SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2216

(SENATE AUTHORS: KLEIN)

DATE	D-PG	OFFICIAL STATUS
03/06/2025	660	Introduction and first reading
		Referred to Commerce and Consumer Protection
04/10/2025	1871a	Comm report: To pass as amended and re-refer to Finance
04/22/2025	3683a	Comm report: To pass as amended
	3716	Second reading
04/23/2025	3740a	Special Order: Amended
	3748	Third reading Passed as amended
	3749	Reconsidered
	3749	Third Reading Repassed
04/30/2025	4201	Returned from House with amendment
		Laid on table
05/01/2025	4376	Taken from table
		Senate not concur, conference committee of 3 requested
	4377	Senate conferees Klein; Dahms; Seeberger
05/06/2025	4453	House conferees Her; Elkins; O'Driscoll; Rymer
	6285	Joint rule 3.02, conference committee discharged
		Laid on table

A bill for an act

relating to commerce; establishing a budget for the Department of Commerce; adding, modifying, and eliminating various provisions governing insurance, financial institutions, commercial regulations and consumer protection, and telecommunications; modifying cannabis provisions; modifying fees assessed by the Department of Commerce; establishing a common interest community ombudsperson and a common interest community register; classifying data; making technical changes; appropriating money; amending Minnesota Statutes 2024, sections 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 58B.051; 60A.201, subdivision 2, by adding a subdivision; 60C.09, subdivision 2; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31, subdivisions 1r, 1w; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62D.221, by adding a subdivision; 62J.26, subdivisions 1, 2, 3, by adding subdivisions; 62Q.73, subdivision 4; 65A.01, subdivision 3c; 72A.20, by adding a subdivision; 80A.65, subdivision 2; 80A.66; 80E.12; 82.63, subdivision 2; 116.943, subdivisions 1, 5; 168.27, by adding a subdivision; 216B.40; 216B.62, by adding a subdivision; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3; 325G.24, subdivision 2; 334.01, subdivision 2; 342.17; 342.37, by adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 45; 60D; 62A; 168A; 216B; 237; 239; 325E; 325F; 515B.

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

ARTICLE 1

COMMERCE FINANCE

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund,

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

	APPROPRIATIONS Available for the Year Ending June 30	
	2026	**2027**
Sec. 2. **DEPARTMENT OF COMMERCE**		
Subdivision 1. **Total Appropriation**	**$ 41,339,000**	**$ 41,302,000**

Appropriations by Fund

	2026	2027
General	38,646,000	38,609,000
Workers' Compensation Fund	600,000	600,000
Special Revenue	2,093,000	2,093,000

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

Subd. 2. **Financial Institutions**	2,954,000	2,954,000

(a) $400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion program that (1) assists low-income and financially underserved populations to build savings and strengthen credit, and (2) provides services to assist low-income and financially underserved populations to become more financially stable and secure. Money remaining after the first year is available for the second year.

(b) $254,000 each year is to administer Minnesota Statutes, chapter 58B.

(c) $462,000 each year is for additional securities unit staffing.

Subd. 3. **Administrative Services** 12,143,000 12,133,000

(a) $353,000 each year is for system modernization and cybersecurity upgrades for the unclaimed property program.

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

(c) $500,000 each year is to create and maintain the Prescription Drug Affordability Board established under Minnesota Statutes, section 62J.87.

(d) $12,000 each year is for the intermediate blends of gasoline and biofuels report under Minnesota Statutes, section 239.791, subdivision 8.

(e) $657,000 the first year and $62,000 the second year are for the development, maintenance, and staff costs of the common interest community register under Minnesota Statutes, section 515B.5-101.

(f) $348,000 each year is for the common interest community ombudsperson and related staff under Minnesota Statutes, section 45.0137.

(g) $75,000 each year is for copper metal licensing and enforcement under Minnesota Statutes, section 325E.21.

The base for administrative services is $12,411,000 in each of fiscal years 2028 and 2029.

Subd. 4. **Enforcement** 6,421,000 6,421,000

(a) $225,000 each year is to create and maintain the Mental Health Parity and Substance Abuse Accountability Office under Minnesota Statutes, section 62Q.465.

(b) $197,000 each year is to create and maintain a student loan advocate position under Minnesota Statutes, section 58B.011.

Subd. 5. **Telecommunications** 3,235,000 3,235,000

Appropriations by Fund

General	1,142,000	1,142,000
Special Revenue	2,093,000	2,093,000

$2,093,000 each year is from the telecommunications access Minnesota fund under Minnesota Statutes, section 237.52, subdivision 1, in the special revenue fund for the following transfers:

(1) $1,620,000 each year is to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. This transfer is subject to Minnesota Statutes, section 16A.281;

(2) $290,000 each year is to the chief information officer to coordinate technology accessibility and usability;

(3) $133,000 each year is to the Legislative Coordinating Commission for captioning legislative coverage. This transfer is subject to Minnesota Statutes, section 16A.281; and

(4) $50,000 each year is to the Office of MN.IT Services for a consolidated access fund

to provide grants or services to other state agencies related to accessibility of web-based services.

Subd. 6. **Insurance** 13,689,000 13,483,000

Appropriations by Fund

General	13,089,000	12,883,000
Workers' Compensation	600,000	600,000

(a) $136,000 each year is to advance standardized health plan options.

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

(c) $600,000 each year is from the workers' compensation fund.

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

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

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

$1,341,000 the first year and $1,520,000 the second year are for cannabis scale and packaging inspections.

Sec. 3. **OFFICE OF CANNABIS MANAGEMENT** **$ 37,150,000 $ 40,017,000**

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

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

$15,000,000 each year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of this amount, up to three percent may be used to pay for administrative expenses incurred by the Office of Cannabis Management.

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

The base is $40,103,000 in each of fiscal years 2028 and 2029.

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

Sec. 5. **OFFICE OF CANNABIS MANAGEMENT** **$ 21,614,000 $ 17,953,000**

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 3, of the appropriation in fiscal year 2025, $6,000,000 is available until June 30, 2027.

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

~~$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. The base for this appropriation is $15,000,000 in fiscal year 2026 and each fiscal year thereafter.~~

$1,000,000 the second year is for cannabis industry community renewal grants under

Minnesota Statutes, section 342.70. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2026. Of this amount, up to three percent may be used to pay for administrative expenses incurred by the Office of Cannabis Management. The base for this appropriation is $15,000,000 in fiscal year 2026 and each fiscal year thereafter.

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

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

ARTICLE 2
FINANCIAL INSTITUTIONS POLICY

Section 1. Minnesota Statutes 2024, section 45.24, is amended to read:

45.24 LICENSE TECHNOLOGY FEES.

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

(b) The commissioner shall pay for the cost of operating and maintaining the electronic database system described in paragraph (a) through a technology surcharge imposed upon the fee for license origination and renewal, for individual licenses that require continuing education