale, assignment, lease, or other transfer, the
28.9 state must require as a written condition of the transfer of ownership or control:

28.10 (1) an employee who performs work in the facility, service, or operation must be offered
28.11 employment with the entity acquiring ownership or control before the entity offers
28.12 employment to another individual who was not employed by the transferring agency at the
28.13 time the transfer occurs; and

28.14 (2) the entity acquiring ownership or control is prohibited from reducing the transferred
28.15 employee's wage and benefit standards until the collective bargaining agreement in effect
28.16 at the time the transfer occurs expires or for a period of two years after the transfer occurs,
28.17 whichever is longer.

28.18 (e) The state of Minnesota and the state's officers or agents are not liable for and are not
28.19 subject to a cause of action arising from the action or inaction of an entity acquiring
28.20 ownership or control of a department facility, service, or operation.

28.21 Sec. 18. Minnesota Statutes 2024, section 62D.08, subdivision 1, is amended to read:

28.22 Subdivision 1. **Notice of changes.** A health maintenance organization shall, unless
28.23 otherwise provided for by rules adopted by the commissioner of health commerce, file
28.24 notice with the commissioner of health ~~prior to any modification of~~ commerce before
28.25 modifying the operations or documents described in the information submitted under section
28.26 62D.03, subdivision 4, clauses (a), (b), (e), (f), (g), (i), (j), (l), (m), (n), (o), (p), (q), (r), (s),
28.27 and (t) of section 62D.03, subdivision 4. If the commissioner of health commerce does not
28.28 disapprove of the filing within 60 days, it shall be deemed approved and may be implemented
28.29 by the health maintenance organization.

28.30 Sec. 19. Minnesota Statutes 2024, section 62D.08, subdivision 2, is amended to read:

28.31 Subd. 2. **Annual report required.** Every health maintenance organization shall annually,
28.32 on or before April 1, file a verified report with the commissioner of health commerce

29.1 covering the preceding calendar year. However, utilization data required under subdivision
29.2 3, clause (c), shall be filed on or before July 1.

29.3 Sec. 20. Minnesota Statutes 2024, section 62D.08, subdivision 3, is amended to read:

29.4 Subd. 3. **Report requirements.** ~~Sueh~~ The report shall be submitted on forms prescribed
29.5 by the commissioner of ~~health~~, commerce and shall include:

29.6 (a) a financial statement of the organization, including its balance sheet and receipts and
29.7 disbursements for the preceding year certified by an independent certified public accountant,
29.8 reflecting at least (1) all prepayment and other payments received for health care services
29.9 rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance
29.10 companies or nonprofit health service plan corporations engaged to fulfill obligations arising
29.11 out of the health maintenance contract, (3) expenditures for capital improvements, or
29.12 additions thereto, including but not limited to construction, renovation or purchase of
29.13 facilities and capital equipment, and (4) a supplementary statement of assets, liabilities,
29.14 premium revenue, and expenditures for risk sharing business under section 62D.04,
29.15 subdivision 1, on forms prescribed by the commissioner;

29.16 (b) the number of new enrollees enrolled during the year, the number of group enrollees
29.17 and the number of individual enrollees as of the end of the year and the number of enrollees
29.18 terminated during the year;

29.19 (c) a summary of information compiled pursuant to section 62D.04, subdivision 1, clause
29.20 (c), in such form as may be required by the commissioner of ~~health~~ commerce;

29.21 (d) a report of the names and addresses of all persons set forth in section 62D.03,
29.22 subdivision 4, clause (c), who were associated with the health maintenance organization or
29.23 the major participating entity during the preceding year, and the amount of wages, expense
29.24 reimbursements, or other payments to such individuals for services to the health maintenance
29.25 organization or the major participating entity, as those services relate to the health
29.26 maintenance organization, including a full disclosure of all financial arrangements during
29.27 the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause
29.28 (d);

29.29 (e) a separate report addressing health maintenance contracts sold to individuals covered
29.30 by Medicare, title XVIII of the Social Security Act, as amended, including the information
29.31 required under section 62D.30, subdivision 6;

29.32 (f) data on the number of complaints received and the category of each complaint as
29.33 defined by the commissioner. The categories must include access, communication and

30.1 behavior, health plan administration, facilities and environment, coordination of care, and
30.2 technical competence and appropriateness. The commissioner, in consultation with interested
30.3 stakeholders, shall define complaint categories to be used by each health maintenance
30.4 organization by July 1, 2017, and the categories must be used by each health maintenance
30.5 organization beginning calendar year 2018; and

30.6 (g) such other information relating to the performance of the health maintenance
30.7 organization as is reasonably necessary to enable the commissioner of health commerce to
30.8 carry out the duties under sections 62D.01 to 62D.30.

30.9 Sec. 21. Minnesota Statutes 2024, section 62D.08, subdivision 7, is amended to read:

30.10 Subd. 7. **Consistent administrative expenses and investment income reporting.** (a)
30.11 Every health maintenance organization must directly allocate administrative expenses to
30.12 specific lines of business or products when such information is available. Remaining expenses
30.13 that cannot be directly allocated must be allocated based on other methods, as recommended
30.14 by the Advisory Group on Administrative Expenses. Health maintenance organizations
30.15 must submit this information, including administrative expenses for dental services, using
30.16 the reporting template provided by the commissioner of health commerce.

30.17 (b) Every health maintenance organization must allocate investment income based on
30.18 cumulative net income over time by business line or product and must submit this
30.19 information, including investment income for dental services, using the reporting template
30.20 provided by the commissioner of health commerce.

30.21 Sec. 22. Minnesota Statutes 2024, section 62D.08, is amended by adding a subdivision to
30.22 read:

30.23 Subd. 8. **Information sharing.** The commissioner of commerce must share nonpublic
30.24 data submitted by health maintenance organizations under this section with (1) the
30.25 commissioner of health and the commissioner of human services, (2) other state and federal
30.26 regulatory agencies, and (3) the National Association of Insurance Commissioners, if the
30.27 requesting recipient under clauses (1) to (3) agrees to maintain the data in a manner consistent
30.28 with the data's classification under chapter 13. The commissioner of commerce may enter
30.29 into agreements governing the sharing and use of information, provided the agreements are
30.30 consistent with this subdivision.

31.1 **Sec. 23. [62D.085] SUBSTANTIAL ENROLLMENT GROWTH; NOTICE.**

31.2 Subdivision 1. Notice required. (a) No later than April 15 each year, a health
31.3 maintenance organization that is operating under this chapter and that has at least 25,000
31.4 enrollees must notify the commissioner if the health maintenance organization:

31.5 (1) increases the total number of enrollees, as of April 1 in the current calendar year, by
31.6 more than 35 percent of the health maintenance organization's total number of enrollees for
31.7 the immediately preceding calendar year; or

31.8 (2) increases the total number of enrollees in a specific line of business or product by a
31.9 percentage that is greater than the percentage of growth threshold established by the
31.10 commissioner for the specific line of business or product.

31.11 (b) For purposes of this section, the number of enrollees must be calculated in a manner
31.12 consistent with the health maintenance organization's reported covered lives in the company's
31.13 National Association of Insurance Commissioners Annual Statement.

31.14 Subd. 2. Additional information. (a) Upon receiving notice under subdivision 1, the
31.15 commissioner may request and the health maintenance organization must provide additional
31.16 information regarding the health maintenance organization's financial readiness to serve
31.17 the increased enrollment. The additional information requested may include but is not limited
31.18 to:

31.19 (1) the conditions contributing to the health maintenance organization's enrollment
31.20 growth;

31.21 (2) a three-year projected statutory balance sheet, income statements, and cash flow
31.22 statements for the current year and the subsequent two years;

31.23 (3) the key assumptions impacting the projections and the sensitivity of the projections
31.24 to the assumptions; and

31.25 (4) a description of anticipated issues associated with the health maintenance
31.26 organization's business, including but not limited to (i) assets, (ii) anticipated business
31.27 growth and associated surplus strain, (iii) significant change in risk profile, (iv) mix of
31.28 business, and (v) reinsurance use, if any, in each case.

31.29 (b) If the information reported under paragraph (a) raises a concern with respect to a
31.30 health maintenance organization's business on a prospective basis due to anticipated business
31.31 growth, including but not limited to anticipated business growth, strain on surplus, increased
31.32 exposure to risk, or an imbalanced mix of business, the commissioner may issue a corrective

32.1 order specifying corrective actions the commissioner determines are required. A corrective
32.2 order issued under this paragraph is subject to review under chapter 14.

32.3 Sec. 24. Minnesota Statutes 2024, section 62D.12, subdivision 1, is amended to read:

32.4 Subdivision 1. **False representations.** No health maintenance organization or
32.5 representative thereof may cause or knowingly permit the use of advertising or solicitation
32.6 which is untrue or misleading, or any form of evidence of coverage which is deceptive.
32.7 Each health maintenance organization ~~shall be~~ is subject to sections 72A.17 to 72A.32,
32.8 ~~relating to the regulation of trade practices, except (a) to the extent that the nature of a health~~
32.9 ~~maintenance organization renders such sections clearly inappropriate and (b) that enforcement~~
32.10 ~~shall be by the commissioner of health and not by the commissioner of commerce.~~ Every
32.11 health maintenance organization ~~shall be~~ is subject to sections 8.31 and 325F.69.

32.12 Sec. 25. Minnesota Statutes 2024, section 62D.124, subdivision 5, is amended to read:

32.13 Subd. 5. **Provider networks.** ~~The commissioner of health, the commissioner of~~
32.14 ~~commerce, and the commissioner of human services shall merge reporting requirements~~
32.15 ~~for health maintenance organizations and county-based purchasing plans related to Minnesota~~
32.16 ~~Department of Health~~ Commerce oversight of network adequacy under this section and the
32.17 provider network list reported to the Department of Human Services under Minnesota Rules,
32.18 part 4685.2100. The commissioners shall work with health maintenance organizations and
32.19 county-based purchasing plans to ensure that the report merger is done in a manner that
32.20 simplifies health maintenance organization and county-based purchasing plan reporting
32.21 processes.

32.22 Sec. 26. Minnesota Statutes 2025 Supplement, section 62D.21, is amended to read:

32.23 **62D.21 FEES.**

32.24 Every health maintenance organization subject to sections 62D.01 to 62D.30 shall pay
32.25 to the commissioner of ~~health~~ commerce the following fees:

32.26 (1) filing an application for a certificate of authority: \$10,000;

32.27 (2) filing an amendment to a certificate of authority: \$125;

32.28 (3) filing each annual report: \$400;

32.29 (4) filing each quarterly report: \$200; and

32.30 (5) filing annual plan review documents, amendments to plan documents, and quality
32.31 plans: \$125.

33.1 Sec. 27. Minnesota Statutes 2025 Supplement, section 62D.211, is amended to read:

33.2 **62D.211 RENEWAL FEE.**

33.3 Each health maintenance organization subject to sections 62D.01 to 62D.30 shall submit
33.4 to the commissioner of health commerce each year before June 15 a certificate of authority
33.5 renewal fee in the amount of \$30,000 each plus 88 cents per person enrolled in the health
33.6 maintenance organization on December 31 of the preceding year.

33.7 Sec. 28. **62D.212] HEALTH MAINTENANCE ORGANIZATION REGULATION**
33.8 **ACCOUNT.**

33.9 (a) A health maintenance organization regulation account is established as a separate
33.10 account in the special revenue fund in the state treasury. The commissioner of commerce
33.11 must credit to the account filing fees and renewal fees collected under sections 62D.21 and
33.12 62D.211, appropriations and transfers, and other revenue related to the activities identified
33.13 in paragraph (b). Earnings, including interest, dividends, other earnings arising from the
33.14 account's assets, and remaining money from fiscal years occurring before July 1, 2026, must
33.15 be credited to the account. The commissioner of commerce must manage the account.

33.16 (b) Money in the account is appropriated to the commissioner of commerce to administer
33.17 this chapter and to reimburse the department's costs incurred to administer this section.

33.18 Sec. 29. Minnesota Statutes 2024, section 62D.221, subdivision 1, is amended to read:

33.19 Subdivision 1. **Insurance provisions applicable to health maintenance**
33.20 **organizations.** Health maintenance organizations are subject to sections 60A.135, 60A.136,
33.21 60A.137, 60A.16, 60A.161, 60D.17, 60D.18, and 60D.20 and must comply with the
33.22 provisions of these sections applicable to insurers. In applying these sections to health
33.23 maintenance organizations, "commissioner" means the commissioner of health commerce.
33.24 Health maintenance organizations are subject to Minnesota Rules, chapter 2720, as applicable
33.25 to sections 60D.17, 60D.18, and 60D.20, and must comply with the provisions of chapter
33.26 2720 applicable to insurers, unless the commissioner of health commerce adopts rules to
33.27 implement this subdivision.

33.28 Sec. 30. Minnesota Statutes 2024, section 62D.221, subdivision 2, is amended to read:

33.29 Subd. 2. **Statement.** In addition to the conditions in section 60D.17, subdivision 1,
33.30 subjecting a health maintenance organization to filing requirements, no person other than
33.31 the issuer shall acquire all or substantially all of the assets of a domestic nonprofit health
33.32 maintenance organization through any means unless at the time the offer, request, or

34.1 invitation is made or the agreement is entered into the person has filed with the commissioner
34.2 and has sent to the health maintenance organization a statement containing the information
34.3 required in section 60D.17 and the offer, request, invitation, agreement, or acquisition has
34.4 been approved by the commissioner of health commerce in the manner prescribed in section
34.5 60D.17.

34.6 Sec. 31. Minnesota Statutes 2024, section 62E.11, subdivision 9, is amended to read:

34.7 Subd. 9. **Special assessment upon termination of individual health coverage.** (a)

34.8 Each contributing member that terminates individual health coverage for reasons other than
34.9 ~~(a)~~ (1) nonpayment of premium; ~~(b)~~ (2) failure to make co-payments; ~~(c)~~ (3) enrollee moving
34.10 out of the area served; or ~~(d)~~ (4) a materially false statement or misrepresentation by the
34.11 enrollee in the application for membership; and does not provide or arrange for replacement
34.12 coverage that meets the requirements of section 62D.121; shall pay a special assessment to
34.13 the state plan based upon the number of terminated individuals who join the comprehensive
34.14 health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d),
34.15 and 6. Such a contributing member shall pay the association an amount equal to the average
34.16 cost of an enrollee in the state plan in the year in which the member terminated enrollees
34.17 multiplied by the total number of terminated enrollees who enroll in the state plan.

34.18 (b) The average cost of an enrollee in the state comprehensive health insurance plan
34.19 shall be determined by dividing the state plan's total annual losses by the total number of
34.20 enrollees from that year. This cost will be assessed to the contributing member who has
34.21 terminated health coverage before the association makes the annual determination of each
34.22 contributing member's liability as required under this section.

34.23 (c) In the event that the contributing member is terminating health coverage because of
34.24 a loss of health care providers, the commissioner may review whether or not the special
34.25 assessment established under this subdivision will have an adverse impact on the contributing
34.26 member or its enrollees or insureds, including but not limited to causing the contributing
34.27 member to fall below statutory net worth requirements. If the commissioner determines that
34.28 the special assessment would have an adverse impact on the contributing member or its
34.29 enrollees or insureds, the commissioner may adjust the amount of the special assessment,
34.30 or establish alternative payment arrangements to the state plan. For health maintenance
34.31 organizations regulated under chapter 62D, the commissioner of health commerce shall
34.32 make the determination regarding any adjustment in the special assessment ~~and shall transmit~~
34.33 ~~that determination to the commissioner of commerce.~~

35.1 Sec. 32. Minnesota Statutes 2024, section 62E.11, subdivision 13, is amended to read:

35.2 Subd. 13. **State funding; effect on premium rates of members.** In approving the
35.3 premium rates as required in sections 62A.65, subdivision 3; and 62L.08, subdivision 8,
35.4 ~~the commissioners~~ commissioner of health and commerce shall ensure that any appropriation
35.5 to reduce the annual assessment made on the contributing members to cover the costs of
35.6 the Minnesota comprehensive health insurance plan as required under this section is reflected
35.7 in the premium rates charged by each contributing member.

35.8 Sec. 33. Minnesota Statutes 2024, section 62J.40, is amended to read:

35.9 **62J.40 COST CONTAINMENT DATA FROM STATE AGENCIES AND OTHER**
35.10 **GOVERNMENTAL UNITS.**

35.11 (a) All state departments or agencies that administer one or more health care programs
35.12 shall provide to the commissioner of health any additional data on the health care programs
35.13 they administer that is requested by the commissioner of health, including data in
35.14 unaggregated form, for purposes of developing estimates of spending, setting spending
35.15 limits, and monitoring actual spending. The data must be provided at the times and in the
35.16 form specified by the commissioner of health.

35.17 (b) For purposes of estimating total health care spending as provided in section 62J.301,
35.18 subdivision 4, clause (c), all local governmental units shall provide expenditure data to the
35.19 commissioner. The commissioner shall consult with representatives of the affected local
35.20 government units in establishing definitions, reporting formats, and reporting time frames.
35.21 As much as possible, the data shall be collected in a manner that ensures that the data
35.22 collected is consistent with data collected from the private sector and minimizes the reporting
35.23 burden to local government.

35.24 (c) A state agency that purchases health care services, provides oversight over health
35.25 insurance rates, collects health care taxes, or regulates health care entities must provide to
35.26 the commissioner nonpublic data the commissioner requests to satisfy statutory duties under
35.27 sections 62J.301 to 62J.461, 62J.84, 62J.87, 62U.01 to 62U.10, 144.70, 145D.01, and
35.28 145D.02, with respect to monitoring the health care market, including but not limited to
35.29 consolidation, transaction, corporate structure, utilization, quality, spending growth, and
35.30 prescription drug supply chains.

35.31 (d) The commissioner of commerce may request unique or custom data sets from a state
35.32 agency in a request under paragraph (c). The state agency may charge the commissioner of

36.1 commerce a fee to provide data sets under paragraph (c) at the same rate the state agency
36.2 charges another public or private entity for the same data.

36.3 (e) Data provided to the commissioner under paragraph (c) retains the data's original
36.4 classification under chapter 13. Data provided to the commissioner under paragraph (c)
36.5 may be included in public reports if the data are aggregated and deidentified.

36.6 Sec. 34. Minnesota Statutes 2024, section 62J.60, subdivision 5, is amended to read:

36.7 Subd. 5. **Annual reporting.** As part of an annual filing made with the commissioner of
36.8 ~~health or commerce on or after January 1, 2003~~, a group purchaser shall certify compliance
36.9 with this section and shall submit to the commissioner of ~~health or commerce~~ a copy of the
36.10 Minnesota uniform health care identification card used by the group purchaser.

36.11 Sec. 35. Minnesota Statutes 2024, section 62K.07, subdivision 2, is amended to read:

36.12 Subd. 2. **Prescription drug costs.** (a) Each health carrier that offers a prescription drug
36.13 benefit in its individual health plans or small group health plans shall include in the applicable
36.14 rate filing required under section 62A.02 the following information about covered prescription
36.15 drugs:

36.16 (1) the 25 most frequently prescribed drugs in the previous plan year;

36.17 (2) the 25 most costly prescription drugs as a portion of the individual health plan's or
36.18 small group health plan's total annual expenditures in the previous plan year;

36.19 (3) the 25 prescription drugs that have caused the greatest increase in total individual
36.20 health plan or small group health plan spending in the previous plan year;

36.21 (4) the projected impact of the cost of prescription drugs on premium rates;

36.22 (5) if any health plan offered by the health carrier requires enrollees to pay cost-sharing
36.23 on any covered prescription drugs including deductibles, co-payments, or coinsurance in
36.24 an amount that is greater than the amount the enrollee's health plan would pay for the drug
36.25 absent the applicable enrollee cost-sharing and after accounting for any rebate amount; and

36.26 (6) if the health carrier prohibits third-party payments including manufacturer drug
36.27 discounts or coupons that cover all or a portion of an enrollee's cost-sharing requirements
36.28 including deductibles, co-payments, or coinsurance from applying toward the enrollee's
36.29 cost-sharing obligations under the enrollee's health plan.

36.30 (b) The commissioner of commerce must share reported data with the commissioner of
36.31 health and, in consultation with the commissioner of health, shall release a summary of the

37.1 information reported in paragraph (a) at the same time as the information required under
37.2 section 62A.02, subdivision 2, paragraph (c).

37.3 Sec. 36. Minnesota Statutes 2024, section 62L.02, subdivision 8, is amended to read:

37.4 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of commerce ~~for~~
37.5 ~~health carriers subject to the jurisdiction of the Department of Commerce or the commissioner~~
37.6 ~~of health for health carriers subject to the jurisdiction of the Department of Health, or the~~
37.7 ~~relevant commissioner's designated representative. For purposes of sections 62L.13 to~~
37.8 ~~62L.22, "commissioner" means the commissioner of commerce or that commissioner's~~
37.9 ~~designated representative.~~

37.10 Sec. 37. Minnesota Statutes 2024, section 62L.08, subdivision 11, is amended to read:

37.11 Subd. 11. **Loss ratio standards.** Notwithstanding section 62A.02, subdivision 3, relating
37.12 to loss ratios, each policy or contract form used with respect to a health benefit plan offered,
37.13 or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021.
37.14 ~~The commissioner of health has, with respect to carriers under that commissioner's~~
37.15 ~~jurisdiction, all of the powers of the commissioner of commerce under that section.~~

37.16 Sec. 38. Minnesota Statutes 2024, section 62L.09, subdivision 3, is amended to read:

37.17 Subd. 3. **Reentry prohibition.** (a) Except as otherwise provided in paragraph (b), a
37.18 health carrier that ceases to do business in the small employer market after July 1, 1993, is
37.19 prohibited from writing new business in the small employer market in this state for a period
37.20 of five years from the date of notice to the commissioner. This subdivision applies to any
37.21 health maintenance organization that ceases to do business in the small employer market
37.22 in one service area with respect to that service area only. Nothing in this subdivision prohibits
37.23 an affiliated health maintenance organization from continuing to do business in the small
37.24 employer market in that same service area.

37.25 (b) The commissioner of commerce ~~or the commissioner of health~~ may permit a health
37.26 carrier that ceases to do business in the small employer market in this state after July 1,
37.27 1993, to begin writing new business in the small employer market if:

37.28 (1) since the carrier ceased doing business in the small employer market, legislative
37.29 action has occurred that has significantly changed the effect on the carrier of its decision to
37.30 cease doing business in the small employer market; and

37.31 (2) the commissioner deems it appropriate.

38.1 Sec. 39. Minnesota Statutes 2024, section 62L.10, subdivision 4, is amended to read:

38.2 Subd. 4. **Review of premium rates.** The commissioner shall regulate premium rates
 38.3 charged or proposed to be charged by all health carriers in the small employer market under
 38.4 section 62A.02. ~~The commissioner of health has, with respect to carriers under that~~
 38.5 ~~commissioner's jurisdiction, all of the powers of the commissioner of commerce under that~~
 38.6 ~~section.~~

38.7 Sec. 40. Minnesota Statutes 2024, section 62L.11, subdivision 2, is amended to read:

38.8 Subd. 2. **Enforcement powers.** ~~The commissioners~~ commissioner of health and
 38.9 ~~commerce each~~ has, for purposes of this chapter, all of ~~each~~ the commissioner's respective
 38.10 ~~powers under other chapters that are applicable to their respective~~ the commissioner's duties
 38.11 ~~under this chapter.~~

38.12 Sec. 41. Minnesota Statutes 2024, section 62M.11, is amended to read:

38.13 **62M.11 COMPLAINTS TO COMMERCE ~~OR HEALTH.~~**

38.14 Notwithstanding the provisions of this chapter, an enrollee may file a complaint regarding
 38.15 an adverse determination directly to the commissioner ~~responsible for regulating the~~
 38.16 ~~utilization review organization~~ of commerce.

38.17 Sec. 42. Minnesota Statutes 2024, section 62Q.01, subdivision 2, is amended to read:

38.18 Subd. 2. **Commissioner.** "Commissioner" means ~~the commissioner of health for purposes~~
 38.19 ~~of regulating health maintenance organizations, and community integrated service networks,~~
 38.20 ~~or~~ the commissioner of commerce for purposes of regulating ~~all other~~ health plan companies.
 38.21 For all other purposes, "commissioner" means the commissioner of health.

38.22 Sec. 43. Minnesota Statutes 2024, section 62Q.106, is amended to read:

38.23 **62Q.106 DISPUTE RESOLUTION BY COMMISSIONER.**

38.24 (a) A complainant may at any time submit a complaint to the ~~appropriate~~ commissioner
 38.25 to investigate. After investigating a complaint, or reviewing a company's decision, the
 38.26 ~~appropriate~~ commissioner may order a remedy as authorized under chapter 45, 60A, or 62D.

38.27 (b) In investigating a complaint filed against a health maintenance organization regarding
 38.28 a vulnerable adult, upon request, the commissioner of ~~health~~ commerce must interview at
 38.29 least one family member of the complainant or the subject of the complaint. If the

39.1 complainant or the subject of the complaint does not want any family members to be
39.2 interviewed, this information will be included in the investigative file.

39.3 Sec. 44. Minnesota Statutes 2024, section 62Q.188, subdivision 2, is amended to read:

39.4 Subd. 2. **Flexible benefits plan.** Notwithstanding any provision of this chapter, chapter
39.5 363A, or any other law to the contrary, a health plan company may offer, sell, issue, and
39.6 renew a health plan that is a flexible benefits plan under this section if the following
39.7 requirements are satisfied:

39.8 (1) the health plan must be offered in compliance with the laws of this state, except as
39.9 otherwise permitted in this section;

39.10 (2) the health plan must be designed to enable covered persons to better manage costs
39.11 and coverage options through the use of co-pays, deductibles, and other cost-sharing
39.12 arrangements;

39.13 (3) the health plan may modify or exclude any or all coverages of benefits that would
39.14 otherwise be required by law, except for maternity benefits and other benefits required under
39.15 federal law;

39.16 (4) each health plan and plan's premiums must be approved by the commissioner of
39.17 ~~health or commerce, whichever is appropriate under section 62Q.01, subdivision 2,~~ but
39.18 ~~neither~~ the commissioner may not disapprove a plan on the grounds of a modification or
39.19 exclusion permitted under clause (3); and

39.20 (5) prior to the sale of the health plan, the purchaser must be given a written list of the
39.21 coverages otherwise required by law that are modified or excluded in the health plan. The
39.22 list must include a description of each coverage in the list and indicate whether the coverage
39.23 is modified or excluded. If coverage is modified, the list must describe the modification.
39.24 The list may, but is not required to, also list any or all coverages otherwise required by law
39.25 that are included in the health plan and indicate that they are included. The health plan
39.26 company must require that a copy of this written list be provided, prior to the effective date
39.27 of the health plan, to each enrollee or employee who is eligible for health coverage under
39.28 the plan.

39.29 Sec. 45. Minnesota Statutes 2024, section 62Q.37, subdivision 2, is amended to read:

39.30 Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the
39.31 meanings given them.

40.1 (b) "Commissioner" means the commissioner of ~~health for purposes of regulating health~~
40.2 ~~maintenance organizations and community integrated service networks, the commissioner~~
40.3 ~~of commerce for purposes of regulating~~ health maintenance organizations and nonprofit
40.4 health service plan corporations, or the commissioner of human services for the purpose of
40.5 contracting with managed care organizations serving persons enrolled in programs under
40.6 chapter 256B or 256L.

40.7 (c) "Health plan company" means (1) a nonprofit health service plan corporation operating
40.8 under chapter 62C; (2) a health maintenance organization operating under chapter 62D; (3)
40.9 a community integrated service network operating under chapter 62N; or (4) a managed
40.10 care organization operating under chapter 256B or 256L.

40.11 (d) "Nationally recognized independent organization" means (1) an organization that
40.12 sets specific national standards governing health care quality assurance processes, utilization
40.13 review, provider credentialing, marketing, and other topics covered by this chapter and
40.14 other chapters and audits and provides accreditation to those health plan companies that
40.15 meet those standards. The American Accreditation Health Care Commission (URAC), the
40.16 National Committee for Quality Assurance (NCQA), the Joint Commission on Accreditation
40.17 of Healthcare Organizations (JCAHO), and the Accreditation Association for Ambulatory
40.18 Health Care (AAAHC) are, at a minimum, defined as nationally recognized independent
40.19 organizations; and (2) the Centers for Medicare and Medicaid Services for purposes of
40.20 reviews or audits conducted of health plan companies under Part C of Title XVIII of the
40.21 Social Security Act or under section 1876 of the Social Security Act.

40.22 (e) "Performance standard" means those standards relating to quality management and
40.23 improvement, access and availability of service, utilization review, provider selection,
40.24 provider credentialing, marketing, member rights and responsibilities, complaints, appeals,
40.25 grievance systems, enrollee information and materials, enrollment and disenrollment,
40.26 subcontractual relationships and delegation, confidentiality, continuity and coordination of
40.27 care, assurance of adequate capacity and services, coverage and authorization of services,
40.28 practice guidelines, health information systems, and financial solvency.

40.29 Sec. 46. Minnesota Statutes 2024, section 62Q.47, is amended to read:

40.30 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
40.31 **SERVICES.**

40.32 (a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism,
40.33 mental health, or chemical dependency services, must comply with the requirements of this
40.34 section.

41.1 (b) Cost-sharing requirements and benefit or service limitations for outpatient mental
41.2 health and outpatient chemical dependency and alcoholism services, except for persons
41.3 seeking chemical dependency services under section 245G.05, must not place a greater
41.4 financial burden on the insured or enrollee, or be more restrictive than those requirements
41.5 and limitations for outpatient medical services.

41.6 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
41.7 mental health services, psychiatric residential treatment facility services, and inpatient
41.8 hospital and residential chemical dependency and alcoholism services, except for persons
41.9 seeking chemical dependency services under section 245G.05, must not place a greater
41.10 financial burden on the insured or enrollee, or be more restrictive than those requirements
41.11 and limitations for inpatient hospital medical services.

41.12 (d) A health plan company must not impose an NQTL with respect to mental health and
41.13 substance use disorders in any classification of benefits unless, under the terms of the health
41.14 plan as written and in operation, any processes, strategies, evidentiary standards, or other
41.15 factors used in applying the NQTL to mental health and substance use disorders in the
41.16 classification are comparable to, and are applied no more stringently than, the processes,
41.17 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
41.18 to medical and surgical benefits in the same classification.

41.19 (e) All health plans must meet the requirements of the federal Mental Health Parity Act
41.20 of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and
41.21 Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal
41.22 guidance or regulations issued under, those acts.

41.23 (f) The commissioner may require information from health plan companies to confirm
41.24 that mental health parity is being implemented by the health plan company. Information
41.25 required may include comparisons between mental health and substance use disorder
41.26 treatment and other medical conditions, including a comparison of prior authorization
41.27 requirements, drug formulary design, claim denials, rehabilitation services, and other
41.28 information the commissioner deems appropriate.

41.29 (g) Regardless of the health care provider's professional license, if the service provided
41.30 is consistent with the provider's scope of practice and the health plan company's credentialing
41.31 and contracting provisions, mental health therapy visits and medication maintenance visits
41.32 shall be considered primary care visits for the purpose of applying any enrollee cost-sharing
41.33 requirements imposed under the enrollee's health plan.

42.1 (h) All health plan companies offering health plans that provide coverage for alcoholism,
42.2 mental health, or chemical dependency benefits shall provide reimbursement for the benefits
42.3 delivered through the psychiatric Collaborative Care Model, which must include the following
42.4 Current Procedural Terminology or Healthcare Common Procedure Coding System billing
42.5 codes:

42.6 (1) 99492;

42.7 (2) 99493;

42.8 (3) 99494;

42.9 (4) G2214; and

42.10 (5) G0512.

42.11 This paragraph does not apply to managed care plans or county-based purchasing plans
42.12 when the plan provides coverage to public health care program enrollees under chapter
42.13 256B or 256L.

42.14 (i) The commissioner of commerce shall update the list of codes in paragraph (h) if any
42.15 alterations or additions to the billing codes for the psychiatric Collaborative Care Model
42.16 are made.

42.17 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
42.18 behavioral health service delivery method described at Federal Register, volume 81, page
42.19 80230, which includes a formal collaborative arrangement among a primary care team
42.20 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
42.21 includes but is not limited to the following elements:

42.22 (1) care directed by the primary care team;

42.23 (2) structured care management;

42.24 (3) regular assessments of clinical status using validated tools; and

42.25 (4) modification of treatment as appropriate.

42.26 (k) By June 1 of each year, ~~beginning June 1, 2021~~, the commissioner of commerce, ~~in~~
42.27 ~~consultation with the commissioner of health~~, shall submit a report on compliance and
42.28 oversight to the chairs and ranking minority members of the legislative committees with
42.29 jurisdiction over health and commerce. The report must:

43.1 (1) describe the commissioner's process for reviewing health plan company compliance
43.2 with United States Code, title 42, section 18031(j), any federal regulations or guidance
43.3 relating to compliance and oversight, and compliance with this section and section 62Q.53;

43.4 (2) identify any enforcement actions taken by either commissioner during the preceding
43.5 12-month period regarding compliance with parity for mental health and substance use
43.6 disorders benefits under state and federal law, summarizing the results of any market conduct
43.7 examinations. The summary must include: (i) the number of formal enforcement actions
43.8 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
43.9 subject matter of each enforcement action, including quantitative and nonquantitative
43.10 treatment limitations;

43.11 (3) detail any corrective action taken by either commissioner to ensure health plan
43.12 company compliance with this section, section 62Q.53, and United States Code, title 42,
43.13 section 18031(j); and

43.14 (4) describe the information provided by either commissioner to the public about
43.15 alcoholism, mental health, or chemical dependency parity protections under state and federal
43.16 law.

43.17 The report must be written in nontechnical, readily understandable language and must be
43.18 made available to the public by, among other means as the commissioners find appropriate,
43.19 posting the report on department websites. Individually identifiable information must be
43.20 excluded from the report, consistent with state and federal privacy protections.

43.21 Sec. 47. Minnesota Statutes 2024, section 62Q.51, subdivision 3, is amended to read:

43.22 Subd. 3. **Rate approval.** The premium rates and cost sharing requirements for each
43.23 option must be submitted to ~~the commissioner of health~~ or the commissioner of commerce
43.24 as required by law. A health plan that includes lower enrollee cost sharing for services
43.25 provided by network providers than for services provided by out-of-network providers, or
43.26 lower enrollee cost sharing for services provided with prior authorization or second opinion
43.27 than for services provided without prior authorization or second opinion, qualifies as a
43.28 point-of-service option.

43.29 Sec. 48. Minnesota Statutes 2024, section 62Q.556, subdivision 3, is amended to read:

43.30 Subd. 3. **Annual data reporting.** (a) Beginning April 1, 2024, a health plan company
43.31 must report annually to the commissioner of ~~health~~ commerce:

44.1 (1) the total number of claims and total billed and paid amounts for nonparticipating
44.2 provider services, by service and provider type, submitted to the health plan in the prior
44.3 calendar year; and

44.4 (2) the total number of enrollee complaints received regarding the rights and protections
44.5 established by the No Surprises Act in the prior calendar year.

44.6 (b) The ~~commissioners~~ commissioner of commerce ~~and health~~ shall develop the form
44.7 and manner for health plan companies to comply with paragraph (a).

44.8 Sec. 49. Minnesota Statutes 2024, section 62Q.556, subdivision 4, is amended to read:

44.9 Subd. 4. **Enforcement.** (a) Any provider or facility, including a health care provider or
44.10 facility pursuant to section 62A.63, subdivision 2, or 62J.03, subdivision 8, that is subject
44.11 to the relevant provisions of the No Surprises Act is subject to the requirements of this
44.12 section and section 62J.811.

44.13 (b) The commissioner of commerce ~~or health~~ shall enforce this section.

44.14 (c) If a health-related licensing board has cause to believe that a provider has violated
44.15 this section, it may further investigate and enforce the provisions of this section pursuant
44.16 to chapter 214.

44.17 Sec. 50. Minnesota Statutes 2024, section 62Q.69, subdivision 2, is amended to read:

44.18 Subd. 2. **Procedures for filing a complaint.** (a) A complainant may submit a complaint
44.19 to a health plan company either by telephone or in writing. If a complaint is submitted orally
44.20 and the resolution of the complaint, as determined by the complainant, is partially or wholly
44.21 adverse to the complainant, or the oral complaint is not resolved to the satisfaction of the
44.22 complainant, by the health plan company within ten days of receiving the complaint, the
44.23 health plan company must inform the complainant that the complaint may be submitted in
44.24 writing. The health plan company must also offer to provide the complainant with any
44.25 assistance needed to submit a written complaint, including an offer to complete the complaint
44.26 form for a complaint that was previously submitted orally and promptly mail the completed
44.27 form to the complainant for the complainant's signature. At the complainant's request, the
44.28 health plan company must provide the assistance requested by the complainant. The
44.29 complaint form must include the following information:

44.30 (1) the telephone number of the health plan company member services or other
44.31 departments or persons equipped to advise complainants on complaint resolution;

44.32 (2) the address to which the form must be sent;

45.1 (3) a description of the health plan company's internal complaint procedure and the
45.2 applicable time limits; and

45.3 (4) the toll-free telephone number of ~~either the commissioner of health or commerce~~
45.4 and notification that the complainant has the right to submit the complaint at any time to
45.5 the ~~appropriate~~ commissioner for investigation.

45.6 (b) Upon receipt of a written complaint, the health plan company must notify the
45.7 complainant within ten business days that the complaint was received, unless the complaint
45.8 is resolved to the satisfaction of the complainant within the ten business days.

45.9 (c) Each health plan company must provide, in the member handbook, subscriber contract,
45.10 or certification of coverage, a clear and concise description of how to submit a complaint
45.11 and a statement that, upon request, assistance in submitting a written complaint is available
45.12 from the health plan company.

45.13 Sec. 51. Minnesota Statutes 2024, section 62Q.69, subdivision 3, is amended to read:

45.14 Subd. 3. **Notification of complaint decisions.** (a) The health plan company must notify
45.15 the complainant in writing of its decision and the reasons for it as soon as practical but in
45.16 no case later than 30 days after receipt of a written complaint. If the health plan company
45.17 cannot make a decision within 30 days due to circumstances outside the control of the health
45.18 plan company, the health plan company may take up to 14 additional days to notify the
45.19 complainant of its decision. If the health plan company takes any additional days beyond
45.20 the initial 30-day period to make its decision, it must inform the complainant, in advance,
45.21 of the extension and the reasons for the extension.

45.22 (b) For group health plans, if the decision is partially or wholly adverse to the
45.23 complainant, the notification must inform the complainant of the right to appeal the decision
45.24 to the health plan company's internal appeal process described in section 62Q.70 and the
45.25 procedure for initiating an appeal.

45.26 (c) For individual health plans, if the decision is partially or wholly adverse to the
45.27 complainant, the notification must inform the complainant of the right to submit the complaint
45.28 decision to the external review process described in section 62Q.73 and the procedure for
45.29 initiating the external review process. Notwithstanding the provisions in this subdivision,
45.30 a health plan company offering individual coverage may instead follow the process for
45.31 group health plans outlined in paragraph (b).

46.1 (d) The notification must also inform the complainant of the right to submit the complaint
46.2 at any time to either the commissioner of health or commerce for investigation and the
46.3 toll-free telephone number of the appropriate commissioner.

46.4 Sec. 52. Minnesota Statutes 2024, section 62Q.71, is amended to read:

46.5 **62Q.71 NOTICE TO ENROLLEES.**

46.6 Each health plan company shall provide to enrollees a clear and concise description of
46.7 its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and
46.8 the procedure used for utilization review as defined under chapter 62M as part of the member
46.9 handbook, subscriber contract, or certificate of coverage. If the health plan company does
46.10 not issue a member handbook, the health plan company may provide the description in
46.11 another written document. The description must specifically inform enrollees:

46.12 (1) how to submit a complaint to the health plan company;

46.13 (2) if the health plan includes utilization review requirements, how to notify the utilization
46.14 review organization in a timely manner and how to obtain authorization for health care
46.15 services;

46.16 (3) how to request an appeal either through the procedures described in section 62Q.70,
46.17 if applicable, or through the procedures described in chapter 62M;

46.18 (4) of the right to file a complaint with either the commissioner of health or commerce
46.19 at any time during the complaint and appeal process;

46.20 (5) of the toll-free telephone number of the appropriate commissioner; and

46.21 (6) of the right, for individual and group coverage, to obtain an external review under
46.22 section 62Q.73 and a description of when and how that right may be exercised, including
46.23 that under most circumstances an enrollee must exhaust the internal complaint or appeal
46.24 process prior to external review. However, an enrollee may proceed to external review
46.25 without exhausting the internal complaint or appeal process under the following
46.26 circumstances:

46.27 (i) the health plan company waives the exhaustion requirement;

46.28 (ii) the health plan company is considered to have waived the exhaustion requirement
46.29 by failing to substantially comply with any requirements including, but not limited to, time
46.30 limits for internal complaints or appeals; or

46.31 (iii) the enrollee has applied for an expedited external review at the same time the enrollee
46.32 has applied for internal review under chapter 62M.

47.1 Sec. 53. Minnesota Statutes 2024, section 62Q.73, subdivision 3, is amended to read:

47.2 Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an
47.3 enrollee who has received an adverse determination may submit a written request for an
47.4 external review of the adverse determination, if applicable under section 62Q.68, subdivision
47.5 1, or 62M.06, ~~to the commissioner of health if the request involves a health plan company~~
47.6 ~~regulated by that commissioner~~ or to the commissioner of commerce if the request involves
47.7 ~~a health plan company regulated by that commissioner~~. Notification of the enrollee's right
47.8 to external review must accompany the denial issued by the insurer.

47.9 (b) Nothing in this section requires the commissioner of ~~health~~ or commerce to
47.10 independently investigate an adverse determination referred for independent external review.

47.11 (c) If an enrollee requests an external review, the health plan company must participate
47.12 in the external review. The cost of the external review must be borne by the health plan
47.13 company.

47.14 (d) The enrollee must request external review within six months from the date of the
47.15 adverse determination.

47.16 Sec. 54. Minnesota Statutes 2024, section 62Q.73, subdivision 10, is amended to read:

47.17 Subd. 10. **Data reporting.** ~~The commissioners~~ commissioner of commerce shall make
47.18 available to the public, upon request, summary data on the decisions rendered under this
47.19 section, including the number of reviews heard and decided and the final outcomes. Any
47.20 data released to the public must not individually identify the enrollee initiating the request
47.21 for external review.

47.22 Sec. 55. Minnesota Statutes 2024, section 62Q.81, subdivision 7, is amended to read:

47.23 Subd. 7. **Standard plans.** (a) A health plan company that offers individual health plans
47.24 must ensure that no less than one individual health plan at each level of coverage described
47.25 in subdivision 1, paragraph (b), clause (3), that the health plan company offers in each
47.26 geographic rating area the health plan company serves conforms to the standard plan
47.27 parameters determined by the commissioner under paragraph (e).

47.28 (b) An individual health plan offered under this subdivision must be:

47.29 (1) clearly and appropriately labeled as standard plans to aid the purchaser in the selection
47.30 process;

48.1 (2) marketed as standard plans and in the same manner as other individual health plans
48.2 offered by the health plan company; and

48.3 (3) offered for purchase to any individual.

48.4 (c) This subdivision does not apply to catastrophic plans, grandfathered plans, small
48.5 group health plans, large group health plans, health savings accounts, qualified high
48.6 deductible health benefit plans, limited health benefit plans, or short-term limited-duration
48.7 health insurance policies.

48.8 (d) Health plan companies must meet the requirements in this subdivision separately for
48.9 plans offered through MNsure under chapter 62V and plans offered outside of MNsure.

48.10 (e) The commissioner of commerce, ~~in consultation with the commissioner of health,~~
48.11 must annually determine standard plan parameters, including but not limited to cost-sharing
48.12 structure and covered benefits, that comprise a standard plan in Minnesota.

48.13 (f) Notwithstanding section 62A.65, subdivision 2, a health plan company may
48.14 discontinue offering a health plan under this subdivision if, three years after the date the
48.15 plan is initially offered, the plan has fewer than 75 enrollees. A health plan company
48.16 discontinuing a health plan under this paragraph may discontinue a health plan that has
48.17 fewer than 75 enrollees if it:

48.18 (1) provides notice of the plan's discontinuation in writing, in a form prescribed by the
48.19 commissioner, to each enrollee of the plan at least 90 calendar days before the date the
48.20 coverage is discontinued;

48.21 (2) offers on a guaranteed issue basis to each enrollee the option to purchase an individual
48.22 health plan currently being offered by the health plan company for individuals in that
48.23 geographic rating area. An enrollee who does not select an option shall be automatically
48.24 enrolled in the individual health plan closest in actuarial value to the enrollee's current plan;
48.25 and

48.26 (3) acts uniformly without regard to any health status-related factor of an enrollee or an
48.27 enrollee's dependents who may become eligible for coverage.

48.28 Sec. 56. Minnesota Statutes 2024, section 62U.04, subdivision 13, is amended to read:

48.29 Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The
48.30 commissioner or the commissioner's designee shall make the data submitted under
48.31 subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to:
48.32 (1) individuals and organizations engaged in research on, or efforts to effect transformation

49.1 in, health care outcomes, access, quality, disparities, or spending, provided the use of the
49.2 data serves a public benefit; and (2) the commissioner of commerce, subject to the data use
49.3 requirements under subdivision 11, paragraph (b), to perform health insurance oversight
49.4 duties.

49.5 (b) Data made available under this subdivision may not be used to:

49.6 (1) create an unfair market advantage for any participant in the health care market in
49.7 Minnesota, including health plan companies, payers, and providers;

49.8 (2) reidentify or attempt to reidentify an individual in the data; or

49.9 (3) publicly report contract details between a health plan company and provider and
49.10 derived from the data.

49.11 ~~(b)~~ (c) To implement ~~paragraph~~ paragraphs (a) and (b), the commissioner shall:

49.12 (1) establish detailed requirements for data access; a process for data users to apply to
49.13 access and use the data; legally enforceable data use agreements to which data users must
49.14 consent; a clear and robust oversight process for data access and use, including a data
49.15 management plan, that ensures compliance with state and federal data privacy laws;
49.16 agreements for state agencies and the University of Minnesota to ensure proper and efficient
49.17 use and security of data; and technical assistance for users of the data and for stakeholders;

49.18 (2) develop a fee schedule to support the cost of expanded access to and use of the data,
49.19 provided the fees charged under the schedule do not create a barrier to access or use for
49.20 those most affected by disparities; and

49.21 (3) create a research advisory group to advise the commissioner on applications for data
49.22 use under this subdivision, including an examination of the rigor of the research approach,
49.23 the technical capabilities of the proposed user, and the ability of the proposed user to
49.24 successfully safeguard the data.

49.25 Sec. 57. Minnesota Statutes 2024, section 62W.06, is amended by adding a subdivision
49.26 to read:

49.27 Subd. 4. **Data sharing.** Notwithstanding subdivision 2, paragraph (d), the commissioner
49.28 must provide the data under subdivision 2, paragraph (a), to the commissioner of health.
49.29 The commissioner of health must maintain data received under this section in a manner
49.30 consistent with the data's classification under subdivision 2, paragraph (d).

51.1 (e) For each applicable benefit year, the association must notify eligible health carriers
 51.2 of reinsurance payments to be made for the applicable benefit year no later than June 30 of
 51.3 the year following the applicable benefit year.

51.4 (f) On a quarterly basis during the applicable benefit year, the association must provide
 51.5 each eligible health carrier with the calculation of total reinsurance payment requests.

51.6 (g) ~~By August 15 of the year following the applicable benefit year, the association must~~
 51.7 ~~disburse all applicable reinsurance payments to an eligible health carrier.~~ For benefit year
 51.8 2027, the commissioner must transfer to the association the total amount of money necessary
 51.9 for the association to pay all applicable reinsurance payments to each eligible health carrier
 51.10 by August 15, 2028.

51.11 (h) For benefit year 2027, the association must disburse applicable reinsurance payments
 51.12 to an eligible health carrier no later than August 31, 2028.

51.13 Sec. 2. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 1a, is amended
 51.14 to read:

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

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

51.20 (c) By June 30, 2028, the association must ~~notify each group health carrier of the carrier's~~
 51.21 ~~assessment amount under paragraph (a).~~ The association must determine propose each
 51.22 carrier's assessment amount, in consultation with the commissioner, based on the group
 51.23 health carrier's portion of the total premiums for group health plans written in Minnesota
 51.24 for benefit year 2027. The commissioner must approve the carrier's assessment amount.
 51.25 The association must establish the final assessment amount for each group health plan so
 51.26 must ensure that the aggregate assessment amount collected from group health plans under
 51.27 this subdivision equals the amount necessary for the appropriations and transfers under
 51.28 section 62E.25, subdivision 1. By July 25, 2028, the association must notify each group
 51.29 health carrier of the carrier's proposed assessment amount under paragraph (a).

51.30 (d) Subject to paragraph (e), each group health carrier must pay the assessment under
 51.31 paragraph (a) to the ~~association~~ commissioner by August ~~1~~ 29, 2028, for deposit in the
 51.32 premium security plan account created under section 62E.25. A group health plan must pay
 51.33 the assessment in the manner determined by the commissioner.

52.1 (e) A group health carrier may apply to the commissioner to defer all or part of the
52.2 assessment imposed under paragraph (a). The application must be submitted to the
52.3 commissioner by May 15, 2028. The commissioner may defer all or part of the assessment
52.4 if the commissioner determines the payment of the assessment places the group health
52.5 carrier in a financially impaired condition. The commissioner may deny an application for
52.6 deferral under this paragraph. No later than June 15, 2028, the commissioner must notify
52.7 the association and the group health carrier whether the assessment deferral is approved or
52.8 denied. If the commissioner approves the deferral request, the notice must include the amount
52.9 of and due date for the deferred portion of the assessment. If all or part of the assessment
52.10 is deferred, the association must include the amount deferred in the other group health
52.11 carriers' assessments in a proportionate manner consistent with this subdivision. ~~The A~~
52.12 group health carrier that receives a deferral is liable to the ~~association~~ commissioner for the
52.13 amount deferred and is prohibited from receiving or becoming entitled to a reinsurance
52.14 payment under the Minnesota premium security plan until the group health carrier has paid
52.15 the deferred assessment.

52.16 (f) If the association determines the assessment imposed under paragraph (a) exceeds
52.17 or is less than the amount necessary to operate and administer the Minnesota premium
52.18 security plan and issue reinsurance payments, the association must require group health
52.19 carriers to pay an additional amount or the association must issue a refund to the group
52.20 health carriers. The association must determine the accuracy of the assessment by ~~May 30~~
52.21 March 15, 2029.

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

52.25 Sec. 3. Minnesota Statutes 2025 Supplement, section 62E.23, subdivision 2, is amended
52.26 to read:

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

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

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

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

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

53.3 (5) take into account any federal funding available for the plan;

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

53.5 (7) ensure the premium security plan account created under section 62E.25, subdivision
53.6 1, has sufficient money to ensure MNsure's stable operation after taking into account the
53.7 Minnesota premium security plan's effect on MNsure's funding; and

53.8 (8) take into account the total amount available to fund the plan.

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

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

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

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

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

53.28 Sec. 4. Minnesota Statutes 2025 Supplement, section 297I.20, subdivision 7, is amended
53.29 to read:

53.30 Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028,
53.31 a taxpayer may claim a credit against the premiums tax imposed under this chapter equal
53.32 to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately

54.1 preceding calendar year. If the amount of the credit exceeds the liability for tax under this
 54.2 chapter, the commissioner must refund the excess to the ~~insurance company~~ taxpayer. An
 54.3 amount sufficient to pay the refunds under this section is appropriated to the commissioner
 54.4 from the general fund. The credit under this subdivision does not affect the calculation of
 54.5 fire state aid under section 477B.03 and police state aid under section 477C.03. The
 54.6 commissioner of commerce must annually provide to the commissioner a list of assessments
 54.7 paid by taxpayers under section 62E.23 by March 1 of the calendar year following the
 54.8 assessment.

54.9 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 54.10 31, 2028.

54.11 ARTICLE 6

54.12 HEALTH INSURANCE

54.13 Section 1. Minnesota Statutes 2024, section 62A.135, subdivision 1, is amended to read:

54.14 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
 54.15 meanings given ~~them~~:

54.16 ~~(a)~~ (1) "fixed indemnity policy" is a policy form, other than an accidental death and
 54.17 dismemberment policy, a disability income policy, or a long-term care policy as defined in
 54.18 section 62A.46, subdivision 2, that pays a predetermined, specified, fixed benefit for services
 54.19 provided. Fixed indemnity policy includes short-term home health and nursing care insurance
 54.20 under section 62A.70. Claim costs under these forms are generally not subject to inflation,
 54.21 although they may be subject to changes in the utilization of health care services. For policy
 54.22 forms providing both expense-incurred and fixed benefits, the policy form is a fixed
 54.23 indemnity policy if 50 percent or more of the total claims are for predetermined, specified,
 54.24 fixed benefits;

54.25 ~~(b)~~ (2) "guaranteed renewable" means that, during the renewal period (to a specified
 54.26 age) renewal cannot be declined nor coverage changed by the insurer for any reason other
 54.27 than nonpayment of premiums, fraud, or misrepresentation, but the insurer can revise rates
 54.28 on a class basis upon approval by the commissioner;

54.29 ~~(c)~~ (3) "noncancelable" means that, during the renewal period (to a specified age) renewal
 54.30 cannot be declined nor coverage changed by the insurer for any reason other than nonpayment
 54.31 of premiums, fraud, or misrepresentation and that rates cannot be revised by the insurer.
 54.32 This includes policies that are guaranteed renewable to a specified age, such as 60 or 65, at
 54.33 guaranteed rates; and

55.1 ~~(d)~~ (4) "average annualized premium" means the average of the estimated annualized
55.2 premium per covered person based on the anticipated distribution of business using all
55.3 significant criteria having a price difference, such as age, sex, amount, dependent status,
55.4 mode of payment, and rider frequency. For filing of rate revisions, the amount is the
55.5 anticipated average assuming the revised rates have fully taken effect.

55.6 Sec. 2. Minnesota Statutes 2025 Supplement, section 62A.31, subdivision 1u, is amended
55.7 to read:

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

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

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

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

55.23 (2) the individual is enrolled with a Medicare Advantage organization under a Medicare
55.24 Advantage plan under Medicare Part C, and any of the following circumstances apply, or
55.25 the individual is 65 years of age or older and is enrolled with a Program of All-Inclusive
55.26 Care for the Elderly (PACE) provider under section 1894 of the federal Social Security Act,
55.27 and there are circumstances similar to those described in this clause that would permit
55.28 discontinuance of the individual's enrollment with the provider if the individual were enrolled
55.29 in a Medicare Advantage plan:

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

56.1 (ii) the individual is no longer eligible to elect the plan because of a change in the
56.2 individual's place of residence or other change in circumstances specified by the secretary,
56.3 but not including termination of the individual's enrollment on the basis described in section
56.4 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section
56.5 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has
56.6 engaged in disruptive behavior as specified in standards under section 1856 of the federal
56.7 Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated
56.8 for all individuals within a residence area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57.4 (iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially

57.5 misrepresented the policy's provisions in marketing the policy to the individual;

57.6 (5)(i) the individual was enrolled under a Medicare supplement policy and terminates

57.7 that enrollment and subsequently enrolls, for the first time, with any Medicare Advantage

57.8 organization under a Medicare Advantage plan under Medicare Part C; any eligible

57.9 organization under a contract under section 1876 of the federal Social Security Act, United

57.10 States Code, title 42, section 1395mm (Medicare cost); any similar organization operating

57.11 under demonstration project authority; any PACE provider under section 1894 of the federal

57.12 Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law

57.13 of another state; and

57.14 (ii) the subsequent enrollment under item (i) is terminated by the enrollee during any

57.15 period within the first 12 months of the subsequent enrollment during which the enrollee

57.16 is permitted to terminate the subsequent enrollment under section 1851(e) of the federal

57.17 Social Security Act;

57.18 (6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a

57.19 Medicare Advantage plan under Medicare Part C, or with a PACE provider under section

57.20 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12

57.21 months after the effective date of enrollment;

57.22 (7) the individual enrolls in a Medicare Part D plan during the initial Part D enrollment

57.23 period, as defined under United States Code, title 42, section 1395ss(v)(6)(D), and, at the

57.24 time of enrollment in Part D, was enrolled under a Medicare supplement policy that covers

57.25 outpatient prescription drugs and the individual terminates enrollment in the Medicare

57.26 supplement policy and submits evidence of enrollment in Medicare Part D along with the

57.27 application for a policy described in paragraph (e), clause (4);

57.28 (8) the individual was enrolled in a state public program and is losing coverage due to

57.29 the unwinding of the Medicaid continuous enrollment conditions, as provided by Code of

57.30 Federal Regulations, title 45, section 155.420 (d)(9) and (d)(1), and Public Law 117-328,

57.31 section 5131 (2022); or

57.32 (9) the individual meets the requirements under subdivision 1r, paragraph (c), and enrolls

57.33 during the open enrollment period.

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

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

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

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

58.19 (5) In the case of an individual described in paragraph (b), clause (7), the guaranteed
58.20 issue period begins on the date the individual receives notice pursuant to section
58.21 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the
58.22 60-day period immediately preceding the initial Part D enrollment period and ends on the
58.23 date that is 63 days after the effective date of the individual's coverage under Medicare Part
58.24 D.

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

58.28 (7) For an individual described in paragraph (b), clause (9), the guarantee issue period
58.29 is the open enrollment period.

58.30 (d)(1) In the case of an individual described in paragraph (b), clause (5), or deemed to
58.31 be so described, pursuant to this paragraph, whose enrollment with an organization or
58.32 provider described in paragraph (b), clause (5), item (i), is involuntarily terminated within
58.33 the first 12 months of enrollment, and who, without an intervening enrollment, enrolls with

59.1 another such organization or provider, the subsequent enrollment is deemed to be an initial
59.2 enrollment described in paragraph (b), clause (5).

59.3 (2) In the case of an individual described in paragraph (b), clause (6), or deemed to be
59.4 so described, pursuant to this paragraph, whose enrollment with a plan or in a program
59.5 described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months
59.6 of enrollment, and who, without an intervening enrollment, enrolls in another such plan or
59.7 program, the subsequent enrollment is deemed to be an initial enrollment described in
59.8 paragraph (b), clause (6).

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

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

59.15 (1) paragraph (b), clauses (1) to ~~(4)~~ (3), is any Medicare supplement policy that has a
59.16 benefit package consisting of the basic Medicare supplement plan described in section
59.17 62A.316, paragraph (a), plus any combination of the three optional riders described in
59.18 section 62A.316, paragraph (b), clauses (1) to (3), offered by any issuer;

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

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

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

59.30 (3) paragraph (b), ~~clause~~ clauses (4) and (6), is any Medicare supplement policy offered
59.31 by any issuer;

59.32 (4) paragraph (b), clause (7), is a Medicare supplement policy that has a benefit package
59.33 classified as a basic plan under section 62A.316 if the enrollee's existing Medicare

60.1 supplement policy is a basic plan or, if the enrollee's existing Medicare supplement policy
60.2 is an extended basic plan under section 62A.315, a basic or extended basic plan at the option
60.3 of the enrollee, provided that the policy is offered and is available for issuance to new
60.4 enrollees by the same issuer that issued the individual's Medicare supplement policy with
60.5 outpatient prescription drug coverage. The issuer must permit the enrollee to retain all
60.6 optional benefits contained in the enrollee's existing coverage, other than outpatient
60.7 prescription drugs, subject to the provision that the coverage be offered and available for
60.8 issuance to new enrollees by the same issuer.

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

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

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

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

60.28 (i) An individual described in paragraph (b), clause (4), whose enrollment ceased between
60.29 January 1, 2025, and January 1, 2026, is an eligible person beginning for plan year 2027.
60.30 Individuals under this paragraph are entitled to any Medicare supplement policy offered by
60.31 any issuer regardless of the individual's health coverage status or health plan after the
60.32 individual's enrollment ceased and before plan year 2027.

60.33 **EFFECTIVE DATE.** This section is effective January 1, 2027.

61.1 Sec. 3. Minnesota Statutes 2024, section 62A.46, subdivision 2, is amended to read:

61.2 Subd. 2. **Long-term care policy.** (a) "Long-term care policy" means an individual or
61.3 group policy, certificate, subscriber contract, or other evidence of coverage that provides
61.4 benefits for prescribed long-term care, including nursing facility services or home care
61.5 services, or both nursing facility services and home care services, pursuant to the
61.6 requirements of sections 62A.46 to 62A.56. Long-term care policy does not include
61.7 short-term home health and nursing care insurance under section 62A.70.

61.8 (b) Sections 62A.46, 62A.48, and 62A.52 to 62A.56 do not apply to a long-term care
61.9 policy issued to ~~(a)~~ (1) an employer or employers or to the trustee of a fund established by
61.10 an employer where only employees or retirees, and dependents of employees or retirees,
61.11 are eligible for coverage or ~~(b)~~ (2) to a labor union or similar employee organization. ~~The~~
61.12 associations exempted from the requirements of sections 62A.3099 to 62A.44 under 62A.31,
61.13 subdivision 1, clause (c) shall not be subject to the provisions of sections 62A.46 to 62A.56
61.14 until July 1, 1988.

61.15 Sec. 4. **[62A.70] SHORT-TERM HOME HEALTH AND NURSING CARE**
61.16 **INSURANCE.**

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

61.19 (b) "Activities of daily living" has the meaning given in section 62S.01, subdivision 2.

61.20 (c) "Cognitive impairment" has the meaning given in section 62S.01, subdivision 9.

61.21 (d) "Free-look period" means a period with a duration of at least 30 days, beginning the
61.22 date the policy, certificate, contract, or other evidence of coverage is issued and delivered
61.23 to the insured, during which an insured may cancel the policy, certificate, contract, or other
61.24 evidence of coverage and receive a full refund of all paid insurance premiums.

61.25 (e) "Home health agency" has the meaning given in section 62A.46, subdivision 10.

61.26 (f) "Insured" means a person covered under a short-term home health and nursing care
61.27 insurance policy.

61.28 (g) "Nursing facility" has the meaning given in section 62A.46, subdivision 3.

61.29 (h) "Plan of care" has the meaning given in section 62A.46, subdivision 8.

61.30 (i) "Qualified insurer" means an entity licensed under chapter 62A or 62C.

62.1 (j) "Short-term home health and nursing care insurance" means an individual or group
62.2 policy, certificate, subscriber contract, or other evidence of coverage that provides benefits
62.3 for short-term home health services or short-term nursing care services. Short-term home
62.4 health and nursing care insurance does not include:

62.5 (1) a long-term care policy, as defined in section 62A.46, subdivision 2;

62.6 (2) long-term care insurance, as defined in section 62S.01, subdivision 18;

62.7 (3) Medicare supplement policies, as defined in section 62A.3099, subdivision 18; or

62.8 (4) major medical, disability income, or hospital confinement indemnity policies.

62.9 (k) "Short-term home health services" means one or more of the following services to
62.10 care for and treat an insured that are provided by a home health agency in a noninstitutional
62.11 setting pursuant to a written diagnosis or assessment and plan of care:

62.12 (1) nursing and related personal care services under the direction of a registered nurse,
62.13 including the services of a home health aide;

62.14 (2) physical therapy;

62.15 (3) speech therapy;

62.16 (4) respiratory therapy;

62.17 (5) occupational therapy;

62.18 (6) nutritional services provided by a licensed dietitian;

62.19 (7) homemaker services, meal preparation, and similar nonmedical services;

62.20 (8) medical social services; and

62.21 (9) other similar medical services and health-related support services.

62.22 (l) "Short-term nursing care services" means services to care for and treat an insured
62.23 that are provided by a nursing facility pursuant to a written diagnosis or assessment and
62.24 plan of care.

62.25 (m) "Waiting period" means a specified time period that an insured must wait before
62.26 some or all of the insured's coverage becomes effective.

62.27 Subd. 2. **Short-term home health and nursing care insurance approval.** (a) A qualified
62.28 insurer may offer, issue, deliver, and renew short-term home health and nursing care
62.29 insurance if the insurance meets the requirements of this section.

63.1 (b) Short-term home health and nursing care insurance may be offered, issued, delivered,
63.2 or renewed only by a qualified insurer.

63.3 (c) Short-term home health and nursing care insurance must not be offered, issued,
63.4 delivered, or renewed until the short-term home health and nursing care insurance is approved
63.5 by the commissioner as necessary under sections 62A.02 and 62A.135.

63.6 Subd. 3. **Policy requirements.** (a) Short-term home health and nursing care insurance
63.7 must provide benefits upon:

63.8 (1) cognitive impairment; or

63.9 (2) the insured's inability to perform at least two activities of daily living without
63.10 substantial assistance.

63.11 (b) Short-term home health and nursing care insurance must not provide coverage for a
63.12 period exceeding 360 days.

63.13 (c) Short-term home health and nursing care insurance must provide a free-look period.

63.14 (d) Short-term home health and nursing care insurance must not be canceled due to an
63.15 insured's deterioration in health status or use of benefits.

63.16 (e) An insurer may deny the renewal of a policy, certificate, contract, or other evidence
63.17 of coverage of short-term home health and nursing care insurance only for:

63.18 (1) nonpayment of a premium by the insured;

63.19 (2) fraud or misrepresentation by the insured;

63.20 (3) termination of the insurer's authority to transact business in the state; or

63.21 (4) the insured's exhaustion of the maximum benefit period.

63.22 (f) Upon the conversion or replacement by an insurer of a policy, certificate, contract,
63.23 or other evidence of coverage containing a waiting period, the insurer is prohibited from
63.24 establishing a waiting period that differs from the original waiting period.

63.25 Subd. 4. **Required disclosures.** Short-term home health and nursing care insurance must
63.26 not be offered or issued without providing the following written disclosures:

63.27 (1) a statement, in bold text, that the policy, certificate, contract, or other evidence of
63.28 coverage is supplemental health insurance; is not long-term care insurance; and is not a
63.29 policy under the Minnesota partnership for long-term care program;

63.30 (2) a clear and understandable explanation of the free-look period; and

64.1 (3) a clear and understandable explanation of all renewability and continuity provisions.

64.2 Sec. 5. Minnesota Statutes 2024, section 62M.02, is amended by adding a subdivision to
64.3 read:

64.4 Subd. 2a. **Artificial intelligence.** "Artificial intelligence" has the meaning given in
64.5 United States Code, title 15, section 9401.

64.6 Sec. 6. Minnesota Statutes 2024, section 62M.09, subdivision 3, is amended to read:

64.7 **Subd. 3. Physician reviewer; adverse determinations.** (a) A physician must review
64.8 and make the adverse determination under section 62M.05 in all cases in which the utilization
64.9 review organization has concluded that an adverse determination for clinical reasons is
64.10 appropriate.

64.11 (b) The physician conducting the review and making the adverse determination must:

64.12 (1) hold a current, unrestricted license to practice medicine in this state; and

64.13 (2) have the same or similar medical specialty as a provider that typically treats or
64.14 manages the condition for which the health care service has been requested.

64.15 This paragraph does not apply to reviews conducted in connection with policies issued by
64.16 a health plan company that is assessed less than three percent of the total amount assessed
64.17 by the Minnesota Comprehensive Health Association.

64.18 (c) The physician should be reasonably available by telephone to discuss the determination
64.19 with the attending health care professional.

64.20 (d) Notwithstanding paragraph (a), a review of an adverse determination involving a
64.21 prescription drug must be conducted by a licensed pharmacist or physician who is competent
64.22 to evaluate the specific clinical issues presented in the review.

64.23 (e) This subdivision does not apply to outpatient mental health or substance abuse services
64.24 governed by subdivision 3a.

64.25 (f) A utilization review organization is prohibited from using an algorithm or artificial
64.26 intelligence alone without a clinician review by an appropriate health professional, as
64.27 required under this section, when making an adverse determination.

64.28 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to health
64.29 plans offered, sold, issued, or renewed on or after that date.

65.1 Sec. 7. Minnesota Statutes 2024, section 62Q.47, is amended to read:

65.2 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
65.3 **SERVICES.**

65.4 (a) All health plans, as defined in section 62Q.01, that provide coverage for alcoholism,
65.5 mental health, or chemical dependency services, must comply with the requirements of this
65.6 section.

65.7 (b) Cost-sharing requirements and benefit or service limitations for outpatient mental
65.8 health and outpatient chemical dependency and alcoholism services, except for persons
65.9 seeking chemical dependency services under section 245G.05, must not place a greater
65.10 financial burden on the insured or enrollee, or be more restrictive than those requirements
65.11 and limitations for outpatient medical services.

65.12 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
65.13 mental health services, psychiatric residential treatment facility services, and inpatient
65.14 hospital and residential chemical dependency and alcoholism services, except for persons
65.15 seeking chemical dependency services under section 245G.05, must not place a greater
65.16 financial burden on the insured or enrollee, or be more restrictive than those requirements
65.17 and limitations for inpatient hospital medical services.

65.18 (d) A health plan company must not impose an NQTL with respect to mental health and
65.19 substance use disorders in any classification of benefits unless, under the terms of the health
65.20 plan as written and in operation, any processes, strategies, evidentiary standards, or other
65.21 factors used in applying the NQTL to mental health and substance use disorders in the
65.22 classification are comparable to, and are applied no more stringently than, the processes,
65.23 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
65.24 to medical and surgical benefits in the same classification.

65.25 (e) All health plans must meet the requirements of the federal Mental Health Parity Act
65.26 of 1996, Public Law 104-204; Paul Wellstone and Pete Domenici Mental Health Parity and
65.27 Addiction Equity Act of 2008; the Affordable Care Act; and any amendments to, and federal
65.28 guidance or regulations issued under, those acts.

65.29 (f) The commissioner may require information from health plan companies to confirm
65.30 that mental health parity is being implemented by the health plan company. Information
65.31 required may include comparisons between mental health and substance use disorder
65.32 treatment and other medical conditions, including a comparison of prior authorization
65.33 requirements, drug formulary design, claim denials, rehabilitation services, and other
65.34 information the commissioner deems appropriate.

66.1 (g) Regardless of the health care provider's professional license, if the service provided
66.2 is consistent with the provider's scope of practice and the health plan company's credentialing
66.3 and contracting provisions, mental health therapy visits and medication maintenance visits
66.4 shall be considered primary care visits for the purpose of applying any enrollee cost-sharing
66.5 requirements imposed under the enrollee's health plan.

66.6 (h) All health plan companies offering health plans that provide coverage for alcoholism,
66.7 mental health, or chemical dependency benefits shall provide reimbursement for the benefits
66.8 delivered through the psychiatric Collaborative Care Model, which must include the following
66.9 Current Procedural Terminology or Healthcare Common Procedure Coding System billing
66.10 codes:

66.11 (1) 99492;

66.12 (2) 99493;

66.13 (3) 99494;

66.14 (4) G2214; and

66.15 (5) G0512.

66.16 This paragraph does not apply to managed care plans or county-based purchasing plans
66.17 when the plan provides coverage to public health care program enrollees under chapter
66.18 256B or 256L.

66.19 (i) The commissioner of commerce shall update the list of codes in paragraph (h) if any
66.20 alterations or additions to the billing codes for the psychiatric Collaborative Care Model
66.21 are made.

66.22 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
66.23 behavioral health service delivery method described at Federal Register, volume 81, page
66.24 80230, which includes a formal collaborative arrangement among a primary care team
66.25 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
66.26 includes but is not limited to the following elements:

66.27 (1) care directed by the primary care team;

66.28 (2) structured care management;

66.29 (3) regular assessments of clinical status using validated tools; and

66.30 (4) modification of treatment as appropriate.

67.1 (k) By June 1 of each year, beginning June 1, 2021, the commissioner of commerce, in
67.2 consultation with the commissioner of health, shall submit a report on compliance and
67.3 oversight to the chairs and ranking minority members of the legislative committees with
67.4 jurisdiction over health and commerce. The report must:

67.5 (1) describe the commissioner's process for reviewing health plan company compliance
67.6 with United States Code, title 42, section 18031(j), any federal regulations or guidance
67.7 relating to compliance and oversight, and compliance with this section and section 62Q.53;

67.8 (2) identify any enforcement actions taken by either commissioner during the preceding
67.9 12-month period regarding compliance with parity for mental health and substance use
67.10 disorders benefits under state and federal law, summarizing the results of any market conduct
67.11 examinations. The summary must include: (i) the number of formal enforcement actions
67.12 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
67.13 subject matter of each enforcement action, including quantitative and nonquantitative
67.14 treatment limitations;

67.15 (3) detail any corrective action taken by either commissioner to ensure health plan
67.16 company compliance with this section, section 62Q.53, and United States Code, title 42,
67.17 section 18031(j); and

67.18 (4) describe the information provided by either commissioner to the public about
67.19 alcoholism, mental health, or chemical dependency parity protections under state and federal
67.20 law.

67.21 The report must be written in nontechnical, readily understandable language and must be
67.22 made available to the public by, among other means as the commissioners find appropriate,
67.23 posting the report on department websites. Individually identifiable information must be
67.24 excluded from the report, consistent with state and federal privacy protections.

67.25 (l) Health plans must reimburse all alcoholism, mental health, and chemical dependency
67.26 services provided by clinical trainees, pursuant to section 245I.04, subdivision 6, at a rate
67.27 at least equal to 100 percent of the rate which would be paid to an independently licensed
67.28 mental health professional performing the same services. This paragraph does not apply if
67.29 the service provided by the clinical trainee:

67.30 (1) is not within the clinical trainee's scope of practice under section 245I.04, subdivision
67.31 7; or

67.32 (2) would not be a covered service if performed by an independently licensed mental
67.33 health professional at the same clinic.

68.1 **EFFECTIVE DATE.** This section is effective January 1, 2027, for health plans offered,
68.2 issued, sold, or renewed on or after that date.

68.3 Sec. 8. Minnesota Statutes 2024, section 62Q.545, is amended to read:

68.4 **62Q.545 COVERAGE OF HOME CARE NURSING.**

68.5 (a) Home care nursing services, as provided under section 256B.0625, subdivision 7,
68.6 with the exception of section 256B.0654, subdivision 4, shall be covered under a health
68.7 plan for persons who are concurrently covered by both the health plan and enrolled in
68.8 medical assistance under chapter 256B.

68.9 (b) For purposes of this section, a period of home care nursing services may be subject
68.10 to the co-payment, coinsurance, deductible, or other enrollee cost-sharing requirements that
68.11 apply under the health plan. Cost-sharing requirements for home care nursing services must
68.12 not place a greater financial burden on the insured or enrollee than those requirements
68.13 applied by the health plan to other similar services or benefits. Nothing in this section is
68.14 intended to prevent a health plan company from requiring prior authorization by the health
68.15 plan company for such services as required by section 256B.0625, subdivision 7, or use of
68.16 contracted providers under the applicable provisions of the health plan.

68.17 (c) Notwithstanding section 62J.26, a health plan must not impose any quantity limitation
68.18 on the coverage under this section.

68.19 (d) Notwithstanding section 62J.26, a health plan must refer to all services meeting the
68.20 definition of home care nursing services in paragraph (e) as home care nursing services in
68.21 the health plan's policy, certificate, contract, or other evidence of coverage and related
68.22 documents, including but not limited to utilization review policies, claims forms, instructions,
68.23 and communications to enrollees and providers.

68.24 (e) For purposes of this section, "home care nursing services" means ongoing, individual,
68.25 and continuous nursing services that are:

68.26 (1) ordered by a physician, advanced practice registered nurse, or physician assistant;

68.27 (2) provided by a registered nurse or licensed practical nurse acting within the provider's
68.28 scope of practice;

68.29 (3) medically necessary to maintain, stabilize, or restore the recipient's health due to
68.30 medical complexity or the need for sustained skilled nursing assessment, intervention, or
68.31 monitoring; and

69.1 (4) required for a duration or frequency that cannot be safely or effectively met through
69.2 intermittent, episodic, or visit-based nursing services.

69.3 **EFFECTIVE DATE.** Paragraph (c) is effective January 1, 2026, and applies to policies
69.4 issued, offered, or renewed and causes of action accruing on or after that date. Paragraphs
69.5 (d) and (e) are effective August 1, 2026.

69.6 Sec. 9. Minnesota Statutes 2024, section 72A.13, subdivision 1, is amended to read:

69.7 Subdivision 1. **Penalties.** Any company, corporation, association, society, or other
69.8 insurer, or any officer or agent thereof, which or who solicits, issues or delivers to any
69.9 person in this state any policy in violation of the provisions of sections 60A.06, subdivision
69.10 3 ~~or~~, 62A.01 to 62A.10, or 62A.70 may be punished by a fine of not more than \$200 for
69.11 each offense, and the commissioner may revoke the license of any company, corporation,
69.12 association, society, or other insurer of another state or country, or of the agent thereof,
69.13 which or who willfully violates any provision of sections 60A.06, subdivision 3 ~~or~~, 62A.01
69.14 to 62A.10, or 62A.70.

69.15 Sec. 10. Minnesota Statutes 2024, section 256B.0913, subdivision 4, is amended to read:

69.16 Subd. 4. **Eligibility for funding for services for nonmedical assistance recipients.** (a)
69.17 Funding for services under the alternative care program is available to persons who meet
69.18 the following criteria:

69.19 (1) the person is a citizen of the United States or a United States national;

69.20 (2) the person has been determined by a community assessment under section 256B.0911
69.21 to be a person who would require the level of care provided in a nursing facility, as
69.22 determined under section 256B.0911, subdivision 26, but for the provision of services under
69.23 the alternative care program;

69.24 (3) the person is age 65 or older;

69.25 (4) the person would be eligible for medical assistance within 135 days of admission to
69.26 a nursing facility;

69.27 (5) the person is not ineligible for the payment of long-term care services by the medical
69.28 assistance program due to an asset transfer penalty under section 256B.0595 or equity
69.29 interest in the home exceeding \$500,000 as stated in section 256B.056;

69.30 (6) the person needs long-term care services that are not funded through other state or
69.31 federal funding, or other health insurance or other third-party insurance such as long-term

70.1 care insurance. For purposes of this clause, short-term home health and nursing care insurance
70.2 under section 62A.70 does not constitute health or other third-party insurance;

70.3 (7) except for individuals described in clause (8), the monthly cost of the alternative
70.4 care services funded by the program for this person does not exceed 75 percent of the
70.5 monthly limit described under section 256S.18. This monthly limit does not prohibit the
70.6 alternative care client from payment for additional services, but in no case may the cost of
70.7 additional services purchased under this section exceed the difference between the client's
70.8 monthly service limit defined under section 256S.04, and the alternative care program
70.9 monthly service limit defined in this paragraph. If care-related supplies and equipment or
70.10 environmental modifications and adaptations are or will be purchased for an alternative
70.11 care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive
70.12 months beginning with the month of purchase. If the monthly cost of a recipient's other
70.13 alternative care services exceeds the monthly limit established in this paragraph, the annual
70.14 cost of the alternative care services shall be determined. In this event, the annual cost of
70.15 alternative care services shall not exceed 12 times the monthly limit described in this
70.16 paragraph;

70.17 (8) for individuals assigned a case mix classification A as described under section
70.18 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies
70.19 in bathing, dressing, grooming, walking, and eating when the dependency score in eating
70.20 is three or greater as determined by an assessment performed under section 256B.0911, the
70.21 monthly cost of alternative care services funded by the program cannot exceed \$593 per
70.22 month for all new participants enrolled in the program on or after July 1, 2011. This monthly
70.23 limit shall be applied to all other participants who meet this criteria at reassessment. This
70.24 monthly limit shall be increased annually as described in section 256S.18. This monthly
70.25 limit does not prohibit the alternative care client from payment for additional services, but
70.26 in no case may the cost of additional services purchased exceed the difference between the
70.27 client's monthly service limit defined in this clause and the limit described in clause (7) for
70.28 case mix classification A;

70.29 (9) the person is making timely payments of the assessed monthly fee. A person is
70.30 ineligible if payment of the fee is over 60 days past due, unless the person agrees to:

70.31 (i) the appointment of a representative payee;

70.32 (ii) automatic payment from a financial account;

70.33 (iii) the establishment of greater family involvement in the financial management of
70.34 payments; or

71.1 (iv) another method acceptable to the lead agency to ensure prompt fee payments; and

71.2 (10) for a person participating in consumer-directed community supports, the person's
71.3 monthly service limit must be equal to the monthly service limits in clause (7), except that
71.4 a person assigned a case mix classification L must receive the monthly service limit for
71.5 case mix classification A.

71.6 (b) The lead agency may extend the client's eligibility as necessary while making
71.7 arrangements to facilitate payment of past-due amounts and future premium payments.
71.8 Following disenrollment due to nonpayment of a monthly fee, eligibility shall not be
71.9 reinstated for a period of 30 days.

71.10 (c) Alternative care funding under this subdivision is not available for a person who is
71.11 a medical assistance recipient or who would be eligible for medical assistance without a
71.12 spenddown or waiver obligation. A person whose initial application for medical assistance
71.13 and the elderly waiver program is being processed may be served under the alternative care
71.14 program for a period up to 60 days. If the individual is found to be eligible for medical
71.15 assistance, medical assistance must be billed for services payable under the federally
71.16 approved elderly waiver plan and delivered from the date the individual was found eligible
71.17 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative
71.18 care funds may not be used to pay for any service the cost of which: (i) is payable by medical
71.19 assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a
71.20 medical assistance income spenddown for a person who is eligible to participate in the
71.21 federally approved elderly waiver program under the special income standard provision.

71.22 (d) Alternative care funding is not available for a person who resides in a licensed nursing
71.23 home, certified boarding care home, hospital, or intermediate care facility, except for case
71.24 management services which are provided in support of the discharge planning process for
71.25 a nursing home resident or certified boarding care home resident to assist with a relocation
71.26 process to a community-based setting.

71.27 (e) Alternative care funding is not available for a person whose income is greater than
71.28 the maintenance needs allowance under section 256S.05, but equal to or less than 120 percent
71.29 of the federal poverty guideline effective July 1 in the fiscal year for which alternative care
71.30 eligibility is determined, who would be eligible for the elderly waiver with a waiver
71.31 obligation.

ARTICLE 7

CONSUMER PROTECTION

Section 1. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent or a person acting on behalf of the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency, including but not limited to by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 2. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**

Subdivision 1. **Virtual currency kiosks prohibited.** (a) Beginning August 1, 2026, a person is prohibited from installing, operating, maintaining, or making available for use a virtual currency kiosk.

(b) On or before December 31, 2026, a virtual currency kiosk operator must remove the virtual currency kiosk from any location where the virtual currency kiosk is visible or accessible to the public.

Subd. 2. **Payout.** (a) On or before December 31, 2026, a virtual currency kiosk operator that conducts virtual currency transactions exclusively through a virtual currency kiosk must pay out any money or virtual currency held for or owed to a new or existing customer that exists as a result of virtual currency kiosk transactions.

(b) A new or existing customer may elect, at any time before December 31, 2026, to receive a payout under this subdivision:

(1) in United States dollars, in an amount equal to the market value of the customer's virtual currency plus any fiat currency; or

(2) to a virtual currency wallet designated by the customer.

(c) A virtual currency kiosk operator must make a payout under this subdivision in the manner elected by a new or existing customer under paragraph (b). If a new or existing customer elects the option under paragraph (b), clause (2), the virtual currency kiosk operator must transfer the full amount of the money and virtual currency being held for or owed to the new or existing customer to the customer's designated virtual currency wallet within 30 days of the date the customer submits the payout request.

73.1 (d) A payout to a new or existing customer must be recorded on the applicable blockchain.
73.2 A virtual currency kiosk operator must retain proof that a transfer was made and must make
73.3 retained proof available to the commissioner upon request.

73.4 Subd. 3. **Exception.** A virtual currency kiosk operator is not required to make a payout
73.5 under subdivision 2 if the operator maintains, at all times, other lawful means for new and
73.6 existing customers to access, transfer, redeem, or otherwise transact a customer's money or
73.7 virtual currency that exists as a result of virtual currency kiosk transactions.

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

73.9 Sec. 3. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

73.10 Subd. 1b. **Purchase or acquisition record required.** (a) Every scrap metal dealer,
73.11 including an agent, employee, or representative of the dealer, shall create a record written
73.12 in English, using an electronic record program at the time of each purchase or acquisition
73.13 of scrap metal or a motor vehicle. The record must include:

73.14 (1) a complete and accurate account or description, including the weight if customarily
73.15 purchased by weight, of the scrap metal or motor vehicle purchased or acquired;

73.16 (2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased
73.17 or acquired and a unique transaction identifier;

73.18 (3) a photocopy or electronic scan of the seller's:

73.19 (i) proof of identification including the identification number if the seller is an individual;
73.20 or

73.21 (ii) certificate of authority to transact business in Minnesota and business tax identification
73.22 number if the seller is an entity;

73.23 (4) the amount paid and the number of the check or electronic transfer used to purchase
73.24 or acquire the scrap metal or motor vehicle;

73.25 (5) the license plate number and description of the vehicle used by the person when
73.26 delivering the scrap metal or motor vehicle, including the vehicle make and model, and any
73.27 identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;

73.28 (6) a statement signed by the seller, under penalty of perjury as provided in section
73.29 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
73.30 or encumbrances and the seller has the right to sell it;

74.1 (7) a copy of the receipt, which must include at least the following information: the name
74.2 and address of the dealer, the date and time the scrap metal or motor vehicle was received
74.3 by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount
74.4 paid for the scrap metal or motor vehicle;

74.5 (8) the identity or identifier of the employee completing the transaction; and

74.6 (9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
74.7 seller's:

74.8 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
74.9 2c; or

74.10 (ii) the documentation used to support the seller being deemed to hold a license to sell
74.11 scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).

74.12 (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall
74.13 at all reasonable times be open to the inspection of any properly identified law enforcement
74.14 officer.

74.15 (c) Except for the purchase or acquisition of detached catalytic converters or motor
74.16 vehicles, no record is required for property purchased or acquired from merchants,
74.17 manufacturers, salvage pools, insurance companies, rental car companies, financial
74.18 institutions, charities, dealers licensed under section 168.27, or wholesale dealers, having
74.19 an established place of business, or of any goods purchased or acquired at open sale from
74.20 any bankrupt stock, but a receipt as required under paragraph (a), clause (7), shall be obtained
74.21 and kept by the person, which must be shown upon demand to any properly identified law
74.22 enforcement officer.

74.23 (d) The dealer must provide a copy of the receipt required under paragraph (a), clause
74.24 (7), to the seller in every transaction.

74.25 (e) The commissioner of public safety and law enforcement agencies in the jurisdiction
74.26 where a dealer is located may conduct inspections and audits as necessary to ensure
74.27 compliance, refer violations to the city or county attorney for criminal prosecution, and
74.28 notify the registrar of motor vehicles.

74.29 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,
74.30 employee, or representative may not disclose personal information concerning a customer
74.31 without the customer's consent unless the disclosure is required by law or made in response
74.32 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable
74.33 safeguards to protect the security of the personal information and prevent unauthorized

75.1 access to or disclosure of the information. For purposes of this paragraph, "personal
75.2 information" is any individually identifiable information gathered in connection with a
75.3 record under paragraph (a).

75.4 Sec. 4. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

75.5 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
75.6 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
75.7 person has a valid license issued by the commissioner under this subdivision.

75.8 (b) On the first Friday of the months of April and October of each calendar year, from
75.9 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
75.10 from individuals who do not have an approved license to sell scrap metal copper under this
75.11 subdivision. All other requirements of subdivision 1b apply and must be documented by
75.12 the scrap metal dealer on the dates specified in this paragraph.

75.13 (c) A seller of scrap metal copper may apply to the commissioner on a form prescribed
75.14 by the commissioner.

75.15 (d) The application form for an individual must include, at a minimum:

75.16 (1) the name, permanent address, telephone number, and date of birth of the applicant;
75.17 and

75.18 (2) an acknowledgment that the applicant obtained the copper by lawful means in the
75.19 regular course of the applicant's business, trade, or authorized construction work.

75.20 (e) The application form for an entity must include, at a minimum:

75.21 (1) the name, legal entity type, principal business address, telephone number, and date
75.22 of formation of the entity; and

75.23 (2) an acknowledgment that the applicant obtained the copper by lawful means in the
75.24 regular course of the applicant's business, trade, or authorized construction work.

75.25 ~~(d)~~ (f) Each application must be accompanied by a nonrefundable fee of \$250.

75.26 ~~(e)~~ (g) Within 30 days of the date an application is received, the commissioner may
75.27 require additional information or submissions from an applicant and may obtain any
75.28 document or information that is reasonably necessary to verify the information contained
75.29 in the application. Within 90 days after the date a completed application is received, the
75.30 commissioner must review the application and issue a license if the applicant is deemed
75.31 qualified under this section. The commissioner may issue a license subject to restrictions

76.1 or limitations. If the commissioner determines the applicant is not qualified, the commissioner
76.2 must notify the applicant and must specify the reason for the denial.

76.3 ~~(f)~~ (h) A person is deemed to hold a license to sell scrap metal copper if the person holds
76.4 one of the following:

76.5 (1) a license to perform work pursuant to chapter 326B or section 103I.501;

76.6 (2) a document, certificate, or card of competency issued by a municipality to perform
76.7 work in a given trade or craft in the building trades. The document, certificate, or card must
76.8 state that the individual is authorized to sell scrap metal copper. This clause is effective
76.9 January 1, 2025; or

76.10 (3) a Section 608 Technician Certification issued by the United States Environmental
76.11 Protection Agency.

76.12 ~~(g)~~ (i) A license issued under this subdivision is valid for one year. To renew a license,
76.13 an applicant must submit a completed renewal application on a form prescribed by the
76.14 commissioner and a renewal fee of \$250. The commissioner may request that a renewal
76.15 applicant submit additional information to clarify any new information presented in the
76.16 renewal application. A renewal application submitted after the renewal deadline must be
76.17 accompanied by a nonrefundable late fee of \$500.

76.18 ~~(h)~~ (j) The commissioner may deny a license renewal under this subdivision if:

76.19 (1) the commissioner determines that the applicant is in violation of or noncompliant
76.20 with federal or state law; or

76.21 (2) the applicant fails to timely submit a renewal application and the information required
76.22 under this subdivision.

76.23 ~~(i)~~ (k) In lieu of denying a renewal application under paragraph (g), the commissioner
76.24 may permit the applicant to submit to the commissioner a corrective action plan to cure or
76.25 correct deficiencies.

76.26 ~~(j)~~ (l) The commissioner may suspend, revoke, or place on probation a license issued
76.27 under this subdivision if:

76.28 (1) the applicant engages in fraudulent activity that violates state or federal law;

76.29 (2) the commissioner receives consumer complaints that justify an action under this
76.30 subdivision to protect the safety and interests of consumers;

76.31 (3) the applicant fails to pay an application license or renewal fee; or

77.1 (4) the applicant fails to comply with a requirement established in this subdivision.

77.2 ~~(k)~~ (m) This subdivision does not apply to transfers by or to an auctioneer who is in
77.3 compliance with chapter 330 and acting in the person's official role as an auctioneer to
77.4 facilitate or conduct an auction of scrap metal.

77.5 ~~(h)~~ (n) The commissioner must enforce this subdivision under chapter 45.

77.6 Sec. 5. [325E.91] PROHIBITION ON NUDIFICATION TECHNOLOGY.

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

77.9 (b) "Identifiable individual" means a person that is identifiable:

77.10 (1) from the image itself, by the person depicted in the image, or by another person; or

77.11 (2) from personal information displayed in connection with the image.

77.12 (c) "Intimate part" has the meaning given in section 609.341, subdivision 5.

77.13 (d) "Nudify" or "nudified" means the process by which:

77.14 (1) an image or video is altered or generated to depict an intimate part not depicted in
77.15 an original unaltered image or video of an identifiable individual; and

77.16 (2) the altered or generated image or video is so realistic that a reasonable person would
77.17 believe that the intimate part belongs to the identifiable individual.

77.18 (e) "Technical skill" means substantial application of individualized technological or
77.19 artistic skill and judgment by a human creator in directing, shaping, or controlling the output.

77.20 Subd. 2. Nudification prohibited. (a) A person who owns or controls a website,
77.21 application, software, program, or other service must not:

77.22 (1) allow a user to access, download, or use the website, application, software, program,
77.23 or other service to nudify an image or video; or

77.24 (2) nudify an image or video on behalf of a user.

77.25 (b) No person may advertise or promote any website, application, software, program,
77.26 or other service that performs the actions described in paragraph (a).

77.27 Subd. 3. Exemption. The prohibitions in subdivision 2 do not apply when the website,
77.28 application, software, program, or other service requires the technical skill of a user to
77.29 nudify an image or video.

78.1 Subd. 4. **Civil action; damages.** An individual depicted in an image or video that was
78.2 nudified in violation of this section may bring a civil action in district court against the
78.3 person who violated this section for:

78.4 (1) compensatory damages, including mental anguish or suffering, in an amount up to
78.5 three times the actual damages sustained;

78.6 (2) punitive damages;

78.7 (3) injunctive relief;

78.8 (4) reasonable attorney fees, costs, and disbursements; and

78.9 (5) other relief the court deems just and equitable.

78.10 Subd. 5. **Penalties.** (a) The attorney general may enforce this section under section 8.31.
78.11 In addition to other remedies or penalties, a person who violates this section is subject to a
78.12 civil penalty not to exceed \$500,000 for each unlawful access, download, or use under
78.13 subdivision 2.

78.14 (b) Notwithstanding any contrary provision in law, including but not limited to section
78.15 16A.151, any civil penalty recovered under this subdivision must be deposited into the
78.16 general fund. On July 1 each year, the accumulated balance of civil penalties collected in
78.17 the previous year is appropriated to the commissioner of public safety for the Office of
78.18 Justice Programs to provide grants to organizations to provide direct services and advocacy
78.19 for victims of sexual assault, general crime, domestic violence, and child abuse. Funding
78.20 must support the direct needs of organizations serving victims of crime by providing:

78.21 (1) direct client assistance to crime victims;

78.22 (2) competitive wages for direct service staff;

78.23 (3) hotel stays and other housing-related supports and services;

78.24 (4) culturally responsive programming;

78.25 (5) prevention programming, including domestic abuse transformation and restorative
78.26 justice programming; and

78.27 (6) for other needs of organizations and crime victim survivors.

78.28 Services funded must include services for victims of crime in underserved communities
78.29 most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic
78.30 diversity of the state. Up to five percent of the appropriation is available for grant
78.31 administration.

79.1 Subd. 6. **Jurisdiction; venue.** (a) A court has jurisdiction over a civil action filed pursuant
79.2 to this section if the plaintiff or defendant resides in this state.

79.3 (b) A civil action arising under this section may be filed in the county where the plaintiff
79.4 resides.

79.5 Subd. 7. **Immunity.** This section does not alter or amend the liabilities and protections
79.6 granted by United States Code, title 47, section 230, and shall be construed in a manner
79.7 consistent with federal law.

79.8 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to causes
79.9 of action accruing on or after that date.

79.10 Sec. 6. **[325F.756] ONLINE SWEEPSTAKES.**

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

79.13 (b) "Dual-currency" means a system of payment that allows a person to play or participate
79.14 in a simulated gambling program for direct or indirect consideration, including consideration
79.15 associated with a related product, service, or activity, and for which the person playing the
79.16 simulated gambling program may become eligible for a prize, award, cash, cash equivalent,
79.17 or chance to win a prize. Dual-currency system does not include a contest for which no
79.18 consideration is given, either directly or indirectly.

79.19 (c) "Online sweepstakes game" means a game, contest, or promotion that: (1) is available
79.20 on the Internet or accessible on a mobile device, computer terminal, or similar access device;
79.21 (2) utilizes a dual-currency system of payment allowing the player to exchange the currency
79.22 for a prize, award, cash, cash equivalent, or chance to win a prize, award, cash, or cash
79.23 equivalent; and (3) simulates casino-style or another form of gambling.

79.24 (d) "Prize" has the meaning given in section 325F.755, subdivision 1.

79.25 Subd. 2. **Prohibition of online sweepstakes games and revenue from illegal**
79.26 **markets.** (a) A person or entity is prohibited from operating, conducting, or promoting an
79.27 online sweepstakes game in Minnesota.

79.28 (b) An applicant, licensed entity, financial institution, payment processor, geolocation
79.29 provider, gaming content supplier, platform provider, or media affiliate is prohibited from
79.30 supporting the operation of, conducting, or promoting an online sweepstakes game in
79.31 Minnesota.

80.1 Subd. 3. **Penalties and remedies.** The penalties and remedies provided for in section
 80.2 325F.755, subdivision 7, apply to violations of this section. The commissioner of public
 80.3 safety may exercise all powers necessary to investigate and enforce this section and may
 80.4 issue notices of violation, impose civil fines, and bring enforcement actions consistent with
 80.5 section 325F.755, subdivision 7.

80.6 Sec. 7. **[325F.7845] PHARMACEUTICAL ADVERTISING.**

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

80.9 (b) "Prescription drug" has the meaning provided in section 151.441, subdivision 8,
 80.10 except that prescription drug only includes drugs covered by the medical assistance program,
 80.11 MinnesotaCare program, or state employees group insurance program.

80.12 (c) "Television advertisement" means a form of paid marketing communication designed
 80.13 to promote products, services, or brands through an over-the-air broadcast or an
 80.14 internet-based, nonbroadcast stream of an over-the-air broadcast.

80.15 Subd. 2. **Prohibition.** Television advertisements for the sale of prescription drugs to
 80.16 consumers are prohibited.

80.17 Subd. 3. **Enforcement.** The attorney general may enforce this section under section
 80.18 8.31.

80.19 Sec. 8. Minnesota Statutes 2024, section 325F.79, is amended to read:

80.20 **325F.79 DEFINITIONS.**

80.21 For purposes of sections 325F.79 to 325F.792, the following definitions apply:

80.22 (a) "Advertisement" means an oral, written, graphic, or pictorial statement made in the
 80.23 course of soliciting business. Advertisement includes without limitation a statement or
 80.24 representation:

80.25 (1) made in a newspaper, magazine, or other public publication;

80.26 (2) contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter;
 80.27 or

80.28 (3) made on radio, television, or the Internet.

80.29 ~~(a)~~ (b) "Animal" means a dog, wholly or in part of the species Canis familiaris, or a cat,
 80.30 wholly or in part of the species Felis domesticus.

81.1 ~~(b)~~ (c) "Pet dealer" means any person, firm, partnership, corporation, or association,
81.2 including breeders, that is required to collect sales tax for the sale of animals to the public.
81.3 Pet dealer does not include humane societies, nonprofit organizations performing the
81.4 functions of humane societies, or animal control agencies.

81.5 ~~(e)~~ (d) "Breeder" means any person, firm, partnership, corporation, or association that
81.6 breeds animals for direct or indirect sale to the public.

81.7 ~~(d)~~ (e) "Broker" means a person, firm, partnership, corporation, or association that
81.8 purchases animals for resale to other brokers or pet dealers.

81.9 ~~(e)~~ (f) "Health problem" means any disease, illness, or congenital or hereditary condition
81.10 which would impair the health or function of the animal that is apparent at the time of sale,
81.11 or which should have been apparent to the seller from the veterinary history of the animal.

81.12 (g) "Pet shop" means a pet dealer that operates a physical retail store from which animals
81.13 are sold or offered for sale to the general public, whether through an appointment or
81.14 otherwise.

81.15 ~~(f)~~ (h) "Veterinarian" means a licensed veterinarian in the state of Minnesota.

81.16 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
81.17 committed on or after that date.

81.18 Sec. 9. Minnesota Statutes 2024, section 325F.791, subdivision 1, is amended to read:

81.19 Subdivision 1. **Disclosure.** (a) Every pet dealer shall deliver to each retail purchaser of
81.20 an animal written disclosure as follows:

81.21 ~~(a)~~ (1) the name, address, and USDA license number of the breeder and any broker who
81.22 has had possession of the animal; the date of the animal's birth; the date the pet dealer
81.23 received the animal; the breed, sex, color, and identifying marks of the animal; the individual
81.24 identifying tag, tattoo, or collar number; the name and registration number of the sire and
81.25 dam and the litter number; and a record of inoculations, worming treatments, and medication
81.26 received by the animal while in the possession of the pet dealer; ;

81.27 ~~(b)~~ (2) a statement signed by the pet dealer that the animal has no known health problem,
81.28 or a statement signed by the pet dealer disclosing any known health problem and a statement
81.29 signed by a veterinarian that recommends necessary treatment; ; and

81.30 (3) a copy of all available state or federal inspection reports for the animal's breeder for
81.31 all inspections that occurred during the three years preceding the date the animal was
81.32 purchased.

82.1 (b) The disclosure shall be made part of the statement of consumer rights set forth in
82.2 subdivision 10. The disclosure required in paragraph (a), clause (1), need not be made for
82.3 mixed breed animals if the information is not available and cannot be determined by the
82.4 pet dealer.

82.5 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
82.6 committed on or after that date.

82.7 Sec. 10. Minnesota Statutes 2024, section 325F.791, subdivision 5, is amended to read:

82.8 Subd. 5. **Responsibilities of purchaser.** (a) To obtain the remedies provided in
82.9 subdivision 6, the purchaser shall with respect to an animal with a health problem:

82.10 ~~(a)~~ (1) notify the pet dealer, within two business days, of the diagnosis by a veterinarian
82.11 of the purchaser's choosing of a health problem and provide the pet dealer with the name
82.12 and telephone number of the veterinarian and a copy of the veterinarian's report on the
82.13 animal; and

82.14 ~~(b)~~ (2) if the purchaser wishes to receive a full refund for the animal, return the animal
82.15 no later than two business days after receipt of a written statement from a veterinarian
82.16 indicating the animal is unfit due to a health problem.

82.17 (b) With respect to a dead animal the purchaser must provide the pet dealer a written
82.18 statement from a veterinarian, indicating the animal died from a health problem which
82.19 existed on or before the receipt of the animal by the purchaser.

82.20 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
82.21 committed on or after that date.

82.22 Sec. 11. **[325F.7915] SALE OF DOGS AND CATS PROHIBITED.**

82.23 Subdivision 1. **Prohibition.** A pet shop must not sell, offer to sell, barter, auction, or
82.24 otherwise transfer ownership of an animal.

82.25 Subd. 2. **Adoption of animals.** A pet shop may provide space to a nonprofit humane
82.26 society, animal control agency, or animal rescue and rehoming organization to offer animals
82.27 for adoption if the society, agency, or organization qualifies as a nonprofit organization
82.28 under section 501(c)(3) of the Internal Revenue Code.

82.29 Subd. 3. **Ownership interest and fees.** A pet shop is prohibited from having an ownership
82.30 interest in an animal offered for adoption under subdivision 2 or receiving a fee for providing
82.31 space for animal adoption.

83.1 Subd. 4. Continued operation. Notwithstanding subdivision 1, a pet shop that sold or
83.2 offered for sale an animal from the pet shop's physical premises for at least one year before
83.3 the effective date of this section may continue to operate as a pet shop and engage in the
83.4 sale or offer for sale of animals if:

83.5 (1) an animal sold or offered for sale by the pet shop on or after the effective date of this
83.6 section is obtained only from a state-licensed or USDA-licensed breeder; and

83.7 (2) the pet shop discloses the breeder's state or USDA license number on the animal's
83.8 display cage or enclosure.

83.9 Subd. 5. Local authority. Notwithstanding this section, a county, city, town, or township
83.10 may enact and enforce by ordinance stricter regulations regarding the transfer of ownership
83.11 of animals, including a prohibition on selling or offering for sale animals by a pet dealer or
83.12 other entity.

83.13 Subd. 6. Violations. A pet shop that operates as a pet shop pursuant to subdivision 4
83.14 that violates this section on three separate occasions is prohibited from selling, offering to
83.15 sell, bartering, auctioning, or otherwise transferring ownership of an animal.

83.16 EFFECTIVE DATE. This section is effective August 1, 2026, and applies to acts
83.17 committed on or after that date.

83.18 Sec. 12. Minnesota Statutes 2024, section 325F.792, subdivision 2, is amended to read:

83.19 Subd. 2. **Civil penalty.** (a) A pet dealer who:

83.20 (1) sells an animal without delivery of the disclosure required in section 325F.791,
83.21 subdivision 1;

83.22 (2) fails to maintain the records required by section 325F.791, subdivision 2;

83.23 (3) fails to provide registration papers as provided in section 325F.791, subdivision 3;

83.24 (4) fails to make or provide payment for the examinations required by section 325F.791,
83.25 subdivision 4;

83.26 (5) fails to post the notice required by section 325F.791, subdivision 9; or

83.27 (6) fails to provide the statement of consumer rights required by section 325F.791,
83.28 subdivision 10,

83.29 is subject to a civil fine of up to \$1,000 per violation.

84.1 (b) A pet shop that violates section 325F.7915 is subject to a civil fine of up to \$1,000
84.2 per violation. Each transfer of an animal's ownership in violation of section 325F.7915 is
84.3 a separate violation.

84.4 ~~(b)~~ (c) Civil fines collected under this subdivision shall be collected by the court and
84.5 turned over to the prosecuting attorney.

84.6 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
84.7 committed on or after that date.

84.8 **Sec. 13. [325M.40] MINOR ACCESS TO CHATBOTS.**

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

84.11 (b) "Artificial intelligence" or "AI" means a machine-based system that can, for explicit
84.12 or implicit objectives, infer from the input it receives how to generate outputs that can
84.13 influence physical or virtual environments.

84.14 (c) "AI companion" means artificial intelligence systems that are specifically designed,
84.15 marketed, or optimized to form ongoing social or emotional bonds with individuals, whether
84.16 or not such systems also provide information, complete tasks, or assist with specific functions.
84.17 AI companions seek to build or engage in an emotional relationship with the user by:

84.18 (1) expressing or inviting emotional attachment;

84.19 (2) reminding, prompting, or nudging the user to return for emotional support or
84.20 companionship;

84.21 (3) depicting nonverbal forms of emotional support;

84.22 (4) behaving in a way that a reasonable user would consider excessive praise designed
84.23 to foster emotional attachment; or

84.24 (5) enabling or purporting to enable increased intimacy based on engagement or pay.

84.25 AI companion does not include a consumer electronic device that incorporates a speaker
84.26 and voice command interface or text interface and acts as a voice- or text-activated virtual
84.27 assistant.

84.28 (d) "Chatbot" means an artificial intelligence system with a natural language interface
84.29 that provides adaptive, human-like responses to user inputs and is capable of meeting a
84.30 user's social needs, including by exhibiting anthropomorphic features and being able to

85.1 sustain a relationship across multiple interactions. Chatbot does not include any of the
85.2 following:

85.3 (1) a chatbot that is used only for customer service, a business' operational purposes,
85.4 productivity and analysis related to source information, internal research, or technical
85.5 assistance;

85.6 (2) a chatbot that is a feature of a video game and is limited to replies related to the video
85.7 game that cannot discuss topics related to mental health, self-harm, sexually explicit conduct,
85.8 or maintain a dialogue on other topics unrelated to the video game; or

85.9 (3) a stand-alone consumer electronic device that functions as a speaker and voice
85.10 command interface, acts as a voice-activated virtual assistant, and does not sustain a
85.11 relationship across multiple interactions or generate outputs that are likely to elicit emotional
85.12 responses in the user.

85.13 (e) "Minor" means an individual under the age of 18.

85.14 Subd. 2. **Prohibition.** (a) A person must ensure that any chatbot operated or distributed
85.15 by the person does not make chatbots available to minors to use, interact with, purchase, or
85.16 converse with.

85.17 (b) A person operating artificial intelligence systems that primarily function as AI
85.18 companions must ensure that any chatbots operated or distributed by the person are not
85.19 available to minors to use, interact with, purchase, or converse with.

85.20 Subd. 3. **Remedies; enforcement.** (a) An individual injured by a violation of this section
85.21 may bring a civil action for damages, statutory damages not to exceed \$1,000, injunctive
85.22 relief, and costs and reasonable attorney fees.

85.23 (b) The attorney general may enforce this section under section 8.31. In an action brought
85.24 under this paragraph, the person who owns or controls a website, application, software, or
85.25 program and violates this section is liable for a civil penalty not to exceed \$5,000,000.

85.26 **EFFECTIVE DATE.** This section is effective July 1, 2027.

85.27 Sec. 14. **TRANSITION PERIOD.**

85.28 A person who makes a chatbot available to minors must begin decreasing services in a
85.29 manner that does not harm minors who use chatbots before services end on July 1, 2027.

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

86.1 Sec. 15. **REPEALER.**

86.2 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

86.3 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
86.4 subdivision 4, are repealed.

86.5 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
86.6 January 17, 2027.

86.7 **ARTICLE 8**

86.8 **SECURITIES**

86.9 Section 1. Minnesota Statutes 2024, section 80A.50, is amended to read:

86.10 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
86.11 **CORPORATE OFFERING REGISTRATION.**

86.12 (a) **Federal covered securities.**

86.13 (1) **Required filing of records.** With respect to a federal covered security, as defined
86.14 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not
86.15 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued
86.16 under this chapter may require the filing of any or all of the following records:

86.17 (A) before the initial offer of a federal covered security in this state, all records that are
86.18 part of a federal registration statement filed with the Securities and Exchange Commission
86.19 under the Securities Act of 1933 and a consent to service of process complying with section
86.20 80A.88 signed by the issuer;

86.21 (B) after the initial offer of the federal covered security in this state, all records that are
86.22 part of an amendment to a federal registration statement filed with the Securities and
86.23 Exchange Commission under the Securities Act of 1933; and

86.24 (C) to the extent necessary or appropriate to compute fees, a report of the value of the
86.25 federal covered securities sold or offered to persons present in this state, if the sales data
86.26 are not included in records filed with the Securities and Exchange Commission.

86.27 (2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is
86.28 effective for one year commencing on the later of the notice filing or the effectiveness of
86.29 the offering filed with the Securities and Exchange Commission. On or before expiration,
86.30 the issuer may renew a notice filing by filing a copy of those records filed by the issuer with
86.31 the Securities and Exchange Commission that are required by rule or order under this chapter
86.32 to be filed. A previously filed consent to service of process complying with section 80A.88

87.1 may be incorporated by reference in a renewal. A renewed notice filing becomes effective
87.2 upon the expiration of the filing being renewed.

87.3 **(3) Notice filings for federal covered securities under section 18(b)(4)(D).** With
87.4 respect to a security that is a federal covered security under Section 18(b)(4)(D) of the
87.5 Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may
87.6 require a notice filing by or on behalf of an issuer to include a copy of Form D, including
87.7 the Appendix, as promulgated by the Securities and Exchange Commission, and a consent
87.8 to service of process complying with section 80A.88 signed by the issuer not later than 15
87.9 days after the first sale of the federal covered security in this state.

87.10 **(4) Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the
87.11 Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is
87.12 a failure to comply with a notice or fee requirement of this section, the administrator may
87.13 issue a stop order suspending the offer and sale of a federal covered security in this state.
87.14 If the deficiency is corrected, the stop order is void as of the time of its issuance and no
87.15 penalty may be imposed by the administrator.

87.16 **(b) Small corporation offering registration.**

87.17 **(1) Registration required.** A security meeting the conditions set forth in this section
87.18 may be registered as set forth in this section.

87.19 **(2) Availability.** Registration under this section is available only to the issuer of securities
87.20 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
87.21 The issuer must be organized under the laws of one of the states or possessions of the United
87.22 States. The securities offered must be exempt from registration under the Securities Act of
87.23 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

87.24 **(3) Disqualification.** Registration under this section is not available to any of the
87.25 following issuers:

87.26 **(A)** an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities
87.27 Exchange Act of 1934;

87.28 **(B)** an investment company;

87.29 **(C)** a development stage company that either has no specific business plan or purpose
87.30 or has indicated that its business plan is to engage in a merger or acquisition with an
87.31 unidentified company or companies or other entity or person;

88.1 (D) an issuer if the issuer or any of its predecessors, officers, directors, governors,
88.2 partners, ten percent stock or equity holders, promoters, or any selling agents of the securities
88.3 to be offered, or any officer, director, governor, or partner of the selling agent:

88.4 (i) has filed a registration statement that is the subject of a currently effective registration
88.5 stop order entered under a federal or state securities law within five years before the filing
88.6 of the small corporate offering registration application;

88.7 (ii) has been convicted within five years before the filing of the small corporate offering
88.8 registration application of a felony or misdemeanor in connection with the offer, purchase,
88.9 or sale of a security or a felony involving fraud or deceit, including, but not limited to,
88.10 forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to
88.11 defraud;

88.12 (iii) is currently subject to a state administrative enforcement order or judgment entered
88.13 by a state securities administrator or the Securities and Exchange Commission within five
88.14 years before the filing of the small corporate offering registration application, or is subject
88.15 to a federal or state administrative enforcement order or judgment in which fraud or deceit,
88.16 including, but not limited to, making untrue statements of material facts or omitting to state
88.17 material facts, was found and the order or judgment was entered within five years before
88.18 the filing of the small corporate offering registration application;

88.19 (iv) is currently subject to an order, judgment, or decree of a court of competent
88.20 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or
88.21 decree of a court of competent jurisdiction permanently restraining or enjoining the party
88.22 from engaging in or continuing any conduct or practice in connection with the purchase or
88.23 sale of any security or involving the making of a false filing with a state or with the Securities
88.24 and Exchange Commission entered within five years before the filing of the small corporate
88.25 offering registration application; or

88.26 (v) is subject to a state's administrative enforcement order, or judgment that prohibits,
88.27 denies, or revokes the use of an exemption for registration in connection with the offer,
88.28 purchase, or sale of securities,

88.29 (I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification
88.30 is duly licensed or registered to conduct securities-related business in the state in which the
88.31 administrative order or judgment was entered against the person or if the dealer employing
88.32 the party is licensed or registered in this state and the form BD filed in this state discloses
88.33 the order, conviction, judgment, or decree relating to the person, and

89.1 (II) except that the disqualification under this subdivision is automatically waived if the
89.2 state securities administrator or federal agency that created the basis for disqualification
89.3 determines upon a showing of good cause that it is not necessary under the circumstances
89.4 to deny the registration.

89.5 (4) **Filing and effectiveness of registration statement.** A small corporate offering
89.6 registration statement must be filed with the administrator. If no stop order is in effect and
89.7 no proceeding is pending under section 80A.54, such registration statement shall become
89.8 effective automatically at the close of business on the 20th day after filing of the registration
89.9 statement or the last amendment of the registration statement or at such earlier time as the
89.10 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
89.11 other than by an affiliate of the issuer, all outstanding securities of the same class identified
89.12 in the small corporate offering registration statement as a security registered under this
89.13 chapter are considered to be registered while the small corporate offering registration
89.14 statement is effective. A small corporate offering registration statement is effective for one
89.15 year after its effective date or for any longer period designated in an order under this chapter.
89.16 A small corporate offering registration statement may be withdrawn only with the approval
89.17 of the administrator.

89.18 (5) **Contents of registration statement.** A small corporate offering registration statement
89.19 under this section shall be on Form U-7, including exhibits required by the instructions
89.20 thereto, as adopted by the North American Securities Administrators Association, or such
89.21 alternative form as may be designated by the administrator by rule or order and must include:

89.22 (A) a consent to service of process complying with section 80A.88;

89.23 (B) a statement of the type and amount of securities to be offered and the amount of
89.24 securities to be offered in this state;

89.25 (C) a specimen or copy of the security being registered, unless the security is
89.26 uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial
89.27 equivalents in effect, and a copy of any indenture or other instrument covering the security
89.28 to be registered;

89.29 (D) a signed or conformed copy of an opinion of counsel concerning the legality of the
89.30 securities being registered which states whether the securities, when sold, will be validly
89.31 issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

89.32 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a
89.33 registration statement or similar filing has been made in connection with the offering
89.34 including information as to effectiveness of each such filing; and (iii) in which a stop order

90.1 or similar proceeding has been entered or in which proceedings or actions seeking such an
90.2 order are pending;

90.3 (F) a copy of the offering document proposed to be delivered to offerees; and

90.4 (G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales
90.5 literature intended as of the effective date to be used in connection with the offering and
90.6 any solicitation of interest used in compliance with section 80A.46(17)(B).

90.7 (6) **Copy to purchaser.** A copy of the offering document as filed with the administrator
90.8 must be delivered to each person purchasing the securities prior to sale of the securities to
90.9 such person.

90.10 (c) **Offering limit.** Offers and sales of securities under a small corporate offering
90.11 registration as set forth in this section are allowed up to the limit prescribed by Code of
90.12 Federal Regulations, title 17, part 230.504 (b)(2), as amended.

90.13 (d) **Regulation A - Tier 2 filing requirements.**

90.14 (1) **Initial filing.** An issuer planning to offer and sell securities in Minnesota in an
90.15 offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before
90.16 the date of the initial sale of securities in Minnesota, submit to the administrator:

90.17 (A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the
90.18 documents filed with the Securities Exchange Commission; and

90.19 (B) a consent to service of process on Form U-2, if consent to service of process is not
90.20 provided in the Regulation A - Tier 2 offering notice filing form.

90.21 The initial notice filing made in Minnesota is effective for 12 months after the date the
90.22 filing is made.

90.23 (2) **Renewal.** For each additional 12-month period in which the same offering is
90.24 continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew
90.25 the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked
90.26 "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing
90.27 must be made on or before the date notice filing expires.

90.28 (3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota
90.29 by submitting a Regulation A - Tier 2 offering notice filing form or other document
90.30 describing the transaction.

90.31 (e) **Notice filing requirement for federal crowdfunding offerings.** This paragraph
90.32 **applies to offerings made under Regulation Crowdfunding, Code of Federal Regulations,**

91.1 title 17, part 227, and sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933, United
91.2 States Code, title 15, sections 77d(A)(6) and 77r(b)(4)(C).

91.3 (1) **Initial filing.** An issuer that (i) offers and sells securities in Minnesota in an offering
91.4 exempt under federal Regulation Crowdfunding, and (ii) has a principal place of business
91.5 in Minnesota or sells at least 50 percent of the offering's aggregate amount to Minnesota
91.6 residents, must file with the administrator:

91.7 (A) a completed Uniform Notice of Federal Crowdfunding Offering form or copies of
91.8 all documents filed with the Securities Exchange Commission; and

91.9 (B) if the issuer is not filing on the Uniform Notice of Federal Crowdfunding Offering
91.10 form, consent to service of process on Form U-2.

91.11 If the issuer's principal place of business is in Minnesota, the initial filing must be submitted
91.12 with the administrator when the issuer makes the issuer's initial Form C filing concerning
91.13 the offering with the Securities and Exchange Commission. If the issuer's principal place
91.14 of business is not in Minnesota but Minnesota residents have purchased at least 50 percent
91.15 of the aggregate amount of the offering, the filing must be submitted when the issuer becomes
91.16 aware that the aggregate purchases made by Minnesota residents meets the threshold, but
91.17 no later than 30 days after the date the offering is complete. The initial notice filing is
91.18 effective for a 12-month period beginning on the date the initial filing is submitted to the
91.19 administrator.

91.20 (2) **Renewal.** For each additional 12-month period in which a single offering is continued,
91.21 an issuer conducting an offering under federal Regulation Crowdfunding may renew the
91.22 issuer's notice filing by filing with the administrator on or before the date the current notice
91.23 filing expires:

91.24 (A) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked
91.25 "renewal"; or

91.26 (B) a cover letter or other document requesting renewal.

91.27 (3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota
91.28 by submitting (i) a completed Uniform Notice of Federal Crowdfunding Offering form that
91.29 is marked "amendment," or (ii) another document that describes the modified transaction.

92.1 Sec. 2. Minnesota Statutes 2025 Supplement, section 80A.66, is amended to read:

92.2 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

92.3 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
92.4 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
92.5 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
92.6 minimum financial requirements for broker-dealers registered or required to be registered
92.7 under this chapter and investment advisers registered or required to be registered under this
92.8 chapter.

92.9 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
92.10 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
92.11 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
92.12 chapter and an investment adviser registered or required to be registered under this chapter
92.13 shall file such financial reports as are required by a rule adopted or order issued under this
92.14 chapter. If the information contained in a record filed under this subsection is or becomes
92.15 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
92.16 amendment.

92.17 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
92.18 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
92.19 U.S.C. Section 80b-22):

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

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

92.28 (3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures
92.29 that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter
92.30 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures
92.31 established under this clause. The procedures must designate by name or title a number of
92.32 supervisory employees that is reasonable relative to the number of the broker-dealer's
92.33 registered agents, offices, and transactions in Minnesota. A copy of the written procedures

93.1 and the system to apply the procedures must be kept and maintained at each branch office
93.2 affiliated with the broker-dealer; and

93.3 ~~(3)~~ (4) investment adviser records required to be maintained under paragraph (d)(1) may
93.4 be maintained in any form of data storage required by rule adopted or order issued under
93.5 this chapter.

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

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

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

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

93.18 (A) the amount of assets under management;

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

93.21 (C) counterparty credit risk exposure;

93.22 (D) trading and investment positions;

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

93.24 (F) types of assets held;

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

93.27 (H) trading practices; and

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

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

94.4 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be
94.5 registered under this chapter and of an investment adviser registered or required to be
94.6 registered under this chapter, including the records of a private fund described in paragraph
94.7 (d) and the records of investment advisers to private funds, are subject to such reasonable
94.8 periodic, special, or other audits or inspections by a representative of the administrator,
94.9 within or without this state, as the administrator considers necessary or appropriate in the
94.10 public interest and for the protection of investors. An audit or inspection may be made at
94.11 any time and without prior notice. The administrator may copy, and remove for audit or
94.12 inspection copies of, all records the administrator reasonably considers necessary or
94.13 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
94.14 charge for conducting an audit or inspection under this subsection.

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

94.29 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
94.30 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
94.31 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
94.32 customer except under the supervision of a broker-dealer and an investment adviser
94.33 representative may not have custody of funds or securities of a client except under the
94.34 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
94.35 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer

95.1 regarding custody of funds or securities of a customer and on an investment adviser regarding
95.2 custody of securities or funds of a client.

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

95.8 (i) **Continuing education.** A rule adopted or order issued under this chapter may require
95.9 an individual registered under section 80A.57 or 80A.58 to participate in a continuing
95.10 education program approved by the Securities and Exchange Commission and administered
95.11 by a self-regulatory organization, the North American Securities Administrators Association,
95.12 or the commissioner.

95.13 (j) **Business continuity and succession plan.** An investment adviser must establish,
95.14 maintain, and enforce written policies and procedures relating to business continuity and
95.15 succession planning. At a minimum, the policies and procedures under this paragraph must
95.16 provide:

95.17 (1) a means to protect, back up, and recover books and records;

95.18 (2) an alternate method to provide notice to customers; key personnel; employees;
95.19 vendors; service providers, including third-party custodians; and regulators, regarding issues
95.20 pertaining to the investment adviser's business operations, including but not limited to
95.21 significant business interruption, the death or unavailability of key personnel, other disruption
95.22 to business activities, or ceasing business operations;

95.23 (3) a plan to relocate the office space for a principal place of business that is subject to
95.24 a temporary or permanent loss;

95.25 (4) a plan to assign duties to qualified responsible persons if key personnel die or are
95.26 otherwise unavailable; and

95.27 (5) a plan to otherwise minimize service disruption and client harm that might result
95.28 from sudden and significant business interruption.

95.29 (k) **Physical security and cybersecurity policies and procedures.** An investment
95.30 adviser must establish, implement, update, and enforce written physical security and
95.31 cybersecurity policies and procedures that are designed to ensure the confidentiality, integrity,
95.32 and availability of physical and electronic records and information. The policies and
95.33 procedures must be tailored to the investment adviser's business model and must take into

96.1 account the investment advisor's business size, type of service provided, and number of
96.2 locations.

96.3 (1) The physical security and cybersecurity policies and procedures must:

96.4 (A) protect against reasonably anticipated threats or hazards to the security or integrity
96.5 of client records and information;

96.6 (B) ensure that the investment adviser protects confidential client records and information;
96.7 and

96.8 (C) protect client records and information that, if released, might result in harm or
96.9 inconvenience to the client.

96.10 (2) At a minimum, the physical security and cybersecurity policies and procedures must
96.11 develop and implement:

96.12 (A) an organizational understanding to manage information security risk with respect
96.13 to systems, assets, data, and capabilities;

96.14 (B) safeguards to ensure delivery of critical infrastructure services;

96.15 (C) actions and tools to identify when an information security event occurs;

96.16 (D) actions to take when a information security event is detected; and

96.17 (E) plans for security and system resilience, and to restore capabilities or services that
96.18 are impaired due to an information security event.

96.19 (3) At the time a client engages an investment adviser and on an annual basis thereafter,
96.20 an investment adviser must deliver to the client a privacy policy that is reasonably designed
96.21 to assist the client understand how the investment adviser collects and shares, to the extent
96.22 permitted by state and federal law, nonpublic personal information. If information in the
96.23 policy becomes inaccurate, the investment adviser must promptly update and deliver an
96.24 amended privacy policy to the client.

96.25 (l) **Written confirmation.** A broker-dealer must promptly provide to the customer a
96.26 written confirmation after executing a transaction and before completing a transaction. The
96.27 confirmation must:

96.28 (1) describe the security purchased or sold, the date of the transaction, the price of the
96.29 security purchased or sold, and any commission charged;

97.1 (2) indicate whether the broker-dealer acted for the broker-dealer's account, as an agent
97.2 for a customer, as an agent for another person, or an agent for both a customer and another
97.3 person;

97.4 (3) if the broker-dealer is acting as an agent for a customer, include (i) the name of the
97.5 person who purchased the security, (ii) the name of the person who sold the security, or (iii)
97.6 a statement that the information in item (i) or (ii) is available to a customer on request if
97.7 the broker-dealer knows the information or is able to ascertain the information with
97.8 reasonable diligence;

97.9 (4) indicate whether the transaction was unsolicited; and

97.10 (5) indicate the name of the agent that executed the transaction.

97.11 A broker-dealer that complies with Securities and Exchange Commission Rule 10b-10,
97.12 Code of Federal Regulations, title 17, part 240.10b-10, or article III, section 12, of the
97.13 Financial Institutions Regulatory Authority Rules of Fair Practice, complies with this
97.14 paragraph.

97.15 (m) **Conditions; stipulations; provisions.** A broker-dealer is prohibited from entering
97.16 into a contract with a customer if the contract contains a condition, stipulation, or provision
97.17 that binds the customer to waive rights under chapter 80A; Minnesota Rules, chapter 2876;
97.18 or an order issued by the commissioner. A condition, stipulation, or provision included in
97.19 a contract subject to this paragraph is void.

97.20 (n) **Principal office; employment.** A broker-dealer whose principal office is located in
97.21 Minnesota must have at least one registered person employed on a full-time basis at the
97.22 principal office located in Minnesota. This paragraph does not apply to a broker-dealer
97.23 engaged solely in offering and selling:

97.24 (1) interests in a direct participation program; or

97.25 (2) securities issued by open-end investment companies, face amount certificate
97.26 companies, or unit investment trusts registered under the Investment Company Act of 1940,
97.27 United State Code, title 15, sections 80a-1 to 80a-64.

97.28 Sec. 3. Minnesota Statutes 2024, section 80A.69, is amended to read:

97.29 **80A.69 SECTION 502; PROHIBITED CONDUCT IN PROVIDING INVESTMENT**
97.30 **ADVICE.**

97.31 **(a) Fraud in providing investment advice.** It is unlawful for a person that advises
97.32 others for compensation, either directly or indirectly or through publications or writings, as

98.1 to the value of securities or the advisability of investing in, purchasing, or selling securities
98.2 or that, for compensation and as part of a regular business, issues or promulgates analyses
98.3 or reports relating to securities:

98.4 (1) to employ a device, scheme, or artifice to defraud another person; or

98.5 (2) to engage in an act, practice, or course of business that operates or would operate as
98.6 a fraud or deceit upon another person.

98.7 (b) **Rules defining fraud.** A rule adopted under this chapter may define an act, practice,
98.8 or course of business of an investment adviser or an investment adviser representative, other
98.9 than a supervised person of a federal covered investment adviser, as fraudulent, deceptive,
98.10 or manipulative, and prescribe means reasonably designed to prevent investment advisers
98.11 and investment adviser representatives, other than supervised persons of a federal covered
98.12 investment adviser, from engaging in acts, practices, and courses of business defined as
98.13 fraudulent, deceptive, or manipulative.

98.14 (c) **Rules specifying contents of advisory contract.** A rule adopted under this chapter
98.15 may specify the contents of an investment advisory contract entered into, extended, or
98.16 renewed by an investment adviser.

98.17 (d) **Use of client login information.** An investment adviser is prohibited from accessing
98.18 a client's account by using the client's unique identifying information, including but not
98.19 limited to the client's username and password.

98.20 Sec. 4. **[80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL**
98.21 **BUSINESS PRACTICES.**

98.22 Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe
98.23 high standards of commercial honor and just and equitable principles of trade when
98.24 conducting the broker-dealer's business. An act or practice that is contrary to the standards
98.25 constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's
98.26 registration or to take other action authorized by statute. For purposes of this subdivision,
98.27 an act or practice that is contrary to the standards includes:

98.28 (1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i)
98.29 delivering securities purchased by a customer; or (ii) upon request, paying free credit balances
98.30 reflecting a customer's completed transactions;

98.31 (2) inducing trading in a customer's account that is excessive in size or frequency
98.32 considering the account's financial resources and character;

- 99.1 (3) recommending that a customer purchase, sell, or exchange a security without
99.2 reasonable grounds to believe the transaction or recommendation is suitable for the customer,
99.3 based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial
99.4 situation, and needs; and (ii) other relevant information known by the broker-dealer;
- 99.5 (4) making a recommendation of any security transaction or investment strategy involving
99.6 securities, including account recommendations, to a retail customer if the recommendation
99.7 does not comply with the obligations set forth in Code of Federal Regulations, title 17,
99.8 section 240.151-1;
- 99.9 (5) executing a transaction on behalf of a customer without the customer's authorization;
- 99.10 (6) exercising discretionary power to effect a transaction for a customer's account without
99.11 first obtaining written discretionary authority from the customer, unless the discretionary
99.12 power relates solely to the time the order is executed or the order's price;
- 99.13 (7) executing a transaction in a margin account without securing from the customer a
99.14 properly executed written margin agreement promptly after the account's initial transaction;
- 99.15 (8) failing to segregate customers' free securities or securities held in safekeeping;
- 99.16 (9) hypothecating a customer's securities without having a lien on the customer's
99.17 securities, unless the broker-dealer secures the customer's properly executed written consent
99.18 promptly after the initial transaction, except as permitted by Securities and Exchange
99.19 Commission regulations;
- 99.20 (10) entering into a transaction with or for a customer at a price that is not reasonably
99.21 related to the security's current market price, or receiving an unreasonable commission or
99.22 profit;
- 99.23 (11) failing to furnish to a customer purchasing securities in an offering, no later than
99.24 the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary
99.25 prospectus and an additional document that, when combined with the preliminary prospectus,
99.26 includes all of the information included in the final prospectus;
- 99.27 (12) charging an unreasonable or inequitable fee for services performed, including: (i)
99.28 miscellaneous services that include but are not limited to collecting money due for principal,
99.29 dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or
99.30 maintaining custody of securities; and (ii) other services related to the broker-dealer's
99.31 securities business;

100.1 (13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared
100.2 to purchase or sell at the stated price and under the stated conditions at the time the offer
100.3 to buy or sell is made;

100.4 (14) representing that a security is being offered to a customer "at the market" or at a
100.5 price relevant to the market price, unless the broker-dealer knows or has reasonable grounds
100.6 to believe a market for the security exists other than the market made, created, or controlled
100.7 by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom
100.8 the broker-dealer is associated with respect to the security's distribution; or (iii) a person
100.9 controlled by, controlling, or under common control with the broker-dealer;

100.10 (15) effecting a transaction in, or inducing the purchase or sale of, a security using a
100.11 manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance,
100.12 which includes but is not limited to:

100.13 (i) effecting a transaction in a security that involves no change in the security's beneficial
100.14 ownership;

100.15 (ii) entering an order to purchase or sell a security with the knowledge that at least one
100.16 other order for the same security that is substantially the same size, entered at substantially
100.17 the same time, and for substantially the same price as the order has been or will be entered
100.18 by or for the same or a different party to create (A) a false or misleading appearance of
100.19 active trading in the security, or (B) a false or misleading appearance with respect to the
100.20 market for the security. This item does not prohibit a broker-dealer from entering bona fide
100.21 agency cross transactions for the broker-dealer's customers; or

100.22 (iii) effecting, alone or with another person, a series of transactions in a security that
100.23 creates actual or apparent active trading in the security, or raises or reduces the price of the
100.24 security, to induce others to purchase or sell the security;

100.25 (16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer
100.26 carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a
100.27 securities transaction effected by the broker-dealer with or for the customer;

100.28 (17) publishing or circulating, or causing to be published or circulated, a notice, circular,
100.29 advertisement, newspaper article, investment service, or communication of any kind that
100.30 purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer
100.31 believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote
100.32 the bid price or asked price for a security, unless the broker-dealer believes the quote
100.33 represents a bona fide bid for or offer of the security;

101.1 (18) using an advertising or sales presentation in a manner that is deceptive or misleading,
101.2 including but not limited to distributing: (i) nonfactual data, material, or a presentation based
101.3 on conjecture, unfounded or unrealistic claims; or (ii) assertions in a brochure, flyer, or
101.4 display using words, pictures, graphs, or other representations that are designed to
101.5 supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

101.6 (19) failing to disclose to a customer, before entering into a contract with or for a customer
101.7 to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated
101.8 with, or under common control with the security's issuer. If a disclosure under this clause
101.9 is not made in writing, the disclosure must be supplemented by giving or sending written
101.10 disclosure before or at the time the transaction is completed;

101.11 (20) failing to make a bona fide public offering of all of the securities allotted to a
101.12 broker-dealer for distribution, whether the securities are acquired as an underwriter, a selling
101.13 group member, or from a member participating in the distribution as an underwriter or
101.14 selling group member;

101.15 (21) failing or refusing to: (i) furnish a customer, upon reasonable request, information
101.16 the customer is entitled to; or (ii) respond to a formal written request or complaint;

101.17 (22) failing to pay and fully satisfy a final judgment or arbitration award resulting from
101.18 an arbitration or court proceeding relating to an investment and initiated by the customer,
101.19 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
101.20 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
101.21 with the terms of the alternative payment arrangement;

101.22 (23) attempting to avoid paying a final judgment or arbitration award resulting from an
101.23 arbitration or court proceeding relating to an investment and initiated by the customer,
101.24 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
101.25 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
101.26 with the terms of the alternative payment arrangement;

101.27 (24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of
101.28 disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or
101.29 broker-dealer's agent by the Securities and Exchange Commission, a state or provincial
101.30 securities or other financial services regulator, or a self-regulatory organization;

101.31 (25) accessing a client's account by using the client's unique identifying information,
101.32 including but not limited to the client's username and password;

102.1 (26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ
102.2 security, failing to promptly provide the most current prospectus or the most recently filed
102.3 periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States
102.4 Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a
102.5 customer;

102.6 (27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

102.7 (28) for each month in which activity has occurred in a customer's account and no less
102.8 frequently than once every three months regardless of whether customer account activity
102.9 has occurred, failing to provide the customer with an account statement that, with respect
102.10 to all over-the-counter non-NASDAQ equity securities in the account, contains a value for
102.11 each security based on the closing market bid on a date certain. This clause applies only if
102.12 the broker-dealer has been a market maker in the security at any time during the month in
102.13 which the monthly or quarterly statement is issued; or

102.14 (29) failing to comply with an applicable provision of the Financial Institutions
102.15 Regulatory Authority conduct rules or an applicable fair practice or ethical standard
102.16 promulgated by the Securities Exchange Commission or a self-regulatory organization
102.17 approved by the Securities Exchange Commission.

102.18 Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent
102.19 must observe high standards of commercial honor and just and equitable principles of trade
102.20 when conducting the broker-dealer's agent's business. An act or practice that is contrary to
102.21 the standards constitutes grounds for the administrator to deny, suspend, or revoke the
102.22 broker-dealer's agent's registration or to take other action authorized by statute. For purposes
102.23 of this subdivision, an act or practice that is contrary to the standards includes:

102.24 (1) lending to or borrowing from a customer money or securities, or acting as a custodian
102.25 for a customer's money, securities, or executed stock power;

102.26 (2) effecting securities transactions that are not recorded on the regular books or records
102.27 maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions
102.28 are authorized in writing by the broker-dealer before executing the transaction;

102.29 (3) establishing or maintaining an account that contains fictitious information in order
102.30 to execute transactions that are otherwise prohibited;

102.31 (4) sharing directly or indirectly in profits or losses in a customer account without the
102.32 written authorization from the customer and the broker-dealer the broker-dealer's agent
102.33 represents;

103.1 (5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or
 103.2 other compensation from purchasing or selling securities with a person who is not also
 103.3 registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under
 103.4 direct or indirect common control; or

103.5 (6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6),
 103.6 (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

103.7 Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under
 103.8 subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages
 103.9 in other conduct, including but not limited to forgery, embezzlement, nondisclosure,
 103.10 incomplete disclosure or misstatement of material facts, or manipulative or deceptive
 103.11 practices, is also subject to denial, suspension, or revocation of registration.

103.12 Sec. 5. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

103.13 Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing,
 103.14 may issue a cease and desist order and may issue an order denying, suspending or revoking
 103.15 any registration, amendment or exemption on finding any of the following:

103.16 ~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or
 103.17 employee thereof or any other person has violated or failed to comply with any provision
 103.18 of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

103.19 ~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation
 103.20 to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon
 103.21 purchasers or would so operate;

103.22 ~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or
 103.23 employee thereof or any other person is engaging or about to engage in false, fraudulent or
 103.24 deceptive practices in connection with the offer and sale of a franchise;

103.25 ~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted
 103.26 of an offense or held liable in a civil action by final judgment described in section 80C.04,
 103.27 subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described
 103.28 in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order, ~~or has~~
 103.29 had a civil judgment entered against the person as described in section 80C.04, clause (5),
 103.30 described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the
 103.31 involvement of the person in the business of the applicant or franchisor creates a substantial
 103.32 risk to prospective franchisees;

104.1 ~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely
 104.2 affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

104.3 ~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include
 104.4 activities which are illegal where performed; or

104.5 ~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation
 104.6 of the business of the franchisor or any term or condition of the franchise agreement or any
 104.7 practice of the franchisor is or would be unfair or inequitable to franchisees.

104.8 ARTICLE 9

104.9 TELECOMMUNICATIONS

104.10 Section 1. Minnesota Statutes 2024, section 237.035, is amended to read:

104.11 **237.035 TELECOMMUNICATIONS CARRIER EXEMPTION.**

104.12 (a) Telecommunications carriers are subject to regulation under this chapter only to the
 104.13 extent required under paragraphs (b) to (e).

104.14 (b) Telecommunications carriers shall comply with sections 237.121 and 237.74.

104.15 (c) Telecommunications carriers shall comply with section 237.16, ~~subdivisions~~
 104.16 subdivision 8 and 9.

104.17 (d) To the extent a telecommunications carrier offers local service, it shall obtain a
 104.18 certificate under section 237.16 for that local service.

104.19 (e) In addition, a telecommunications carrier's local service is subject to this chapter
 104.20 except that:

104.21 (1) a telecommunications carrier is not subject to rate-of-return or earnings investigations
 104.22 under section 237.075 or 237.081; and

104.23 (2) a telecommunications carrier is not subject to section 237.22.

104.24 Sec. 2. Minnesota Statutes 2024, section 237.036, is amended to read:

104.25 **237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.**

104.26 ~~(a) Neither commission approval nor a commission certificate is required to:~~

104.27 ~~(1) site a coin-operated or public pay telephone in the state; or~~

105.1 ~~(2) implement changes in service, services offered, rates, or location regarding a~~
105.2 ~~coin-operated or public pay telephone. Registration under section 237.64 is required to own~~
105.3 ~~or operate a coin-operated or public pay telephone in the state.~~

105.4 ~~(b) This section does not change the authority of other state or local government entities~~
105.5 ~~to regulate aspects of coin-operated or public pay telephone ownership, location, or operation;~~
105.6 ~~however, an entity may not regulate aspects of these services that it did not regulate prior~~
105.7 ~~to May 26, 1999. The commission shall retain the authority delegated to it under federal~~
105.8 ~~and state law to protect the public interest with regard to coin-operated or public pay~~
105.9 ~~telephones.~~

105.10 ~~(e) Owners and operators of coin-operated or public pay telephones are exempt from~~
105.11 ~~sections 237.06, 237.07, 237.075, 237.09, 237.23, and 237.295, and the annual reporting~~
105.12 ~~requirement of section 237.11.~~

105.13 ~~(d) Owners of coin-operated or public pay telephones shall:~~

105.14 ~~(1) provide immediate coin-free access, to the extent technically feasible, to 911~~
105.15 ~~emergency service or to another approved emergency service; and~~

105.16 ~~(2) provide free access to the telecommunications relay service for people with~~
105.17 ~~communication disabilities.~~

105.18 ~~(e) Owners of coin-operated or public pay telephones must post at each coin-operated~~
105.19 ~~or public pay telephone location:~~

105.20 ~~(1) customer service and complaint information, including the name, address, and~~
105.21 ~~telephone number of the owner of the coin-operated or public pay telephone and the operator~~
105.22 ~~service handling calls from the coin-operated or public pay telephone; a toll-free number~~
105.23 ~~of the appropriate telephone company for the resolution of complaints; and the toll-free~~
105.24 ~~number of the public utilities commission; and~~

105.25 ~~(2) a toll-free number at which consumers can obtain pricing information regarding~~
105.26 ~~rates, charges, terms, and conditions of local and long-distance calls.~~

105.27 Sec. 3. Minnesota Statutes 2024, section 237.069, is amended to read:

105.28 **237.069 TRACER; HARASSING TELEPHONE CALL; RULES.**

105.29 ~~The commission shall adopt rules to govern how telephone companies respond to requests~~
105.30 ~~for tracers made by persons who allege receiving harassing telephone calls. The rules must~~
105.31 ~~address when a request for a tracer may be denied or delayed. A telecommunications carrier~~
105.32 ~~operating in Minnesota must ensure the telecommunications carrier's equipment, facilities,~~

106.1 and services are capable of enabling authorized law enforcement agencies to conduct lawful
106.2 interception and access call-identifying information in a manner consistent with United
106.3 States Code, title 47, sections 1001 to 1010.

106.4 Sec. 4. Minnesota Statutes 2024, section 237.07, subdivision 1, is amended to read:

106.5 Subdivision 1. **Filing of charges.** Every telephone company shall keep on file with the
106.6 department a specific rate, toll, or charge for every kind of noncompetitive service and a
106.7 price list for every kind of service subject to emerging competition, together with all rules
106.8 and classifications used by it in the conduct of the telephone business, including limitations
106.9 on liability. The filings are governed by chapter 13. When a company sells services subject
106.10 to emerging competition on an individually priced basis, it shall file a statement of the
106.11 charges to its customers with the commission and the department. ~~The department shall~~
106.12 ~~require each telephone company to keep open for public inspection, at designated offices,~~
106.13 ~~so much of these rates, price lists, and rules as it deems necessary for the public information.~~

106.14 Sec. 5. Minnesota Statutes 2024, section 237.11, is amended to read:

106.15 **237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.**

106.16 (a) Every telephone company subject to the provisions of this chapter, wherever
106.17 organized, shall ~~keep an office in this state, and~~ make such reports to the department as it
106.18 shall from time to time require. All books, records, and files, ~~whether they relate to~~
106.19 ~~competitive or noncompetitive services,~~ and all of its property shall be at all times subject
106.20 to inspection by the commission and the department. It shall close its accounts and take
106.21 therefrom a balance sheet on December 31 of each year, and on or before May 1 following,
106.22 such balance sheet, together with such other information as the department shall require,
106.23 verified by an officer of the telephone company, shall be filed with the commission and the
106.24 department, except that a local exchange carrier or a competitive local exchange carrier, as
106.25 defined in Minnesota Rules, chapter 7811, is only required to file an annual report that
106.26 includes the company's name, contact person, annual revenue, and status of its 911 update
106.27 plan.

106.28 (b) In the event that any telephone company shall fail to file its annual report, as provided
106.29 by this section, the department is authorized to make such an examination of the books,
106.30 records, and vouchers of the company as is necessary to procure the necessary data for the
106.31 annual report and cause the same to be prepared. The expense of procuring this data and
106.32 preparing this report shall be paid by the telephone company failing to report, and the amount

107.1 paid shall be credited by the commissioner of management and budget to funds appropriated
107.2 for the expense of the department.

107.3 (c) The department is authorized to force collection of such sum by an action at law in
107.4 the name of the department.

107.5 Sec. 6. Minnesota Statutes 2024, section 237.164, is amended to read:

107.6 **237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

107.7 ~~The commission shall establish intrastate service discounts for schools and libraries by~~
107.8 ~~order to the extent necessary to enable schools and libraries to receive federally supported~~
107.9 ~~discounts.~~ A school, school district, or library is eligible to receive telecommunications
107.10 service at discounted rates, consistent with the E-rate program administered by the Universal
107.11 Service Administrative Company under United States Code, title 47, section 254, and Code
107.12 of Federal Regulations, title 47, part 54.

107.13 Sec. 7. Minnesota Statutes 2024, section 237.626, subdivision 1, is amended to read:

107.14 Subdivision 1. **Promotions.** A telephone company or telecommunications carrier may
107.15 promote the use of its services by offering a waiver of part or all of a recurring or a
107.16 nonrecurring charge, a redemption coupon, or a premium with the purchase of a service.
107.17 Section 237.09 does not apply to promotions under this section, but the customer group to
107.18 which the promotion is available must be based on reasonable distinctions among customers.
107.19 The service being promoted must have a price that is above the incremental cost of the
107.20 service, including amortized cost of the promotion. ~~A promotion may take effect the day~~
107.21 ~~after the notice is filed with the commission. The notice must identify customers to whom~~
107.22 ~~the promotion is available.~~

107.23 Sec. 8. Minnesota Statutes 2024, section 237.626, subdivision 3, is amended to read:

107.24 Subd. 3. **Promotions available for resale.** Any promotional offering ~~lasting more than~~
107.25 ~~90 days and filed with the commission under subdivision 1 must be~~ does not need to be
107.26 made available to qualifying carriers for resale. A If a telephone company or
107.27 telecommunications carrier makes a promotional offering available to a qualifying carrier
107.28 for resale, the qualifying carrier must hold a certificate of authority from the commission
107.29 and must have an approved interconnection agreement with the company offering the
107.30 promotion, the terms of which include language governing the resale of services.

108.1 Sec. 9. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to
108.2 read:

108.3 Subd. 4. Notice; local residential customers. A telephone company must notify a
108.4 residential customer regarding the price for all service options available to the customer. A
108.5 notice must be provided:

108.6 (1) at the time the customer initially requests service;

108.7 (2) when the customer requests a service change; and

108.8 (3) at any time upon the customer's request.

108.9 Sec. 10. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to
108.10 read:

108.11 Subd. 5. Customer notice; prior authorization. A telephone company may provide
108.12 the notice under subdivision 4 to a customer using paper billing, electronic billing, or other
108.13 electronic communication methods if:

108.14 (1) the customer affirmatively opts in to electronic billing or electronic communication;

108.15 (2) the information in the notice is provided clearly and accessibly; and

108.16 (3) the customer is allowed to request a paper copy of service option pricing at any time
108.17 at no charge to the customer.

108.18 Sec. 11. Minnesota Statutes 2024, section 237.70, subdivision 7, is amended to read:

108.19 **Subd. 7. Application, notice, financial administration, complaint investigation.** The
108.20 telephone assistance plan must be administered jointly by the commission, the Department
108.21 of Commerce, and the local service providers in accordance with the following guidelines:

108.22 (a) The commission and the Department of Commerce shall develop an application form
108.23 that must be completed by the subscriber for the purpose of certifying eligibility for telephone
108.24 assistance plan credits to the local service provider. The application must contain the
108.25 applicant's Social Security number. Applicants who refuse to provide a Social Security
108.26 number will be denied telephone assistance plan credits. The application form must also
108.27 include a statement that the applicant household is currently eligible for one of the programs
108.28 that confers eligibility for the federal Lifeline Program. The application must be signed by
108.29 the applicant, certifying, under penalty of perjury, that the information provided by the
108.30 applicant is true.

109.1 (b) Each local service provider shall annually mail a notice of the availability of the
109.2 telephone assistance plan to each residential subscriber in a regular billing and shall mail
109.3 the application form to customers when requested.

109.4 The notice must state the following:

109.5 YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE
109.6 BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE
109.7 PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE
109.8 CONTACT

109.9 (c) An application may be made by the subscriber, the subscriber's spouse, or a person
109.10 authorized by the subscriber to act on the subscriber's behalf. On completing the application
109.11 certifying that the statutory criteria for eligibility are satisfied, the applicant must return the
109.12 application to the subscriber's local service provider. On receiving a completed application
109.13 from an applicant, the subscriber's local service provider shall provide telephone assistance
109.14 plan credits against monthly charges in the earliest possible month following receipt of the
109.15 application. The applicant must receive telephone assistance plan credits until the earliest
109.16 possible month following the service provider's receipt of information that the applicant is
109.17 ineligible.

109.18 If the telephone assistance plan credit is not itemized on the subscriber's monthly charges
109.19 bill for local telephone service, the local service provider must notify the subscriber of the
109.20 approval for the telephone assistance plan credit.

109.21 (d) The commission shall serve as the coordinator of the telephone assistance plan and
109.22 be reimbursed for its administrative expenses from the surcharge revenue pool. As the
109.23 coordinator, the commission shall:

109.24 (1) establish a uniform statewide surcharge in accordance with subdivision 6;

109.25 ~~(2) establish a uniform statewide level of telephone assistance plan credit that each local~~
109.26 ~~service provider shall extend to each eligible household in its service area;~~

109.27 ~~(3)~~ (2) require each local service provider to account to the commission on a periodic
109.28 basis for surcharge revenues collected by the provider, expenses incurred by the provider,
109.29 not to include expenses of collecting surcharges, and credits extended by the provider under
109.30 the telephone assistance plan;

109.31 ~~(4)~~ (3) require each local service provider to remit surcharge revenues to the Department
109.32 of Public Safety for deposit in the fund; and

110.1 ~~(5)~~ (4) remit to each local service provider from the surcharge revenue pool the amount
110.2 necessary to compensate the provider for expenses, not including expenses of collecting
110.3 the surcharges, and telephone assistance plan credits. When it appears that the revenue
110.4 generated by the maximum surcharge permitted under subdivision 6 will be inadequate to
110.5 fund any particular established level of telephone assistance plan credits, the commission
110.6 shall reduce the credits to a level that can be adequately funded by the maximum surcharge.
110.7 Similarly, the commission may increase the level of the telephone assistance plan credit
110.8 that is available or reduce the surcharge to a level and for a period of time that will prevent
110.9 an unreasonable overcollection of surcharge revenues.

110.10 (e) Each local service provider shall maintain adequate records of surcharge revenues,
110.11 expenses, and credits related to the telephone assistance plan and shall, as part of its annual
110.12 report or separately, provide the commission and the Department of Commerce with a
110.13 financial report of its experience under the telephone assistance plan for the previous year.
110.14 That report must also be adequate to satisfy the reporting requirements of the federal matching
110.15 plan.

110.16 (f) The Department of Commerce shall investigate complaints against local service
110.17 providers with regard to the telephone assistance plan and shall report the results of its
110.18 investigation to the commission.

110.19 Sec. 12. Minnesota Statutes 2024, section 237.762, subdivision 5, is amended to read:

110.20 Subd. 5. **Income-neutral change.** Other than as authorized in this subdivision, an initial
110.21 alternative regulation plan must not permit income-neutral rate changes for price-regulated
110.22 services during the plan except as is necessary to implement extended area service or any
110.23 successor to that service. Any plan must provide that after the rules issued pursuant to section
110.24 237.16 are adopted, rates for price-regulated services may be increased, as approved by the
110.25 commission, to the extent necessary to carry out the purpose of those rules. ~~However, rate~~
110.26 ~~increases, if any, for those services must be incorporated with a universal service fund so~~
110.27 ~~that the effective rate for the customers of those services does not increase during the first~~
110.28 ~~three years of the plan.~~

110.29 Sec. 13. **REPEALER.**

110.30 Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075,
110.31 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 237.14; 237.15; 237.16, subdivision 9;
110.32 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, and 10; 237.66, subdivisions
110.33 1, 1a, 1c, 1d, 2, 2a, and 3; 237.75; 237.766; 237.768; 237.772; and 237.775, are repealed.

ARTICLE 10

INSURANCE AND FINANCIAL PRODUCTS

Section 1. [48.741] VIRTUAL-CURRENCY CUSTODY SERVICES.

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

(b) "Control of virtual currency" has the meaning given in section 53B.69, subdivision 2.

(c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

(d) "Virtual-currency custody services" means safekeeping, controlling, or managing virtual currency, or the cryptographic private keys used to access virtual currency, on behalf of another person.

Subd. 2. Authority. A banking institution may provide virtual-currency custody services in a fiduciary or nonfiduciary capacity, subject to this section and applicable state and federal law.

Subd. 3. Safety and soundness. A banking institution that engages in virtual-currency custody services must conduct the activity in a safe and sound manner and must maintain written policies and procedures governing risk management, internal controls, cybersecurity, business continuity, and compliance.

Subd. 4. Notice to commissioner. A banking institution must provide written notice to the commissioner at least 60 days before commencing virtual-currency custody services. The notice must describe the nature of the services and the banking institution's risk management framework.

Subd. 5. Fiduciary capacity. (a) A banking institution may provide virtual-currency custody services in a fiduciary or custodial capacity, including as agent, bailee, or trustee for the limited purpose of safekeeping or administration of virtual currency, to the same extent the banking institution may lawfully hold or safeguard other assets for customers.

(b) The commissioner may limit or condition the authority to provide virtual-currency custody services under paragraph (a) only if the commissioner determines the activity is conducted in an unsafe or unsound manner.

Subd. 6. Segregation of assets. A banking institution must structure virtual-currency custody services to ensure that customer virtual currency and associated control mechanisms are legally and operationally segregated from the banking institution's assets and are not

112.1 treated as the banking institution's property, consistent with the segregation of assets held
112.2 in other custodial or fiduciary capacities and the concept of control of controllable electronic
112.3 records under sections 336.12-101 to 336.12-107.

112.4 Subd. 7. **Third-party service providers.** A banking institution may engage one or more
112.5 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
112.6 services, provided the banking institution retains oversight responsibility and ensures
112.7 compliance with this section.

112.8 Subd. 8. **Supervision and examination.** A banking institution's virtual-currency custody
112.9 services are subject to examination by the commissioner as part of the regular supervisory
112.10 process.

112.11 Subd. 9. **Construction.** This section does not (1) authorize a banking institution to
112.12 engage in activities otherwise prohibited by law, or (2) alter the legal characterization of
112.13 virtual currency under state or federal law.

112.14 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
112.15 virtual-currency custody services commenced on or after that date.

112.16 Sec. 2. Minnesota Statutes 2024, section 52.063, subdivision 3, is amended to read:

112.17 **Subd. 3. Appointment of National Credit Union Administration Board as**
112.18 **receiver.** Upon a request by the commissioner of commerce, the court may appoint the
112.19 National Credit Union Administration Board, created by section 3 of the Federal Credit
112.20 Union Act, as amended, or a share insurance provider approved by the commissioner as
112.21 receiver of a credit union, without bond, when the deposits of the credit union are to any
112.22 extent insured by the National Credit Union Administration Board or approved share
112.23 insurance provider, and the credit union has had its operations suspended or has executed
112.24 a consent cease and desist order with the commissioner in lieu of a suspension under section
112.25 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may,
112.26 in the event of the suspension or consent cease and desist order, tender to the National Credit
112.27 Union Administration Board or approved share insurance provider the proposed appointment
112.28 as receiver of the credit union. If the National Credit Union Administration Board or approved
112.29 share insurance provider accepts the proposed appointment and the court appoints the
112.30 National Credit Union Administration Board or approved share insurance provider as receiver
112.31 upon a request by the commissioner, the National Credit Union Administration Board or
112.32 approved shared insurance provider shall have and possess all the powers and privileges
112.33 provided by the laws of this state and section 207 of the Federal Credit Union Act, as

113.1 amended, with respect to a receiver of a credit union, the board of directors of the credit
113.2 union, and its members.

113.3 Sec. 3. Minnesota Statutes 2024, section 52.24, subdivision 1, is amended to read:

113.4 Subdivision 1. **Insurance accounts.** Every credit union under the supervision of the
113.5 commissioner of commerce shall at all times maintain in effect insurance of member share
113.6 and deposit accounts under the provisions of title II of the National Credit Union Act or
113.7 through a credit union share guaranty corporation that is approved by the commissioner. A
113.8 credit union ~~which~~ that fails to meet this requirement for insurance of its share and deposit
113.9 accounts shall either dissolve or merge with another credit union ~~which~~ that is insured under
113.10 title II of the National Credit Union Act or through a credit union share guaranty corporation
113.11 that is approved by the commissioner.

113.12 Sec. 4. Minnesota Statutes 2024, section 52.24, is amended by adding a subdivision to
113.13 read:

113.14 Subd. 1a. **Credit union share guaranty corporation; accounts insured.** (a) A credit
113.15 union share account of an individual member or a nonmember of a participating credit union
113.16 must be guaranteed in an amount established from time to time by the credit union share
113.17 guaranty corporation. The primary guaranteed amount must be at least the amount of the
113.18 credit union share account but must not exceed \$250,000 or the primary guaranteed amount
113.19 insured by the National Credit Union Administration, whichever is greater.

113.20 (b) The commissioner may examine a credit union share guaranty corporation that insures
113.21 the member accounts of a credit union that is subject to this section. The commissioner may
113.22 assess the credit union share guaranty corporation examined for reasonable costs incurred
113.23 to conduct an examination under this section. Money received from an assessment under
113.24 this paragraph must be deposited in the financial institutions account in the special revenue
113.25 fund.

113.26 (c) A credit union is prohibited from voluntarily terminating the credit union's insurance
113.27 with the National Credit Union Administration Share Insurance Program or a credit union
113.28 share guaranty corporation without receiving approval from the commissioner.

113.29 Sec. 5. Minnesota Statutes 2024, section 52.24, subdivision 2, is amended to read:

113.30 Subd. 2. **Certificate of approval.** No credit union shall be granted a certificate of
113.31 approval by the commissioner of commerce unless the credit union has obtained a
113.32 commitment for insurance of its member share and deposit accounts under the provisions

114.1 of title II of the National Credit Union Act or from an approved credit union share guaranty
114.2 corporation.

114.3 **Sec. 6. [52.25] VIRTUAL-CURRENCY CUSTODY SERVICES.**

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

114.6 (b) "Control of virtual currency" or "control" has the meaning given in section 53B.69,
114.7 subdivision 2.

114.8 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

114.9 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing
114.10 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf
114.11 of another person.

114.12 **Subd. 2. Authority.** A credit union may provide virtual-currency custody services to
114.13 the credit union's members in a fiduciary or nonfiduciary capacity, subject to this section
114.14 and applicable state and federal law.

114.15 **Subd. 3. Safety and soundness.** A credit union that engages in virtual-currency custody
114.16 services must conduct the activity in a safe and sound manner and must maintain written
114.17 policies and procedures governing risk management, internal controls, cybersecurity, business
114.18 continuity, and compliance.

114.19 **Subd. 4. Notice to commissioner.** A credit union must provide written notice to the
114.20 commissioner at least 60 days before commencing virtual-currency custody services. The
114.21 notice must describe the nature of the services and the credit union's risk management
114.22 framework.

114.23 **Subd. 5. Fiduciary capacity.** (a) A credit union may provide virtual-currency custody
114.24 services in a fiduciary or custodial capacity, including as agent, bailee, or trustee for the
114.25 limited purpose of safekeeping or administration of virtual currency, to the same extent the
114.26 credit union may lawfully hold or safeguard other assets for members or customers.

114.27 (b) The commissioner may limit or condition the authority to provide virtual-currency
114.28 custody services under paragraph (a) only if the commissioner determines the activity is
114.29 conducted in an unsafe or unsound manner.

114.30 **Subd. 6. Segregation of assets.** A credit union must structure virtual-currency custody
114.31 services to ensure that customer virtual currency and associated control mechanisms are
114.32 legally and operationally segregated from the credit union's assets and are not treated as the

115.1 credit union's property, consistent with the segregation of assets held in other custodial or
115.2 fiduciary capacities and the concept of control of controllable electronic records under
115.3 sections 336.12-101 to 336.12-107.

115.4 Subd. 7. **Third-party service providers.** A credit union may engage one or more
115.5 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
115.6 services, provided the credit union retains oversight responsibility and ensures compliance
115.7 with this section.

115.8 Subd. 8. **Supervision and examination.** A credit union's virtual-currency custody
115.9 services are subject to examination by the commissioner as part of the regular supervisory
115.10 process.

115.11 Subd. 9. **Construction.** This section does not (1) authorize a credit union to engage in
115.12 activities otherwise prohibited by law, or (2) alter the legal characterization of virtual
115.13 currency under state or federal law.

115.14 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
115.15 virtual-currency custody services commenced on or after that date.

115.16 Sec. 7. **[58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

115.19 (b) "Authorized representative" means a person, including but not limited to an attorney,
115.20 employee, or agent of a government agency, not-for-profit housing counseling organization,
115.21 or legal services organization, designated by a borrower in a written authorization signed
115.22 by the borrower or in any other form of verifiable authorization to share information and
115.23 communicate with a servicer on behalf of the borrower.

115.24 (c) "Clearly and conspicuously" means the statement, representation, or term being
115.25 disclosed is displayed in a size, color, and contrast and is presented in a manner that makes
115.26 the statement readily noticed and understood by an ordinary consumer.

115.27 (d) "Government-sponsored enterprise" means the Federal National Mortgage Association
115.28 and the Federal Home Loan Mortgage Corporation.

115.29 (e) "Real Estate Settlement Procedures Act" or "RESPA" means the Real Estate
115.30 Settlement Procedures Act of 1974, United States Code, title 12, section 2601, et seq., and
115.31 regulations adopted pursuant to RESPA, also known as Regulation X, Code of Federal
115.32 Regulations, title 12, part 1024, as amended.

116.1 (f) "Third-party provider" means any person or entity retained by or on behalf of the
116.2 servicer, including but not limited to foreclosure firms, law firms, foreclosure trustees, other
116.3 agents, independent contractors, subsidiaries, and affiliates, that provides insurance,
116.4 foreclosure, bankruptcy, mortgage servicing including loss mitigation, or other products or
116.5 services in connection with servicing a mortgage loan.

116.6 (g) "Transferee servicer" means a servicer that has agreed to obtain the right to service
116.7 a mortgage loan pursuant to an agreement or understanding.

116.8 (h) "Transferor servicer" means a servicer that has agreed to, or been informed that the
116.9 servicer must, transfer the right to service a mortgage loan to another servicer.

116.10 Subd. 2. **General requirements.** (a) A violation of an applicable state law or
116.11 administrative rule, a federal law or regulation, or a state or federal program is a violation
116.12 of this section.

116.13 (b) In addition to complying with this section, a servicer must comply with:

116.14 (1) other applicable sections of this chapter;

116.15 (2) other applicable state law, including but not limited to chapters 46A, 47, 580, 581,
116.16 and 582;

116.17 (3) applicable sections of RESPA;

116.18 (4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section
116.19 501, et seq.; and

116.20 (5) other applicable federal laws and implementing regulations, as amended, including
116.21 but not limited to:

116.22 (i) the Gramm-Leach-Bliley Act, Public Law 106-102;

116.23 (ii) the Truth-in-Lending Act, United States Code, title 15, section 1601, et seq.; and

116.24 (iii) the Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x.

116.25 Subd. 3. **Servicing and ownership transfers or sales.** (a) When acquiring servicing
116.26 rights from a transferor servicer, a transferee servicer must:

116.27 (1) continue processing loan modification requests and honoring trial and permanent
116.28 modifications; and

116.29 (2) designate the homeowner as a third-party intended beneficiary in any subsequent
116.30 contract for transfer or sale, unless doing so violates another state law or a
116.31 government-sponsored enterprise's modification program requirements.

117.1 (b) When transferring or selling loan servicing with pending modification requests or
117.2 trial or permanent modifications, a transferor servicer must:

117.3 (1) inform the transferee servicer if a loan modification is pending;

117.4 (2) obligate the transferee servicer to (i) accept and continue processing loan modification
117.5 requests, and (ii) honor trial and permanent loan modification agreements; and

117.6 (3) designate the homeowner as a third-party intended beneficiary in any contract for
117.7 transfer or sale, unless doing so violates state law or a government-sponsored enterprise's
117.8 modification program requirements.

117.9 Subd. 4. **Payment processing and fees.** (a) A servicer must comply with section 47.59,
117.10 subdivision 9a, regarding prompt crediting of payments, if the borrower has provided
117.11 sufficient information to credit the account. A servicer must apply the payment as specified
117.12 in the loan documents.

117.13 (b) A servicer may enter into a written contract with the borrower that allows the servicer
117.14 to hold certain types of money, or money sent by a certain method, for a period of time until
117.15 the money is available before crediting the money to the borrower's account.

117.16 (c) A servicer must notify the borrower if a payment is received, not credited, and placed
117.17 in a suspense account. The servicer must send the notification to the borrower within ten
117.18 business days by United States mail to the borrower's last known address. The notification
117.19 must identify (1) the reason the payment was not credited or treated as credited to the
117.20 account, and (2) any actions the borrower must take to make the residential mortgage loan
117.21 current. If a servicer provides monthly or more frequent statements that include the
117.22 information under this paragraph, the servicer is not required to provide the information in
117.23 an additional notice. If this paragraph conflicts with the requirements of an applicable
117.24 bankruptcy court order, compliance with the bankruptcy court requirements constitutes
117.25 compliance with this paragraph or paragraph (d).

117.26 (d) When a suspense account contains enough money to make a full payment, a servicer
117.27 must apply the payment to the mortgage on the date the full amount became available in
117.28 the suspense account.

117.29 (e) A servicer must assess an incurred fee to a borrower's account within 45 days of the
117.30 date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a
117.31 statement mailed to the borrower at the borrower's last known address no more than 30 days
117.32 after the date the fee is assessed. If a servicer provides monthly or more frequent statements

118.1 that include the information under this paragraph, the servicer is not required to provide the
118.2 information in an additional notice.

118.3 Subd. 5. **Contracting with third-party providers.** A servicer must adopt written policies
118.4 and procedures governing the oversight of third-party providers, including but not limited
118.5 to foreclosure trustees, foreclosure firms, subservicers, agents, subsidiaries, and affiliates.
118.6 A servicer must maintain the policies and procedures as part of the servicer's books and
118.7 records and must provide the policies and procedures to the commissioner upon request.

118.8 Subd. 6. **Maintenance of the escrow account.** (a) If a servicer collects escrow amounts
118.9 held for the borrower to pay insurance, taxes, or other charges with respect to the property,
118.10 the servicer must collect and make all payments from the escrow account. To the extent the
118.11 servicer has control, the servicer must ensure that no late penalties are assessed or other
118.12 negative consequences result for the borrower.

118.13 (b) At least annually or upon the borrower's request, a servicer must inform the borrower
118.14 in writing regarding the amount of reserve required in an escrow account. The notice must
118.15 advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve
118.16 amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and
118.17 subsequently collects the escrow amounts from the borrower.

118.18 (c) A servicer may enter into a written agreement with the borrower that specifies the
118.19 servicer is not required to make escrow payments unless money is available in the escrow
118.20 account. An agreement under this paragraph must include language that provides notice to
118.21 the borrower that the borrower is responsible to pay the escrow amounts if an amount
118.22 sufficient to pay the escrow amounts is not maintained in the escrow account.

118.23 (d) A servicer must notify the borrower within ten business days of the date a change is
118.24 made to the escrow account that modifies the borrower's escrow payment amount. A change
118.25 requiring notification includes but is not limited to hazard insurance premiums, a reduction
118.26 in the required reserve amount for the account, or a change in the property's tax assessment.
118.27 A change resulting from a borrower's regularly scheduled payment is not a change requiring
118.28 notification.

118.29 Subd. 7. **Borrower requests for information.** (a) A servicer must make a reasonable
118.30 attempt to comply with a borrower's request for information, including a request for
118.31 information about loss mitigation, regarding the residential mortgage loan account and must
118.32 respond to a dispute initiated by the borrower about the loan account. A reasonable attempt
118.33 under this subdivision includes but is not limited to:

119.1 (1) maintaining written or electronic records of each written request for information
119.2 involving the borrower's account until the residential mortgage loan is paid in full, sold, or
119.3 otherwise satisfied; and

119.4 (2) providing a written statement to the borrower within 30 business days of the date a
119.5 written request is received from the borrower or by following the response timelines provided
119.6 by a loss mitigation program. A borrower's request must include the borrower's name and
119.7 account number, if any, a statement that the account is or may be in error, and sufficient
119.8 detail regarding the information sought by the borrower to permit the servicer to comply.

119.9 (b) At a minimum, a servicer must provide the following information in response to a
119.10 borrower request received under this subdivision:

119.11 (1) whether the account is current or, if the account is not current, an explanation
119.12 regarding the default and the date the account entered default;

119.13 (2) the current balance due on the residential mortgage loan, including the principal due;
119.14 the amount of money, if any, held in a suspense account; the amount of the escrow balance
119.15 known to the servicer, if any; and whether any escrow deficiencies or shortages are known
119.16 to the servicer;

119.17 (3) the identity, address, and other relevant information about the current holder, owner,
119.18 or assignee of the residential mortgage loan; and

119.19 (4) the telephone number and mailing address of an individual servicer representative
119.20 with the information and authority to answer questions and resolve disputes.

119.21 (c) A servicer must promptly correct errors and refund fees assessed to the borrower
119.22 resulting from an error the servicer made.

119.23 (d) If the content of a servicer's response meets the requirements under RESPA for a
119.24 response to a qualified written request, the servicer has complied with this subdivision. A
119.25 servicer deemed compliant with this subdivision under this paragraph must separately
119.26 comply with paragraph (c).

119.27 (e) In addition to the statement described under paragraph (a), clause (2), a borrower
119.28 may request more detailed information from a servicer. A servicer that receives a request
119.29 under this paragraph must provide the information to the borrower within 15 business days
119.30 of the date a written request from the borrower is received. A borrower's request must
119.31 include the borrower's name and account number, if any, a statement that the account is or
119.32 may be in error, and sufficient detail to the servicer regarding information sought by the

120.1 borrower. If requested by the borrower, a statement provided under this paragraph must
120.2 also include:

120.3 (1) a copy of the original note or, if the original note is unavailable, an affidavit of lost
120.4 note that includes all endorsements; and

120.5 (2) a statement that (i) identifies and itemizes all fees and charges assessed under the
120.6 loan servicing transaction, (ii) provides a full payment history that identifies in a clear and
120.7 conspicuous manner all the debits, credits, applications, and disbursements of all payments
120.8 received from or for the benefit of the borrower, and (iii) identifies other activity on the
120.9 residential mortgage loan, including escrow account activity and suspense account activity,
120.10 if any.

120.11 (f) For purposes of a borrower request made under paragraph (e) the account history
120.12 period must cover, at a minimum, the two-year period before the date the request for
120.13 information is received. If the servicer has not serviced the residential mortgage loan for
120.14 the entire two-year period, the servicer must provide the information back to the date on
120.15 which the servicer began servicing the residential mortgage loan and must identify the
120.16 previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed
120.17 on the residential mortgage loan prior to the two-year period or the period during which the
120.18 servicer has serviced the residential mortgage loan, the servicer must provide an account
120.19 history beginning with the month that the servicer claims any outstanding sums are owed
120.20 on the residential mortgage loan up to the date the request for the information is received.

120.21 (g) If the borrower requests a statement under paragraph (e), a servicer must provide the
120.22 statement free of charge. A borrower is entitled to only one free statement annually under
120.23 this paragraph. If a borrower requests more than one statement annually, a servicer may
120.24 charge \$30 for the second and each subsequent statement.

120.25 Subd. 8. **Borrower complaints and inquiries.** (a) A servicer must establish and maintain:

120.26 (1) procedures and systems to respond to and resolve borrower complaints and inquiries
120.27 in a manner that complies with this section;

120.28 (2) a customer service department staffed by trained personnel to whom a borrower may
120.29 direct complaints and inquiries; and

120.30 (3) a toll-free telephone number or collect calling service that enables a borrower to
120.31 speak, during regular business hours, with a live person trained to answer inquiries and
120.32 instruct borrowers how to file written complaints.

121.1 (b) Each welcome packet, periodic statement, including as applicable either the monthly
121.2 mortgage statement or annual coupon book that is provided to a borrower, and website
121.3 maintained by a servicer must clearly and conspicuously state:

121.4 (1) an address to which borrowers may direct complaints and inquiries;

121.5 (2) the toll-free telephone number or collect calling services provided by the servicer;

121.6 (3) whether the servicer is licensed with the commissioner; and

121.7 (4) that a borrower may file a complaint and obtain information about the servicer by
121.8 contacting the Department of Commerce. The information provided under this clause must
121.9 include the department's current telephone contact information and website.

121.10 (c) A servicer must establish and maintain a process that enables borrowers to escalate
121.11 complaints or pending loss mitigation matters for a supervisory-level review.

121.12 Subd. 9. Servicing prohibitions; fair dealing duty. (a) In addition to the prohibitions
121.13 and standards of conduct under sections 58.12, subdivision 1, paragraph (b), and 58.13,
121.14 subdivision 1, a servicer is prohibited from:

121.15 (1) engaging in unfair, deceptive, or abusive business practices, or misrepresenting or
121.16 omitting any material information, in connection with servicing a mortgage loan, including
121.17 but not limited to misrepresenting the amount, nature, or terms of a fee, payment due, or
121.18 payment claimed due on the loan, the servicing agreement's terms and conditions, or the
121.19 borrower's obligations under the loan;

121.20 (2) requiring money to be remitted by a method that is more costly to the borrower than
121.21 a bank, certified check, or attorney's check from an attorney's account; or

121.22 (3) refusing to communicate with the borrower's authorized representative if the
121.23 authorized representative provides the servicer with a written authorization, including by
121.24 electronic transmission, signed by the borrower that affirms the authorized representative
121.25 may act on behalf of the borrower. A servicer may adopt procedures, excluding collecting
121.26 the representative's Social Security number, that are reasonably related to verifying that the
121.27 representative is in fact authorized to act on behalf of the borrower.

121.28 (b) A servicer must act in good faith and deal fairly in the servicer's dealings with a
121.29 borrower in connection with servicing a borrower's mortgage loan. For purposes of this
121.30 paragraph, acting in good faith and dealing fairly includes but is not limited to the duty to:

121.31 (1) safeguard and account for any payment made by the borrower or any money belonging
121.32 to the borrower;

122.1 (2) follow reasonable and lawful instructions from the borrower that are consistent with
122.2 the underlying note and mortgage;

122.3 (3) act with reasonable skill, care, and diligence;

122.4 (4) consider alternatives to foreclosure when a borrower (i) demonstrates that the borrower
122.5 is in imminent risk of delinquency on the mortgage loan as a result of a financial hardship,
122.6 or (ii) has experienced a financial hardship and is unable to maintain the payment at the
122.7 current payment amount required under the mortgage loan or make delinquent payments;
122.8 and

122.9 (5) structure loan modifications to result in payment that are reasonably affordable and
122.10 sustainable for the borrower at the time the modification is made.

122.11 Subd. 10. Notices; mailings; evidence of receipt. (a) A notification, mailing, or other
122.12 correspondence from a mortgage servicer or third-party provider to a borrower must be
122.13 provided via first class mail and email if the borrower has provided an email address for
122.14 notice or communication purposes.

122.15 (b) A servicer must provide a mailing address, facsimile number, email address, and a
122.16 method to facilitate file transfers via the Internet to produce documents requested from the
122.17 borrower. An option to transfer files via the Internet must allow both the borrower and
122.18 servicer to view the documents sent and confirm the date the documents were sent for 60
122.19 months after the date the documents were produced to the servicer.

122.20 (c) A servicer must provide a detailed description of all items received and the items'
122.21 expiration dates from a borrower within five business days of the date an item was received
122.22 via any medium described under this subdivision.

122.23 (d) A servicer is prohibited from rejecting documentation from a borrower or potential
122.24 borrower as incomplete without providing the borrower with details regarding which specific
122.25 portion of the documentation is incomplete.

122.26 Sec. 8. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

122.27 Subd. 3. Documentation and resolution of complaints. A licensee or exempt person
122.28 must investigate and attempt to resolve complaints made regarding acts or practices subject
122.29 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions
122.30 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
122.31 a file containing all materials relating to the complaint and subsequent investigation for a
122.32 period of 60 months.

123.1 Sec. 9. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

123.2 Subd. 4. **Trust account records for mortgage originators.** A residential mortgage
123.3 originator or servicer shall keep and maintain for 60 months a record of all trust funds,
123.4 sufficient to identify the transaction, date and source of receipt, and date and identification
123.5 of disbursement.

123.6 Sec. 10. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

123.7 Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60
123.8 months the business records, including email communications, telephone recordings,
123.9 incomplete documentation, and advertisements, regarding residential mortgage loans applied
123.10 for, originated, or serviced in the course of its business.

123.11 Sec. 11. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
123.12 read:

123.13 Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer
123.14 that services at least 500 residential mortgage loans secured by property in Minnesota must:

123.15 (1) record a telephone conversation with a borrower and a borrower's representatives;
123.16 and

123.17 (2) maintain the recording of the conversation for 60 months after the date the recording
123.18 is made, as provided under subdivision 5.

123.19 Sec. 12. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

123.20 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
123.21 by a federal or state chartered bank, savings bank, or credit union, unless the residential
123.22 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union
123.23 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
123.24 20.

123.25 Sec. 13. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
123.26 read:

123.27 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
123.28 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
123.29 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
123.30 Earn Plan, and any other state, federal, or private student loan repayment plan that is

124.1 calculated based on a borrower's income and for which a borrower's income may include
124.2 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
124.3 subdivision 5.

124.4 Sec. 14. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
124.5 to read:

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

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

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

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

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

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

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

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

124.20 Sec. 15. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
124.21 read:

124.22 Subd. 10. **Written communication.** "Written communication" means a written
124.23 correspondence that is made by a borrower and is transmitted by mail, facsimile, or
124.24 electronically through an email address or Internet website that the student loan servicer
124.25 designates to receive communications from a borrower and enables the student loan servicer
124.26 to identify the borrower's name and account. Written communication does not include a
124.27 notice on a payment medium supplied by a student loan servicer.

124.28 Sec. 16. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

124.29 Subd. 10. **Annual report.** (a) Beginning On or before March 15, 2025 each year,
124.30 student loan lender that secures, makes, or extends student loans in Minnesota must submit

- 125.1 a report to the commissioner on the form the commissioner provides. The report must include
125.2 for the previous calendar year:
- 125.3 (1) a list of all schools attended by borrowers who received a student loan from the
125.4 student loan lender and resided within Minnesota at the time of the transaction and whose
125.5 debt is still outstanding, including student loans used to refinance an existing debt;
- 125.6 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who
125.7 received student loans from the student loan lender;
- 125.8 (3) the total number of student loans owed by borrowers residing in Minnesota who
125.9 received student loans from the student loan lender;
- 125.10 (4) the total outstanding dollar amount and number of student loans owed by borrowers
125.11 who reside in Minnesota, associated with each school identified under clause (1);
- 125.12 (5) the total dollar amount of student loans provided by the student loan lender to
125.13 borrowers who resided in Minnesota in the prior calendar year;
- 125.14 (6) the total outstanding dollar amount and number of student loans owed by borrowers
125.15 who resided in Minnesota, associated with each school identified under clause (1), that were
125.16 provided in the prior calendar year;
- 125.17 (7) the rate of default for borrowers residing in Minnesota who obtained student loans
125.18 from the student loan lender, if applicable;
- 125.19 (8) the rate of default for borrowers residing in Minnesota who obtained student loans
125.20 from the student loan lender associated with each school identified under clause (1), if
125.21 applicable;
- 125.22 (9) the range of initial interest rates for student loans provided by the student loan lender
125.23 to borrowers who resided in Minnesota in the prior calendar year;
- 125.24 (10) the total number of borrowers who received student loans identified under clause
125.25 (9), and the percentage of borrowers who received each rate identified under clause (9);
- 125.26 (11) the total dollar amount and number of student loans provided in the prior calendar
125.27 year by the student loan lender to borrowers who resided in Minnesota at the time of the
125.28 transaction and had a cosigner for the student loans;
- 125.29 (12) the total dollar amount and number of student loans provided by the student loan
125.30 lender to borrowers residing in Minnesota used to refinance a prior student loan or federal
125.31 student loan in the prior calendar year;

126.1 (13) the total dollar amount and number of student loans for which the student loan
126.2 lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

126.3 (14) a copy of any model promissory note, agreement, contract, or other instrument used
126.4 by the student loan lender in the previous year to substantiate that a borrower owes a new
126.5 debt to the student loan lender; and

126.6 (15) any other information considered necessary by the commissioner to assess the total
126.7 size and status of the student loan market and well-being of borrowers in Minnesota.

126.8 (b) In addition to annual reports, the commissioner may require additional regular or
126.9 special reports as the commissioner deems necessary to properly supervise student loan
126.10 lenders under this chapter.

126.11 (c) The commissioner of commerce must share data collected under this subdivision
126.12 with the commissioner of higher education.

126.13 Sec. 17. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

126.14 Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before
126.15 March 15, 2025 each year, a student loan servicer that services student loans in Minnesota
126.16 must submit a report to the commissioner on the form the commissioner provides. The
126.17 report must include for the previous calendar year:

126.18 (1) a list of any outstanding student loans owed by borrowers who reside in Minnesota
126.19 that are serviced by the student loan servicer;

126.20 (2) the total outstanding dollar amount and number of student loans that are serviced by
126.21 the student loan servicer and owed by borrowers who reside in Minnesota;

126.22 (3) the total dollar amount and number of student loans owed by borrowers who resided
126.23 in Minnesota that were serviced by the student loan servicer in the prior calendar year;

126.24 (4) the rate of default for student loans owed by borrowers who reside in Minnesota that
126.25 are serviced by the student loan servicer, if applicable;

126.26 (5) the range of interest rates for student loans serviced by the student loan servicers to
126.27 borrowers who resided in Minnesota in the prior calendar year;

126.28 (6) the total outstanding dollar amount and number of student loans that were serviced
126.29 by the student loan servicer and owed by borrowers residing in Minnesota to refinance a
126.30 prior student loan or federal student loan; and

127.1 (7) any other information considered necessary by the commissioner to assess the total
127.2 size and status of the student loan market and well-being of borrowers in Minnesota.

127.3 (b) In addition to annual reports, the commissioner may require additional regular or
127.4 special reports as the commissioner deems necessary to properly supervise student loan
127.5 servicers under this chapter.

127.6 (c) The commissioner of commerce must share data collected under this subdivision
127.7 with the commissioner of higher education.

127.8 Sec. 18. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

127.9 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
127.10 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
127.11 must: protect the borrower from negative consequences resulting from the sale, assignment,
127.12 transfer, system conversion, or payment the borrower makes to the original loan servicer
127.13 consistent with the original student loan servicer's policy. For purposes of this paragraph,
127.14 "negative consequences" includes but is not limited to: (1) negative credit reporting; (2)
127.15 imposing late fees that are not required by the promissory note; or (3) eligibility loss or
127.16 denial for a benefit or protection established under federal law or included in the loan
127.17 contract.

127.18 ~~(1) require the new student loan servicer to honor all benefits that were made available,~~
127.19 ~~or which may have become available, to a borrower from the original student loan servicer~~
127.20 ~~or are authorized under the student loan contract, including any benefits for which the student~~
127.21 ~~loan borrower has not yet qualified unless that benefit is no longer available under the federal~~
127.22 ~~or state laws and regulations; and~~

127.23 ~~(2) transfer to the new student loan servicer all information regarding the borrower, the~~
127.24 ~~account of the borrower, and the borrower's student loan, including but not limited to the~~
127.25 ~~repayment status of the student loan and the benefits described in clause (1).~~

127.26 ~~(b) The student loan servicer must complete the transfer under paragraph (a), clause (2),~~
127.27 ~~less than 45 days from the date of the sale, assignment, or transfer of the servicing.~~

127.28 ~~(c) A sale, assignment, or transfer of the servicing must be completed no less than seven~~
127.29 ~~days from the date the next payment is due on the student loan.~~

127.30 ~~(d) A new student loan servicer must adopt policies and procedures to verify that the~~
127.31 ~~original student loan servicer has met the requirements of paragraph (a).~~

128.1 (b) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
128.2 transfer of the servicing, the original and new student loan servicer must provide a written
128.3 notice to the borrower subject to the transfer. The notice must be provided no less than 15
128.4 calendar days before the transfer's effective date and must include:

128.5 (1) the sale, assignment, or transfer's effective date;

128.6 (2) the name, address, website, and toll-free telephone number for the original student
128.7 loan servicer's designated point of contact for the borrower to contact in order to obtain
128.8 answers to servicing inquiries;

128.9 (3) the name, address, website, and toll-free telephone number for the new student loan
128.10 servicer's designated point of contact for the borrower to contact in order to obtain answers
128.11 to servicing inquiries;

128.12 (4) the date the original student loan servicer stops accepting payments on the borrower's
128.13 student loan;

128.14 (5) the date the new student loan servicer begins accepting payments on the borrower's
128.15 student loan;

128.16 (6) information that indicates whether the borrower's authorization for recurring electronic
128.17 funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic
128.18 funds transfer is not transferred, the transferee must provide information that explains how
128.19 the borrower may establish a new recurring electronic funds transfer with the new servicer;
128.20 and

128.21 (7) a statement that indicates the current loan balance, including the current unpaid
128.22 amount of principal, interest, and fees.

128.23 (c) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
128.24 transfer of the servicing, the original student loan servicer must ensure all necessary
128.25 information regarding a borrower, a borrower's account, and a borrower's student loan
128.26 accompanies a loan when the loan is transferred to a new student loan servicer. The transfer
128.27 of necessary information must occur within 45 calendar days of the sale, assignment, or
128.28 transfer's effective date. For purposes of this subdivision, "necessary information" includes
128.29 but is not limited to:

128.30 (1) a schedule of all transactions credited or debited to the student loan account;

128.31 (2) a copy of the promissory note for the student loan;

129.1 (3) notes created by the student loan servicer's personnel that reflect communications
129.2 with the borrower regarding the student loan account;

129.3 (4) a report of the data fields relating to the borrower's student loan account created by
129.4 the student loan servicer's electronic systems in connection with servicing practices;

129.5 (5) copies or electronic records of information or documents the borrower provided to
129.6 the student loan servicer;

129.7 (6) if applicable, usable data fields that contain information necessary to assess the
129.8 borrower's eligibility for forgiveness, including public service loan forgiveness; and

129.9 (7) information necessary to compile a payment history.

129.10 (d) A new student loan servicer must adopt and implement policies and procedures to
129.11 verify that the original student loan servicer meets the requirements of paragraph (c).

129.12 Sec. 19. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

129.13 Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate
129.14 records, including of all written communication and telephone recordings, for each student
129.15 loan. The records must be maintained for ~~not less than~~ at least two years following the final
129.16 payment on the student loan or the sale, assignment, or transfer of the servicing.

129.17 Sec. 20. **[59E.01] SHORT TITLE.**

129.18 This chapter shall be known and cited as the "Rental Home Marketplace Guarantees
129.19 Act."

129.20 Sec. 21. **[59E.02] DEFINITIONS.**

129.21 (a) For purposes of this chapter, the following terms have the meanings given.

129.22 (b) "Commissioner" means the commissioner of commerce.

129.23 (c) "Person" means an individual or an entity, excluding a state or local governmental
129.24 entity.

129.25 (d) "Platform contract holder" means a platform user who is the beneficiary or holder
129.26 of a rental home marketplace guarantee.

129.27 (e) "Provider" means:

129.28 (1) a rental home marketplace; or

130.1 (2) a rental home marketplace affiliate or representative who issues or offers as well as
130.2 administers, either directly or through a third party, a rental home marketplace guarantee.

130.3 (f) "Reimbursement insurance policy" means an insurance policy issued to a provider,
130.4 pursuant to which the insurer agrees, for the benefit of a platform contract holder, to discharge
130.5 the provider's obligations and liabilities under the terms of the rental home marketplace
130.6 guarantee in the event of the provider's default or nonperformance under the rental home
130.7 marketplace guarantee.

130.8 (g) "Rental home marketplace" means a person that:

130.9 (1) provides an online application, software, website, system, or other medium that: (i)
130.10 is used to advertise or offer available property to the public, and (ii) connects and enables
130.11 platform users' property;

130.12 (2) provides, directly or indirectly, or maintains an online platform by:

130.13 (i) transmitting or otherwise communicating the offer or acceptance of a transaction
130.14 between two platform users; or

130.15 (ii) owning or operating the electronic infrastructure or technology that connects two or
130.16 more platform users; and

130.17 (3) if the person offers rental home marketplace guarantees, the person offers rental
130.18 home marketplace guarantees only in a manner that is ancillary to the conduct of the person's
130.19 primary legitimate business or activity.

130.20 (h) "Rental home marketplace guarantee" means a contract or agreement issued in
130.21 connection with a rental home marketplace, whether or not the contract or agreement includes
130.22 a separate consideration, to reimburse a user sharing property for damages the renter is
130.23 responsible for under the rental home marketplace's terms of service, with or without
130.24 additional provision for incidental payment of indemnity.

130.25 **Sec. 22. [59E.03] REQUIREMENTS FOR DOING BUSINESS.**

130.26 (a) A provider is prohibited from issuing or offering a rental home marketplace guarantee
130.27 unless the provider has made the rental home marketplace guarantee terms available on the
130.28 provider's website and complied with this chapter.

130.29 (b) A provider that offers rental home marketplace guarantees must file a registration
130.30 with the commissioner on a form prescribed by the commissioner and must pay the
130.31 commissioner a \$750 fee annually.

131.1 (c) To ensure the faithful performance of a provider's obligations to the provider's
131.2 platform contract holders, each provider who is obligated to a platform contract holder shall
131.3 insure all rental home marketplace guarantees under a reimbursement insurance policy
131.4 issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to
131.5 sections 60A.195 to 60A.2095.

131.6 (d) Each person handling rental home marketplace guarantee losses on behalf of a
131.7 provider must be trained in property damage and loss assessment and interpretation of the
131.8 rental home marketplace guarantee terms before handling losses. The training must be
131.9 adequate for each person handling rental home marketplace guarantee losses to provide
131.10 knowledgeable, fair, and objective service. Providers must maintain records demonstrating
131.11 completion of the training under this paragraph by each person handling rental home
131.12 marketplace guarantee losses.

131.13 **Sec. 23. [59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT**
131.14 **INSURANCE.**

131.15 A rental home marketplace guarantee does not constitute insurance and is not required
131.16 to comply with other Minnesota insurance laws if the provider complies with this chapter.

131.17 **Sec. 24. [59E.05] REIMBURSEMENT INSURANCE POLICY.**

131.18 (a) A reimbursement insurance policy insuring rental home marketplace guarantees must
131.19 clearly state that upon the provider's default or nonperformance under the rental home
131.20 marketplace guarantee, the insurer that issued the policy must pay on behalf of the provider
131.21 any amount the provider is obligated to pay according to the rental home marketplace
131.22 guarantee.

131.23 (b) A reimbursement insurance policy is subject to the laws and regulations governing
131.24 termination and nonrenewal of insurance policies in Minnesota. The termination of a
131.25 reimbursement insurance policy does not reduce the issuer's responsibility for rental home
131.26 marketplace guarantees issued by providers before the termination's effective date.

131.27 (c) A provider is the agent of the insurer that issued the reimbursement insurance policy.
131.28 The insurer retains the right to seek indemnification or subrogation from the provider if the
131.29 insurer pays or is obligated to pay the platform contract holder the amount the provider was
131.30 obligated to pay under the rental home marketplace guarantee. This chapter does not prevent
131.31 or limit the insurer's right in this regard.

132.1 Sec. 25. [59E.06] CONSUMER PROTECTION AND DISCLOSURES.

132.2 (a) A rental home marketplace guarantee must include a statement in substantially the
132.3 following form: "This rental home marketplace guarantee is not an insurance contract."

132.4 (b) A rental home marketplace guarantee must contain a statement in substantially the
132.5 following form: "The provider's obligations are backed by a reimbursement insurance policy.
132.6 If the provider is unable or fails to perform on the provider's contractual obligation under
132.7 a rental home marketplace guarantee within 90 days after the date proof of loss is filed, a
132.8 platform user is entitled to make a claim directly against the insurance company subject to
132.9 the terms of the policy."

132.10 (c) A rental home marketplace guarantee must be written in clear, understandable
132.11 language and must specify the terms, limitations, exceptions, conditions, or exclusions,
132.12 including conditions governing transferability or termination.

132.13 (d) A provider is prohibited from making, permitting, or causing to be made a false or
132.14 misleading statement, or deliberately omitting a material statement whose omission is
132.15 considered misleading, in connection with offering or advertising a rental home marketplace
132.16 guarantee.

132.17 Sec. 26. [59E.07] ENFORCEMENT.

132.18 The commissioner must ensure rental home marketplace guarantees comply with this
132.19 chapter pursuant to the commissioner's powers under chapter 45. The commissioner must
132.20 ensure reimbursement insurance policies insuring rental home marketplace guarantees
132.21 comply with applicable law pursuant to the commissioner's powers under chapters 45 and
132.22 60A.

132.23 Sec. 27. Minnesota Statutes 2024, section 60A.07, is amended by adding a subdivision to
132.24 read:

132.25 Subd. 12. **Social Security number and individual taxpayer identification number.** (a)
132.26 If an insurance company requires a new customer to provide a Social Security number on
132.27 an application for insurance coverage, the insurance company must accept an individual
132.28 taxpayer identification number in lieu of a Social Security number.

132.29 (b) Nothing in this subdivision prohibits an insurance company from using its applicable
132.30 underwriting criteria in determining the eligibility, classification, or rating of any applicant
132.31 for insurance.

133.1 (c) Nothing in this subdivision shall require an insurer to alter their existing applications
 133.2 for insurance.

133.3 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to insurance
 133.4 coverage offered, issued, or renewed on or after that date.

133.5 Sec. 28. Minnesota Statutes 2024, section 60K.383, is amended to read:

133.6 **60K.383 TRAVEL INSURANCE.**

133.7 Subdivision 1. **Definitions.** (a) As used in this section, the terms in paragraphs (b) to
 133.8 ~~(d)~~ (e) have the meanings given.

133.9 (b) "Limited lines travel insurance producer" means a licensed managing general agent
 133.10 or third-party administrator; licensed insurance producer, including a limited lines producer;
 133.11 or travel administrator, as defined in section 65C.02, subdivision 13.

133.12 (c) "Offer and disseminate" means providing general information, including a description
 133.13 of coverage and price, as well as processing an application and collecting premiums.

133.14 ~~(b)~~ (d) "Travel insurance" means insurance coverage for personal risks incident to planned
 133.15 travel, including, but not limited to:

133.16 (1) interruption or cancellation of trip or event;

133.17 (2) loss of baggage or personal effects;

133.18 (3) damages to accommodations or rental vehicles; ~~or~~

133.19 (4) sickness, accident, disability, or death occurring during travel;

133.20 (5) emergency evacuation;

133.21 (6) repatriation of remains; or

133.22 (7) a contractual obligation to indemnify or pay a specified amount of money to the
 133.23 traveler upon determinable contingencies related to travel, as approved by the commissioner.

133.24 Travel insurance does not include major medical plans, which provide comprehensive
 133.25 medical protection for travelers with trips lasting six months or longer, including those
 133.26 working overseas as an expatriate or military personnel being deployed, or a product that
 133.27 requires a specific insurance producer license.

133.28 ~~(c) "Travel insurance producer" means an insurer designee, such as a managing general~~
 133.29 ~~underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

133.30 ~~(d)~~ (e) "Travel retailer" means a business entity that ~~offers and disseminates:~~

134.1 (1) makes, arranges, or offers planned travel; and
134.2 (2) may offer and disseminate travel insurance as a service to the travel retailer's
134.3 customers on behalf of and under the direction of a limited lines travel insurance producer.

134.4 Subd. 2. ~~Travel retailer license~~ **Licensing and registration.** (a) The commissioner
134.5 may issue a limited lines travel insurance producer license to an individual or business entity
134.6 that has filed with the commissioner a limited lines travel insurance producer license
134.7 application in a form and manner prescribed by the commissioner. A limited lines travel
134.8 insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a
134.9 licensed insurer. A person is prohibited from acting as a limited lines travel insurance
134.10 producer or travel insurance retailer unless the person is licensed or registered.

134.11 (b) A travel retailer may offer and disseminate travel insurance on behalf of and under
134.12 a limited lines travel insurance producer business entity license only if the travel insurance
134.13 producer holds a business entity license, and:

134.14 ~~(1) the licensed business entity is clearly identified as the licensed producer on marketing~~
134.15 ~~materials and fulfillment packages distributed by travel retailers to customers; identification~~
134.16 ~~shall include the entity's name and contact information;~~

134.17 (1) the limited lines travel insurance producer or travel retailer provides to travel insurance
134.18 purchasers:

134.19 (i) a description of the material terms or the actual material terms of the insurance
134.20 coverage;

134.21 (ii) a description of the process to file a claim;

134.22 (iii) a description of the process to review or cancel the travel insurance policy; and

134.23 (iv) the identity and contact information of the insurer and limited lines travel insurance
134.24 producer;

134.25 ~~(2) the licensed business entity~~ limited lines travel insurance producer keeps a register,
134.26 on a form prescribed by the commissioner, of each travel retailer that offers travel insurance
134.27 on the licensed business entity's behalf. The register must be maintained and updated by
134.28 the limited lines travel insurance producer and must include (i) the name, address, and
134.29 contact information of the travel retailer and an officer or person who directs or controls
134.30 the travel retailer's operations, and (ii) the travel retailer's federal Employer Tax Identification
134.31 Number. The licensed business entity shall limited lines travel insurance producer must
134.32 also certify that the travel retailer registered complies with United States Code, title 18,
134.33 section 1033. The licensed business entity shall limited lines travel insurance producer must

135.1 submit the register within 30 days upon request by the commissioner. Section 60K.43,
135.2 subdivisions 1, 3, and 4, apply to the limited lines travel insurance producers and travel
135.3 retailers;

135.4 (3) the ~~licensed business entity~~ limited lines travel insurance producer has designated
135.5 one of its employees as who is a licensed individual producer; as a "designated responsible
135.6 producer" or "DRP;" responsible for the business entity's compliance with Minnesota
135.7 insurance laws and rules;

135.8 (4) the DRP, president, secretary, treasurer, and any other officer or person who directs
135.9 or controls the ~~licensed business entity's~~ limited lines travel insurance producer's insurance
135.10 operations ~~comply~~ complies with the fingerprinting requirements applicable to insurance
135.11 producers in the resident state of the ~~business entity~~ limited lines travel insurance producer;

135.12 (5) the ~~licensed business entity~~ limited lines travel insurance producer has paid all
135.13 applicable insurance producer licensing fees as set forth in Minnesota state law; and

135.14 (6) the ~~licensed business entity~~ limited lines travel insurance producer requires each
135.15 employee and authorized representative of the travel retailer whose duties include offering
135.16 and disseminating travel insurance to receive a program of instruction or training, which
135.17 may be subject to review by the commissioner. The training materials must, at a minimum,
135.18 contain adequate instruction regarding the types of insurance offered, ethical sales practices,
135.19 and required disclosures provided to prospective customers.

135.20 (c) A travel retailer offering or disseminating travel insurance must make available to
135.21 prospective purchasers a brochure or other written materials that have been approved by
135.22 the travel insurer. The materials must include information that, at a minimum:

135.23 (1) provides the identity and contact information of the insurer and the limited lines
135.24 travel insurance producer;

135.25 (2) explains that a person is not required to purchase travel insurance in order to purchase
135.26 any other product or service from the travel retailer; and

135.27 (3) explains that an unlicensed travel retailer is permitted to provide only general
135.28 information about the insurance offered by the travel retailer, including a description of the
135.29 coverage and price, but is not qualified or authorized to (i) answer technical questions about
135.30 the terms and conditions of the insurance offered by the travel retailer, or (ii) evaluate the
135.31 adequacy of the customer's existing insurance coverage.

135.32 (d) A travel retailer employee or authorized representative who is not licensed as an
135.33 insurance producer is prohibited from:

136.1 (1) evaluating or interpreting the technical terms, benefits, and conditions contained in
 136.2 the offered travel insurance coverage;

136.3 (2) evaluating or providing advice concerning a prospective purchaser's existing insurance
 136.4 coverage; or

136.5 (3) representing that the travel retailer employee or authorized representative is a licensed
 136.6 insurer, licensed producer, or insurance expert.

136.7 **Subd. 3. Offer and dissemination of travel insurance; compensation.** Notwithstanding
 136.8 any other law, a travel retailer whose insurance-related activities, and those of its employees
 136.9 and authorized representatives, are limited to offering and disseminating travel insurance
 136.10 on behalf of and under the direction of a licensed business entity limited lines travel insurance
 136.11 producer meeting the conditions stated in this section; is authorized to do so and receive
 136.12 related compensation; upon registration by the licensed business entity. For purposes of this
 136.13 section, "offering and disseminating" means providing general information, including a
 136.14 description of the coverage and price, as well as processing the application, collecting
 136.15 premiums, and performing other nonlicensable activities permitted by the state limited lines
 136.16 travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

136.17 **Subd. 4. Insurer designee.** As the insurer insurer's designee, the limited lines travel
 136.18 insurance producer is responsible for the acts of the travel retailer and must use reasonable
 136.19 means to ensure compliance by the travel retailer with this section and chapter 65C.

136.20 **Subd. 5. Producers of major lines of insurance.** A person licensed in a major line of
 136.21 authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance.
 136.22 A property and casualty insurance producer is not required to be appointed by an insurer in
 136.23 order to sell, solicit, or negotiate travel insurance.

136.24 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
 136.25 enactment.

136.26 Sec. 29. Minnesota Statutes 2024, section 65A.27, subdivision 1, is amended to read:

136.27 Subdivision 1. **Scope.** For purposes of sections 65A.27 to ~~65A.302~~ 65A.304, the following
 136.28 terms have the meanings given.

136.29 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
 136.30 enactment.

137.1 **Sec. 30. [65A.304] DAMAGE BY PEACE OFFICERS; MITIGATION.**

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

137.4 (b) "Industrial hygienist" means an individual who has:

137.5 (1) a certified industrial hygienist credential from the Board for Global EHS

137.6 Credentialing; or

137.7 (2) an equivalent certification from a nationally or internationally recognized accrediting

137.8 body demonstrating competency in the anticipation, recognition, evaluation, and control of

137.9 occupational and environmental health hazards.

137.10 (c) "Just compensation" has the meaning given in section 626.74, subdivision 1, clause

137.11 (1).

137.12 (d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph

137.13 (c).

137.14 **Subd. 2. Exclusion prohibited.** (a) A policy of homeowner's insurance must not exclude

137.15 coverage for property damage if the homeowner is an innocent third party entitled to just

137.16 compensation under section 626.74 and the damage results from a peace officer's use of

137.17 chemical irritants, smoke screens, or diversionary devices.

137.18 (b) Nothing in this section affects a local government's duty to pay just compensation

137.19 under section 626.74.

137.20 (c) Nothing in paragraph (a) prohibits a civil authority exclusion or other policy provision

137.21 as long as the coverage for just compensation is not excluded.

137.22 **Subd. 3. Mitigation.** (a) Under a policy of homeowner's insurance, an insurer must allow

137.23 a homeowner to choose a mitigation contractor and, if necessary, an industrial hygienist to

137.24 assess and remediate damage due to a peace officer's use of chemical irritants, smoke screens,

137.25 or diversionary devices, when the homeowner is owed just compensation under section

137.26 626.74.

137.27 (b) The work performed by a mitigation contractor or industrial hygienist under this

137.28 subdivision must follow recognized industry standards and, if applicable, chemical

137.29 manufacturer guidelines.

137.30 **Subd. 4. Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to

137.31 or on behalf of a homeowner for damage described in this section, the insurer is subrogated

138.1 as a matter of law to the homeowner's right to recover just compensation from the responsible
138.2 local government unit.

138.3 (b) Payment made by an insurer under a policy of homeowner's insurance for damages
138.4 described in this section, if made in good faith and after reasonable investigation, is presumed
138.5 reasonable and necessary and must be reimbursed by the responsible local government unit.
138.6 Reimbursement may be denied only upon proof that the payment was obtained by fraud or
138.7 that the insurer acted in bad faith. If reimbursement is not made as required by this
138.8 subdivision, the insurer may bring an action to recover the amount paid and is entitled to
138.9 reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811,
138.10 subdivision 2, paragraph (a).

138.11 (c) If an insurer is reimbursed by a local government unit pursuant to this section, the
138.12 insurer must remit to the homeowner an amount equal to any deductible the homeowner
138.13 has paid toward the damage.

138.14 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
138.15 enactment.

138.16 Sec. 31. **[65C.01] SCOPE AND PURPOSES.**

138.17 Subdivision 1. **Purpose.** The purpose of this chapter is to promote the public welfare
138.18 by creating a comprehensive legal framework within which travel insurance may be sold
138.19 in Minnesota.

138.20 Subd. 2. **Application.** (a) This chapter applies to:

138.21 (1) travel insurance that covers any Minnesota resident and is sold, solicited, negotiated,
138.22 or offered in Minnesota; and

138.23 (2) policies and certificates that are delivered or issued for delivery in Minnesota.

138.24 (b) This chapter does not apply to cancellation fee waivers or travel assistance services,
138.25 except as expressly provided in this chapter.

138.26 Subd. 3. **Applicability of other law.** All other applicable provisions of Minnesota
138.27 insurance law apply to travel insurance, except that this chapter supersedes any general
138.28 provisions of law that would otherwise apply to travel insurance.

138.29 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
138.30 enactment.

139.1 Sec. 32. **[65C.02] DEFINITIONS.**

139.2 **Subdivision 1. Application.** For purposes of this chapter, the following terms have the
139.3 meanings given.

139.4 **Subd. 2. Aggregator site.** "Aggregator site" means a website that provides access to
139.5 information, including product and insurer information, regarding insurance products from
139.6 more than one insurer for use in comparison shopping.

139.7 **Subd. 3. Blanket travel insurance.** "Blanket travel insurance" means a travel insurance
139.8 policy issued to an eligible group providing coverage for specific classes of persons defined
139.9 in the policy, with coverage provided to all members of the eligible group without a separate
139.10 charge to individual members of the eligible group.

139.11 **Subd. 4. Cancellation fee waiver.** "Cancellation fee waiver" means a contractual
139.12 agreement between a travel services supplier and the travel services supplier's customer to
139.13 waive some or all of the nonrefundable cancellation fee provisions contained in the supplier's
139.14 underlying travel contract, with or without regard to the reason for the cancellation or form
139.15 of reimbursement. A cancellation fee waiver is not insurance.

139.16 **Subd. 5. Commissioner.** "Commissioner" means the commissioner of commerce.

139.17 **Subd. 6. Eligible group.** "Eligible group" means two or more persons who are engaged
139.18 in a common enterprise or have an economic, educational, or social affinity or relationship,
139.19 including but not limited to:

139.20 (1) an entity engaged in the business of providing travel or travel services, including but
139.21 not limited to:

139.22 (i) a tour operator, lodging provider, vacation property owner, hotel, resort, travel club,
139.23 travel agency, property manager, cultural exchange program, and common carrier; or

139.24 (ii) the operator, owner, or lessor of a means of transporting passengers, including but
139.25 not limited to an airline, cruise line, railroad, steamship company, and public bus carrier,
139.26 if all group members or customers have a common exposure to the risk attendant to the
139.27 particular type of travel;

139.28 (2) a college, school, or other institution of learning covering students, teachers,
139.29 employees, or volunteers;

139.30 (3) an employer covering a group of employees, volunteers, contractors, board of
139.31 directors, dependents, or guests;

140.1 (4) a sports team, camp, or sports team or camp sponsor covering participants, members,
140.2 campers, employees, officials, supervisors, or volunteers;

140.3 (5) a religious, charitable, recreational, educational, or civic organization, or branch of
140.4 a religious, charitable, recreational, educational, or civic organization covering any group
140.5 of members, participants, or volunteers;

140.6 (6) a financial institution, financial institution vendor, parent holding company, trustee,
140.7 or agent or designee of one or more financial institutions or financial institution vendors,
140.8 including account holders, credit card holders, debtors, guarantors, or purchasers;

140.9 (7) an incorporated or unincorporated association, including a labor union, that (i) has
140.10 a common interest, constitution, and bylaws, and (ii) is organized and maintained in good
140.11 faith for purposes other than obtaining insurance for members or participants of the
140.12 association covering the association's members;

140.13 (8) a trust or the trustees of a fund established, created, or maintained for the benefit of
140.14 and to cover members, employees, or customers, subject to the commissioner authorizing
140.15 the use of a trust and the state's premium tax provisions under section 65C.03 by one or
140.16 more associations meeting the requirements under clause (7);

140.17 (9) an entertainment production company covering a group of participants, volunteers,
140.18 audience members, contestants, or workers;

140.19 (10) a volunteer fire department, ambulance, rescue, police, court, first aid, civil defense,
140.20 or other volunteer group;

140.21 (11) a preschool, day care institution for children or adults, or senior citizen club;

140.22 (12) an automobile or truck rental or leasing company covering a group of individuals
140.23 who may become renters, lessees, or passengers as defined by the group of individuals'
140.24 travel status on the rented or leased vehicles. The common carrier, operator, owner or lessor
140.25 of a means of transportation, or automobile or truck rental or leasing company is the
140.26 policyholder under a policy governed by this section; or

140.27 (13) any other group the commissioner determines (i) is engaged in a common enterprise
140.28 or has an economic, educational, or social affinity or relationship, and (ii) that policy issuance
140.29 is not contrary to the public interest.

140.30 Subd. 7. **Fulfillment materials.** "Fulfillment materials" means documentation sent to
140.31 a person who purchases a travel protection plan that confirms the purchase and provides
140.32 the travel protection plan's coverage and assistance details.

141.1 Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance
141.2 issued to an eligible group.

141.3 Subd. 9. **Limited lines travel insurance producer.** "Limited lines travel insurance
141.4 producer" has the meaning given in section 60K.383, subdivision 1, paragraph (b).

141.5 Subd. 10. **Offer and disseminate.** "Offer and disseminate" has the meaning given in
141.6 section 60K.383, subdivision 1, paragraph (c).

141.7 Subd. 11. **Primary certificate holder.** "Primary certificate holder" means an individual
141.8 person who elects and purchases travel insurance under a group policy.

141.9 Subd. 12. **Primary policyholder** "Primary policyholder" means an individual person
141.10 who elects and purchases individual travel insurance.

141.11 Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly
141.12 or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles
141.13 claims on residents of Minnesota in connection with travel insurance. A person is not a
141.14 travel administrator if the person's only actions that otherwise indicate the person is a travel
141.15 administrator are:

141.16 (1) a person works for a travel administrator, to the extent that the person's activities are
141.17 subject to the travel administrator's supervision and control;

141.18 (2) an insurance producer sells insurance or engages in administrative and claims-related
141.19 activities within the scope of the producer's license;

141.20 (3) a travel retailer (i) offers and disseminates travel insurance, and (ii) is registered
141.21 under the license of a limited lines travel insurance producer under this chapter;

141.22 (4) an individual who (i) adjusts or settles claims in the normal course of the individual's
141.23 practice or employment as an attorney, and (ii) does not collect charges or premiums in
141.24 connection with insurance coverage; or

141.25 (5) a business entity is affiliated with a licensed insurer while acting as a travel
141.26 administrator for the direct and assumed insurance business of an affiliated insurer.

141.27 Subd. 14. **Travel assistance services.** "Travel assistance services" means noninsurance
141.28 services (1) for which the consumer is not indemnified based on a fortuitous event, and (2)
141.29 where providing the service does not result in transfer or shifting of risk that would constitute
141.30 the business of insurance. Travel assistance services include but are not limited to: security
141.31 advisories; destination information; vaccination and immunization information services;
141.32 travel reservation services; entertainment; activity and event planning; translation assistance;

142.1 emergency messaging; international legal and medical referrals; medical case monitoring;
142.2 coordination of transportation arrangements; emergency cash transfer assistance; medical
142.3 prescription replacement assistance; passport and travel document replacement assistance;
142.4 lost luggage assistance; concierge services; and any other service that is furnished in
142.5 connection with planned travel. Travel assistance services are not insurance and are not
142.6 related to insurance.

142.7 Subd. 15. **Travel insurance.** "Travel insurance" has the meaning given in section
142.8 60K.383, subdivision 1, paragraph (d).

142.9 Subd. 16. **Travel protection plan.** "Travel protection plan" means a plan that provides:

142.10 (1) travel insurance;

142.11 (2) travel assistance services; or

142.12 (3) cancellation fee waivers.

142.13 Subd. 17. **Travel retailer.** "Travel retailer" has the meaning given in section 60K.383,
142.14 subdivision 1, paragraph (e).

142.15 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
142.16 enactment.

142.17 Sec. 33. **[65C.04] TRAVEL PROTECTION PLANS.**

142.18 A travel protection plan may be offered at one price for the combined features that the
142.19 travel protection plan offers in Minnesota if:

142.20 (1) the travel protection plan:

142.21 (i) clearly discloses to the consumer, at or before the time the travel protection plan is
142.22 purchased, that the travel protection plan includes travel insurance, travel assistance services,
142.23 and cancellation fee waivers, as applicable; and

142.24 (ii) provides information and an opportunity, at or prior to the time the travel protection
142.25 plan is purchased, for the consumer to obtain additional information regarding the features
142.26 and pricing of the travel insurance, travel assistance services, and cancellation fee waivers;
142.27 and

142.28 (2) the fulfillment materials:

142.29 (i) describe and delineate the travel insurance, travel assistance services, and cancellation
142.30 fee waivers in the travel protection plan; and

143.1 (ii) include the travel insurance disclosures and the contact information for the persons
143.2 providing travel assistance services and cancellation fee waivers, as applicable.

143.3 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
143.4 enactment.

143.5 Sec. 34. **[65C.05] SALES PRACTICES.**

143.6 Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a
143.7 person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to
143.8 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing
143.9 of travel insurance and travel protection plans, this chapter prevails.

143.10 Subd. 2. **Illusory travel insurance.** A person that offers or sells a travel insurance policy
143.11 that could never result in payment of claims for an insured individual under the policy is
143.12 engaging in an unfair trade practice under sections 72A.17 to 72A.32.

143.13 Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel
143.14 insurance, including but not limited to sales materials, advertising materials, and marketing
143.15 materials, must be consistent with the travel insurance policy, including but not limited to
143.16 forms, endorsements, policies, rate filings, and certificates of insurance.

143.17 (b) A person that offers travel insurance policies or certificates that contain preexisting
143.18 condition exclusions must, before the insurance is purchased, provide a consumer with
143.19 information and an opportunity to learn more about the preexisting condition exclusions.
143.20 The information about preexisting condition exclusions must be included in the insurance
143.21 policy's coverage fulfillment materials.

143.22 (c) The fulfillment materials and the information described in section 60K.383,
143.23 subdivision 2, paragraph (b), clause (1), must be provided to a policyholder or certificate
143.24 holder as soon as practicable after a travel protection plan is purchased. Unless the insured
143.25 individual has started a covered trip or filed a claim under the travel insurance coverage, a
143.26 policyholder or certificate holder may cancel a policy or certificate for a full refund of the
143.27 travel protection plan price from the date a travel protection plan is purchased until at least:

143.28 (1) 15 days after the date the travel protection plan's fulfillment materials are delivered
143.29 by mail; or

143.30 (2) ten days after the date the travel protection plan's fulfillment materials are delivered
143.31 by means other than mail.

144.1 (d) For purposes of this section, "delivery" means (1) handing fulfillment materials to
144.2 the policyholder or certificate holder, or (2) sending fulfillment materials by mail or electronic
144.3 means to the policyholder or certificate holder.

144.4 (e) The company must disclose in the policy documentation and fulfillment materials
144.5 whether the travel insurance is primary or secondary to other applicable coverage.

144.6 (f) Travel insurance that is marketed directly to a consumer through an insurer's website
144.7 or by others through an aggregator site is not an unfair trade practice or other violation of
144.8 law if an accurate summary or short description of coverage is provided on the web page,
144.9 provided the consumer has access to the policy's full provisions by electronic means.

144.10 Subd. 4. **Opt out.** A person that offers, solicits, or negotiates travel insurance or travel
144.11 protection plans on an individual or group basis is prohibited from offering, soliciting, or
144.12 negotiating travel insurance or travel protection plans by using negative option or opting
144.13 out that requires a consumer to take an affirmative action to deselect coverage, including
144.14 by unchecking a box on an electronic form, when the consumer purchases a trip.

144.15 Subd. 5. **Other prohibitions.** A person that markets blanket travel insurance coverage
144.16 as free of cost is engaging in an unfair trade practice.

144.17 Subd. 6. **Coverage required by other jurisdictions.** If a consumer's destination
144.18 jurisdiction requires insurance coverage, a person does not engage in an unfair trade practice
144.19 if the person requires a consumer to choose between the following options as a condition
144.20 of purchasing a trip or travel package:

144.21 (1) purchasing the coverage required by the destination jurisdiction through the travel
144.22 retailer or limited lines travel insurance producer supplying the trip or travel package; or

144.23 (2) agreeing to obtain and provide proof of coverage that meets the destination
144.24 jurisdiction's requirements prior to departure.

144.25 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
144.26 enactment.

144.27 Sec. 35. **[65C.06] TRAVEL ADMINISTRATORS.**

144.28 (a) Notwithstanding chapters 59A to 79A, a person is prohibited from acting as or
144.29 representing that the person is a travel administrator for travel insurance in Minnesota unless
144.30 the person:

144.31 (1) is a licensed property and casualty insurance producer in Minnesota for activities
144.32 permitted under the property and casualty insurance producer license;

145.1 (2) holds a valid managing general agent license in Minnesota; or

145.2 (3) holds a valid third-party administrator license in Minnesota.

145.3 (b) A travel administrator and the travel administrator's employees are exempt from the
145.4 licensing requirements of chapter 72B for travel insurance the travel administrator
145.5 administers.

145.6 (c) An insurer is responsible for:

145.7 (1) the acts of a travel administrator administering travel insurance underwritten by the
145.8 insurer; and

145.9 (2) ensuring the travel administrator maintains all books and records relevant to the
145.10 insurer that the travel administrator must make available to the commissioner upon request.

145.11 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
145.12 enactment.

145.13 Sec. 36. **[65C.07] POLICY.**

145.14 (a) Notwithstanding chapters 59A to 79A, travel insurance is classified and filed for
145.15 purposes of rates and forms under an inland marine line of insurance. Notwithstanding this
145.16 paragraph, travel insurance that provides coverage for illness, accident, disability, or death
145.17 occurring during travel, either exclusively or in conjunction with related emergency
145.18 evacuation or repatriation of remains coverage, or incidental limited property and casualty
145.19 benefits, including baggage or trip cancellation, may be filed under either an accident and
145.20 health line of insurance or an inland marine line of insurance.

145.21 (b) Travel insurance may be offered and issued in the form of an individual, group, or
145.22 blanket policy.

145.23 (c) Eligibility and underwriting standards for travel insurance may be developed and
145.24 provided based on travel protection plans designed for individual or identified marketing
145.25 or distribution channels, provided the standards also meet the underwriting standards for
145.26 an inland marine line of insurance under Minnesota law.

145.27 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
145.28 enactment.

145.29 Sec. 37. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

145.30 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,
145.31 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal

146.1 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster
146.2 ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person"
146.3 shall in addition mean any person, firm or corporation even though not engaged in the
146.4 business of insurance.

146.5 Sec. 38. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
146.6 read:

146.7 Subd. 3. **Insurance lead generator.** (a)"Insurance lead generator" means a person that
146.8 uses a lead-generating device to:

146.9 (1) publicize the availability of what is or what purports to be an insurance product or
146.10 service that the person is not licensed to sell directly to a customer;

146.11 (2) identify a customer who may be interested in learning more about an insurance
146.12 product; or

146.13 (3) sell or transmit customer information to an insurer or producer for the purposes of
146.14 subsequent contact or sales activity.

146.15 (b) For the purposes of sections 72A.17 to 72A.32, insurance lead generator does not
146.16 include an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an
146.17 insurance producer, as defined under section 60K.31, subdivision 6.

146.18 Sec. 39. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
146.19 read:

146.20 Subd. 4. **Lead-generating device.** "Lead-generating device" means communication
146.21 directed to the public that, regardless of the communication's form, content, or stated purpose,
146.22 is intended to result in compiling or qualifying a list containing names and other personal
146.23 information to solicit Minnesota residents to purchase what is or what purports to be an
146.24 insurance product or service.

146.25 Sec. 40. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
146.26 read:

146.27 Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including
146.28 a virtual technology call, to market an insurance product or service.

147.1 Sec. 41. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

147.2 Subd. 2. **False information and advertising generally.** Making, publishing,
147.3 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
147.4 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
147.5 magazine, email, Internet advertisement or posting, or other publication, or in the form of
147.6 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
147.7 radio station, or using the Internet or other electronic means, or in any other way, an
147.8 advertisement, announcement, or statement, containing any assertion, representation, or
147.9 statement with respect to the business of insurance, or with respect to any person in the
147.10 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
147.11 constitute an unfair method of competition and an unfair and deceptive act or practice.

147.12 Sec. 42. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
147.13 read:

147.14 Subd. 2a. **Failure to maintain certain records.** A person must maintain books, records,
147.15 documents, and other business records in a manner that ensures data regarding complaints
147.16 and marketing are accessible and retrievable for examination by the insurance commissioner.
147.17 A person must maintain data under this subdivision for at least the current calendar year
147.18 and the two preceding years.

147.19 Sec. 43. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

147.20 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
147.21 transaction conducted:

147.22 (1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise located in~~
147.23 Minnesota;

147.24 (2) by a dealer representative at a location in Minnesota;

147.25 (3) between a dealer and a consumer ~~who lives in~~ Minnesota; or

147.26 (4) between a dealer and a Minnesota consumer when the transaction involves:

147.27 (i) delivering or shipping a bullion product to an address in Minnesota; or

147.28 ~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota~~
147.29 ~~resident; or~~

148.1 (iii) (ii) making payment to a consumer or receiving a payment from a consumer at an
148.2 address in Minnesota, unless the transaction occurs when the consumer is at a business
148.3 location outside of Minnesota.

148.4 Sec. 44. **[82B.081] NOTICE TO COMMISSIONER.**

148.5 Subdivision 1. **Change of application information.** A licensee must provide notice to
148.6 the commissioner if the information in the license application filed with the commissioner
148.7 changes. The notice must be provided in writing or another format prescribed by the
148.8 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
148.9 an information change requiring notice includes but is not limited to a change with respect
148.10 to the licensee's personal name, trade name, address, or business location.

148.11 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
148.12 decision or court order, whether or not the decision or order is appealed, resulting from a
148.13 proceeding in which the licensee was named as a defendant and the final adverse decision
148.14 relates to fraud or misrepresentation. The notice must be provided in writing or another
148.15 format prescribed by the commissioner within ten days of the date the final adverse decision
148.16 or court order is issued.

148.17 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
148.18 action involving the licensee, including but not limited to a suspension or revocation of the
148.19 licensee's real property appraiser license or another occupational license issued by Minnesota
148.20 or another jurisdiction. The notice must be provided in writing or another format prescribed
148.21 by the commissioner within ten days of the date the disciplinary action occurs.

148.22 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
148.23 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
148.24 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
148.25 similar violation of a real property appraiser licensing law. The notice must be provided in
148.26 writing or another format prescribed by the commissioner within ten days of the date the
148.27 charge, judgment, or plea occurs.

148.28 Sec. 45. **[82C.031] NOTICE TO COMMISSIONER.**

148.29 Subdivision 1. **Change of application information.** A licensee must provide notice to
148.30 the commissioner if the information in the license application filed with the commissioner
148.31 changes. The notice must be provided in writing or another format prescribed by the
148.32 commissioner within ten days of the date the change occurs. For purposes of this subdivision,

149.1 an information change requiring notice includes but is not limited to a change with respect
149.2 to the licensee's personal name, trade name, address, or business location.

149.3 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
149.4 decision or court order, whether or not the decision or order is appealed, resulting from a
149.5 proceeding in which the licensee was named as a defendant and the final adverse decision
149.6 relates to fraud or misrepresentation. The notice must be provided in writing or another
149.7 format prescribed by the commissioner within ten days of the date the final adverse decision
149.8 or court order is issued.

149.9 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
149.10 action involving the licensee, including but not limited to a suspension or revocation of the
149.11 licensee's real property appraisal management company license issued by another jurisdiction.
149.12 The notice must be provided in writing or another format prescribed by the commissioner
149.13 within ten days of the date the disciplinary action occurs.

149.14 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
149.15 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
149.16 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
149.17 similar violation of a real property appraisal management company licensing law. The notice
149.18 must be provided in writing or another format prescribed by the commissioner within ten
149.19 days of the date the charge, judgment, or plea occurs.

149.20 Sec. 46. Minnesota Statutes 2024, section 332.32, is amended to read:

149.21 **332.32 EXCLUSIONS.**

149.22 (a) The term "collection agency" does not include banks when collecting accounts owed
149.23 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
149.24 abstract companies doing an escrow business, real estate brokers, public officers, persons
149.25 acting under order of a court, lawyers, trust companies, insurance companies, credit unions,
149.26 savings associations, loan or finance companies unless they are engaged in asserting,
149.27 enforcing or prosecuting unsecured claims which have been purchased from any person,
149.28 firm, or association when there is recourse to the seller for all or part of the claim if the
149.29 claim is not collected.

149.30 (b) The term "collection agency" ~~shall~~ does not include a trade association performing
149.31 services authorized by section 604.15, subdivision 4a, but the trade association in performing
149.32 the services may not engage in any conduct that would be prohibited for a collection agency
149.33 under section 332.37.

150.1 (c) The term "collection agency" does not include a residential mortgage servicer licensed
150.2 under chapter 58 or a student loan servicer licensed under chapter 58B if the residential
150.3 mortgage servicer or student loan servicer is engaging in activities subject to licensure under
150.4 chapter 58 or 58B, as applicable.

150.5 ARTICLE 11

150.6 UNCLAIMED PROPERTY

150.7 Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision
150.8 to read:

150.9 Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value
150.10 used as a medium of exchange, unit of account, or store of value that does not have legal
150.11 tender status recognized by the United States. Virtual currency does not include:

150.12 (1) software or protocols governing the transfer of the digital representation of value;

150.13 (2) game-related digital content; or

150.14 (3) a loyalty card or gift card.

150.15 Sec. 2. [345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL
150.16 RELATED EXPENSES.

150.17 Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related
150.18 expenses are presumed abandoned at the earliest of:

150.19 (1) three years after the date of death of the beneficiary;

150.20 (2) one year after the date the beneficiary has attained, or would have attained if living,
150.21 the age of 105, if the holder does not know whether the beneficiary is deceased; or

150.22 (3) 30 years after the contract for prepayment was executed.

150.23 Sec. 3. [345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN
150.24 TAX-DEFERRED ACCOUNTS.

150.25 Property held in a plan described in sections 529 or 529A of the Internal Revenue Code,
150.26 as amended, are exempt from the requirements of sections 345.31 to 345.60.

150.27 Sec. 4. [345.384] VIRTUAL CURRENCY.

150.28 (a) Virtual currency is presumed abandoned three years after the apparent owner's latest
150.29 indication of interest in the virtual currency.

151.1 (b) For purposes of this section, an indication of an apparent owner's interest in virtual
151.2 currency includes:

151.3 (1) a record communicated by the apparent owner to the holder or agent of the holder
151.4 concerning the property or the account in which the property is held;

151.5 (2) an oral communication by the apparent owner to the holder or agent of the holder
151.6 concerning the property or the account in which the property is held, if the holder or its
151.7 agent contemporaneously makes and preserves a record of the fact of the apparent owner's
151.8 communication;

151.9 (3) a distribution, or evidence of receipt of a distribution made by electronic or similar
151.10 means; or

151.11 (4) activity directed by an apparent owner in the account in which the property is held,
151.12 including accessing the account or information concerning the account, or a direction by
151.13 the apparent owner to increase, decrease, or otherwise change the amount or type of virtual
151.14 currency held in the account.

151.15 (c) An action by an agent or other representative of an apparent owner, other than the
151.16 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
151.17 apparent owner.

151.18 (d) A communication with an apparent owner by a person other than the holder or the
151.19 holder's representative is not an indication of interest in the property by the apparent owner
151.20 unless a record of the communication evidences the apparent owner's knowledge of a right
151.21 to the property.

151.22 Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to
151.23 read:

151.24 Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual
151.25 currency, the holder must liquidate the virtual currency and remit the proceeds to the
151.26 commissioner.

151.27 (b) The liquidation must occur anytime within 30 days before filing the report under
151.28 section 345A.26. The owner does not have recourse against the holder or the commissioner
151.29 to recover any gain in value that occurs after the liquidation of the virtual currency under
151.30 this subdivision.

151.31 (c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual
151.32 currency to be liquidated, the holder must promptly notify the commissioner in writing and

152.1 explain the reasons why the virtual currency cannot be liquidated. The commissioner has
152.2 absolute and sole discretion to direct the holder to:

152.3 (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the
152.4 commissioner; or

152.5 (2) continue to hold the virtual currency until the commissioner or the holder determines
152.6 that the virtual currency can be liquidated pursuant to this chapter.

152.7 **ARTICLE 12**

152.8 **MISCELLANEOUS**

152.9 Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended
152.10 to read:

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

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

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

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

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

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

152.21 (d) "Rural economic infrastructure" means the development of activities that will enhance
152.22 the value of agricultural crop or livestock commodities or by-products or waste from farming
152.23 operations through new and improved value-added conversion processes and technologies,
152.24 the development of more timely and efficient infrastructure delivery systems, and the
152.25 enhancement of marketing opportunities. "Rural economic infrastructure" also means land,
152.26 buildings, structures, fixtures, and improvements located or to be located in Minnesota and
152.27 used or operated primarily for the processing or the support of production of marketable
152.28 products from agricultural commodities or wind energy produced in Minnesota.

152.29 Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

152.30 Subdivision 1. **Issuance and conditions.** An application for a bank charter must be
152.31 granted if (1) the applicants are of good moral character and financial integrity, (2) there is

153.1 a reasonable public demand for this bank in this location, (3) the probable volume of business
153.2 in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and
153.3 the solvency of the then existing bank or banks in the locality without endangering the safety
153.4 of any bank in the locality as a place of deposit of public and private money, (4) the
153.5 commissioner of commerce is satisfied that the proposed bank will be properly and safely
153.6 managed, and (5) the commissioner is satisfied that the capital funds required pursuant to
153.7 section 48.02 are available and the commissioner may accept any reasonable demonstration
153.8 including subscription agreements supported by current financial statements. If the application
153.9 does not satisfy the requirements of this subdivision, it must be denied. In case of the denial
153.10 of the application, the commissioner of commerce shall specify the grounds for the denial.
153.11 A person aggrieved may obtain judicial review of the determination in accordance with
153.12 chapter 14.

153.13 Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

153.14 **48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.**

153.15 Notwithstanding any law to the contrary, a bank, savings bank, savings association, or
153.16 credit union organized under the laws of this state, or a national bank or federally chartered
153.17 savings bank, savings association, or credit union, doing business in this state, may charge
153.18 on any loan or discount made or upon any note, bill or other evidence of debt, except an
153.19 extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2
153.20 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial
153.21 paper in effect at the Board of Governors of the Federal Reserve Bank located in the Ninth
153.22 ~~Federal Reserve District~~ System.

153.23 Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

153.24 **49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION**
153.25 **OR MERGER.**

153.26 (a) Either before or after the consolidation or merger agreement has been approved by
153.27 the commissioner of commerce, it must be submitted to the stockholders of each corporation
153.28 at a meeting thereof called, and it does not become binding upon the corporation until it has
153.29 been approved at each of the meetings required by this section by the vote or ballot of the
153.30 stockholders, holding at least a majority of the amount of stock of the respective corporations,
153.31 or a higher percentage as may be required by the certificate of incorporation of the
153.32 corporations. Proof of the holding of these meetings and the results thereof must be submitted
153.33 to the commissioner of commerce.

154.1 (b) After the agreement called for by sections 49.33 to 49.41 has been approved by the
154.2 stockholders of the respective corporations and by the commissioner of commerce, the ~~latter~~
154.3 ~~shall~~ commissioner of commerce must issue a certificate reciting that the corporations have
154.4 complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or
154.5 merger of these corporations and the name of the consolidated or surviving corporation, the
154.6 amount of capital stock thereof, the names of the first board of directors, and the place of
154.7 business of the consolidated or surviving corporation, which must be within the city where
154.8 any of the constituent corporations have been previously authorized to have their places of
154.9 business.

154.10 (c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the~~
154.11 ~~Secretary of State~~, the incorporation is deemed to be complete in the case of the consolidation,
154.12 and the assets of the constituent corporations merged into the survivor in the case of a
154.13 merger, and the consolidated or surviving corporation shall, from the date of this certificate,
154.14 have the term of corporate existence as may be specified in it, not exceeding the longest
154.15 unexpired term of any constituent corporation. The certificate of the commissioner of
154.16 commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have
154.17 been complied with, and is conclusive evidence of the existence of the consolidated or
154.18 surviving corporation.

154.19 Sec. 5. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

154.20 Subdivision 1. **Annual statements required.** Every insurance company, including
154.21 fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file
154.22 with the commissioner, ~~annually, on or before March 1,~~ the appropriate verified National
154.23 Association of Insurance Commissioners' annual statement blank, on or before April 30 for
154.24 all lines of insurance except health, which must be filed on or before May 31. The National
154.25 Association of Insurance Commissioners' annual statement blank must be prepared in
154.26 accordance with the association's instructions handbook and following those accounting
154.27 procedures and practices prescribed by the association's accounting practices and procedures
154.28 manual, unless the commissioner requires or finds another method of valuation reasonable
154.29 under the circumstances. Another method of valuation permitted by the commissioner must
154.30 be at least as conservative as those prescribed in the association's manual. All companies
154.31 required to file an annual statement under this subdivision may also be required to file with
154.32 the commissioner and the National Association of Insurance Commissioners a copy of their
154.33 annual statement in an electronic form prescribed by the commissioner. All Minnesota
154.34 domestic insurers required to file annual statements under this subdivision must also file
154.35 quarterly statements with the commissioner for the first, second, and third calendar quarter

155.1 on or before 45 days after the end of the applicable quarter, prepared in accordance with
155.2 the association's instruction handbook. All companies required to file quarterly statements
155.3 under this subdivision may also be required to file the quarterly statements with the
155.4 commissioner and the National Association of Insurance Commissioners in an electronic
155.5 form prescribed by the commissioner. In addition, the commissioner may require the filing
155.6 of any other information determined to be reasonably necessary for the continual enforcement
155.7 of these laws. The statement may be limited to the insurer's business and condition in the
155.8 United States unless the commissioner finds that the business conducted outside the United
155.9 States may detrimentally affect the interests of policyholders in this state. The statements
155.10 shall also contain a verified schedule showing all details required by law for assessment
155.11 and taxation. The statement or schedules shall be in the form and shall contain all matters
155.12 the commissioner may prescribe, and it may be varied as to different types of insurers so
155.13 as to elicit a true exhibit of the condition of each insurer.

155.14 Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

155.15 Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~
155.16 A company shall transact is prohibited from transacting any new business in this state after
155.17 May August 31 in any year unless it shall have the company previously transmitted its
155.18 annual statement to the commissioner and filed a copy of its statement with the National
155.19 Association of Insurance Commissioners. The commissioner may by order annually require
155.20 that each insurer pay the required fee to the National Association of Insurance Commissioners
155.21 for the filing of annual statements, but the fee shall not be more than 50 percent greater than
155.22 the fee set by the National Association of Insurance Commissioners. Failure to file the
155.23 annual statement with the commissioner or the National Association of Insurance
155.24 Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on
155.25 the relative premium volume of each insurer.

155.26 Sec. 7. Minnesota Statutes 2024, section 62J.96, is amended by adding a subdivision to
155.27 read:

155.28 Subd. 4. **Violation as deceptive practice.** A violation of any of the provisions of this
155.29 section is considered an unfair or deceptive trade practice under section 8.31, subdivision
155.30 1, and is enforceable by the attorney general.

155.31 Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

155.32 Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline
155.33 or requirement specified by this section, ~~on receiving, not less than ten days if the~~

156.1 commissioner receives a written request for an extension from the company before the date
156.2 of default, ~~satisfactory evidence of imminent hardship to the company.~~

156.3 Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended
156.4 to read:

156.5 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
156.6 with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814.
156.7 Gasoline that is not blended with biofuel must also comply with the volatility requirements
156.8 in Code of Federal Regulations, title 40, part 1090.

156.9 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
156.10 a person responsible for the product:

156.11 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
156.12 4;

156.13 (2) shall not blend the gasoline with any oxygenate other than biofuel;

156.14 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
156.15 biofuel;

156.16 (4) shall not blend the gasoline with products commonly and commercially known as
156.17 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
156.18 gasoline; and

156.19 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
156.20 designed to replace tetra-ethyl lead, that is registered by the EPA.

156.21 Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended
156.22 to read:

156.23 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
156.24 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
156.25 5.

156.26 (b) A gasoline-ethanol blend must:

156.27 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
156.28 1090;

156.29 (2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from
156.30 which a gasoline-ethanol blend was produced must comply with ASTM specification
156.31 ~~D4814-24a~~ D4814; and

157.1 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
157.2 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
157.3 or otherwise removed from a refinery or terminal.

157.4 Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended
157.5 to read:

157.6 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must
157.7 be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806.
157.8 This includes the requirement that ethanol may be denatured only as specified in Code of
157.9 Federal Regulations, title 27, parts 20 and 21.

157.10 Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended
157.11 to read:

157.12 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for
157.13 the product shall comply with the following requirements:

157.14 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total,
157.15 of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any
157.16 time in this state; and

157.17 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
157.18 paragraph (b) must not be sold or offered for sale in this state.

157.19 (b) The oxygenates prohibited under paragraph (a) are:

157.20 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

157.21 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

157.22 (3) tertiary amyl methyl ether.

157.23 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
157.24 specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline
157.25 after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

157.26 Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

157.27 Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification
157.28 ~~D396-12~~ D396.

158.1 Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

158.2 Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must
158.3 comply with ASTM specification ~~D975-12a~~ D975.

158.4 (b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel
158.5 component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel
158.6 component must comply with ASTM specification ~~D6751-11b~~ D6751.

158.7 Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

158.8 Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

158.9 Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

158.10 Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification
158.11 ~~D910-11~~ D910.

158.12 Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

158.13 Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply
158.14 with ASTM specification ~~D1655-12~~ D1655.

158.15 Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

158.16 Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must
158.17 comply with ASTM specification ~~D2880-03~~ D2880.

158.18 Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

158.19 Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent
158.20 ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section
158.21 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

158.22 Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

158.23 Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol
158.24 and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel
158.25 vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification
158.26 ~~D5797-07~~ D5797.

159.1 Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

159.2 Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable,
159.3 mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal
159.4 fats and that meets American Society for Testing and Materials (ASTM) specification
159.5 ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

159.6 Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

159.7 Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline
159.8 must comply with ASTM specification ~~D6227-12~~ D6227.

159.9 Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

159.10 Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel
159.11 and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled
159.12 vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

159.13 (b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible
159.14 liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets
159.15 American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel
159.16 Fuel (B100) Blend Stock for Distillate Fuels.

159.17 (c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section,
159.18 unless the palm oil is contained within waste oil and grease collected within the United
159.19 States or Canada.

159.20 Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

159.21 Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to
159.22 produce or generate power for propelling internal combustion engine aircraft.

159.23 Aviation gasoline includes any gasoline:

159.24 (1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor
159.25 or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation
159.26 gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other
159.27 ASTM specification as gasoline appropriate for use in producing or generating power for
159.28 propelling internal combustion engine aircraft; or

159.29 (2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an
159.30 aircraft.

160.1 Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

160.2 Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean
160.3 blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic
160.4 hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications
160.5 in ASTM specification ~~D1655-12~~ D1655.

160.6 Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

160.7 Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of
160.8 petroleum distillate and residual fuels that is intended for use as a motor fuel in internal
160.9 combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

160.10 Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

160.11 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived
160.12 denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent
160.13 ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by
160.14 volume. For the purposes of this chapter, the energy content of E85 will be considered to
160.15 be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
160.16 as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

160.17 Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended
160.18 to read:

160.19 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
160.20 with gasoline, has been agriculturally derived, and complies with ASTM specification
160.21 ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as
160.22 specified in Code of Federal Regulations, title 27, parts 20 and 21.

160.23 Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

160.24 Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures
160.25 of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign
160.26 matter, intended for use in nonaviation gas turbine engines, and that meets the specifications
160.27 in ASTM specification ~~D2880-03~~ D2880.

160.28 Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended
160.29 to read:

160.30 Subd. 23. **Gasoline.** (a) "Gasoline" means:

161.1 (1) all products commonly or commercially known or sold as gasoline regardless of
161.2 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
161.3 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
161.4 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
161.5 removed from a refinery or terminal; and

161.6 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
161.7 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
161.8 tested by the Weights and Measures Division meets the specifications in ASTM specification
161.9 ~~D4814-24a~~ D4814.

161.10 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
161.11 other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and
161.12 the volatility requirements in Code of Federal Regulations, title 40, part 1090.

161.13 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
161.14 a person responsible for the product:

161.15 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
161.16 24;

161.17 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
161.18 derived ethanol;

161.19 (3) must not blend the gasoline with other petroleum products that are not gasoline or
161.20 denatured, agriculturally derived ethanol;

161.21 (4) must not blend the gasoline with products commonly and commercially known as
161.22 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
161.23 gasoline; and

161.24 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
161.25 designed to replace tetra-ethyl lead, that is registered by the EPA.

161.26 Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended
161.27 to read:

161.28 Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with
161.29 nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or
161.30 ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that
161.31 complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured

162.1 ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or
162.2 otherwise removed from a refinery or terminal.

162.3 Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

162.4 Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of
162.5 petroleum distillates and residuals, or petroleum residual heating fuel that meets the
162.6 specifications in ASTM specification ~~D396-12~~ D396.

162.7 Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

162.8 Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a
162.9 homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic
162.10 compounds, and excessive amounts of particulate contaminants and that meets the
162.11 specifications in ASTM specification ~~D3699-08~~ D3699.

162.12 Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

162.13 Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol
162.14 and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol
162.15 by volume. For the purposes of this chapter, the energy content of M85 will be considered
162.16 to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel
162.17 vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~
162.18 D5797.

162.19 Sec. 35. Minnesota Statutes 2024, section 349.211, subdivision 2b, is amended to read:

162.20 Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize which may be awarded for
162.21 a paddle ticket is \$70. The maximum value of a merchandise prize which may be awarded
162.22 for a paddle ticket shall not exceed a fair market value of \$200. An organization may not
162.23 sell any paddle ticket for more than \$2 \$5.

162.24 (b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

162.25 Sec. 36. **REPEALER.**

162.26 Minnesota Statutes 2024, sections 48.158; and 62J.96, subdivision 3, are repealed."

162.27 Delete the title and insert:

162.28 "A bill for an act
162.29 relating to commerce;; amending Minnesota Statutes 2024, sections 46.044,
162.30 subdivision 1; 47.20, subdivision 1; 47.59, subdivision 1; 47.60, subdivision 1;

163.1 48.195; 49.37; 52.063, subdivision 3; 52.24, subdivisions 1, 2, by adding a
163.2 subdivision; 53.04, subdivision 3a; 53B.69, subdivision 10; 53B.74; 53C.09,
163.3 subdivision 4; 56.002; 56.01; 56.05; 58.06, subdivision 2; 58.14, subdivisions 3,
163.4 4, 5, by adding a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions;
163.5 58B.03, subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.07, by
163.6 adding a subdivision; 60A.13, subdivisions 1, 6; 60A.50, subdivisions 1, 3;
163.7 60A.951, subdivision 3; 60A.985, subdivision 8; 60A.9853, subdivision 1;
163.8 60A.9854; 60B.03, subdivision 2; 60G.01, subdivisions 2, 4; 60K.383; 62A.02,
163.9 subdivision 8; 62A.021, subdivision 1; 62A.135, subdivision 1; 62A.46, subdivision
163.10 2; 62A.61; 62A.65, subdivisions 7, 8; 62D.08, subdivisions 1, 2, 3, 7, by adding
163.11 a subdivision; 62D.12, subdivision 1; 62D.124, subdivision 5; 62D.221,
163.12 subdivisions 1, 2; 62E.11, subdivisions 9, 13; 62E.23, subdivision 1; 62J.40; 62J.60,
163.13 subdivision 5; 62J.89, subdivisions 1, 2; 62J.90, subdivision 2; 62J.96, by adding
163.14 a subdivision; 62K.07, subdivision 2; 62L.02, subdivision 8; 62L.08, subdivision
163.15 11; 62L.09, subdivision 3; 62L.10, subdivision 4; 62L.11, subdivision 2; 62M.02,
163.16 by adding a subdivision; 62M.09, subdivision 3; 62M.11; 62Q.01, subdivision 2;
163.17 62Q.106; 62Q.188, subdivision 2; 62Q.37, subdivision 2; 62Q.47; 62Q.51,
163.18 subdivision 3; 62Q.545; 62Q.556, subdivisions 3, 4; 62Q.69, subdivisions 2, 3;
163.19 62Q.71; 62Q.73, subdivisions 3, 10; 62Q.81, subdivision 7; 62U.04, subdivision
163.20 13; 62W.06, by adding a subdivision; 65A.27, subdivision 1; 72A.061, subdivision
163.21 5; 72A.13, subdivision 1; 72A.18, subdivision 2, by adding subdivisions; 72A.20,
163.22 subdivision 2, by adding a subdivision; 80A.50; 80A.69; 80C.12, subdivision 1;
163.23 80G.01, subdivision 5a; 237.035; 237.036; 237.069; 237.07, subdivision 1; 237.11;
163.24 237.164; 237.626, subdivisions 1, 3; 237.66, by adding subdivisions; 237.70,
163.25 subdivision 7; 237.762, subdivision 5; 239.761, subdivisions 7, 8, 9, 10, 11, 12,
163.26 13, 14, 16, 17; 239.77, subdivision 1; 256B.0913, subdivision 4; 296A.01,
163.27 subdivisions 7, 8, 14, 19, 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c; 325F.79;
163.28 325F.791, subdivisions 1, 5; 325F.792, subdivision 2; 332.32; 332.52, subdivision
163.29 3; 332A.04, subdivision 1; 332B.04, subdivision 1; 345.31, by adding a subdivision;
163.30 345.43, by adding a subdivision; 349.211, subdivision 2b; Minnesota Statutes
163.31 2025 Supplement, sections 41A.09, subdivision 2a; 58B.02, subdivision 8a; 62A.31,
163.32 subdivision 1u; 62D.21; 62D.211; 62E.23, subdivisions 1a, 2; 80A.66; 239.761,
163.33 subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; 297I.20, subdivision 7;
163.34 proposing coding for new law in Minnesota Statutes, chapters 48; 52; 53B; 58;
163.35 60A; 62A; 62D; 65A; 80A; 82B; 82C; 325E; 325F; 325M; 345; proposing coding
163.36 for new law as Minnesota Statutes, chapters 59E; 65C; repealing Minnesota Statutes
163.37 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions 1, 2, 3,
163.38 4, 5; 56.08; 62J.86, subdivision 2; 62J.88; 62J.96, subdivision 3; 237.065; 237.066;
163.39 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11;
163.40 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1,
163.41 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75;
163.42 237.766; 237.768; 237.772; 237.775; 332A.02, subdivision 2; 332B.02, subdivision
163.43 2."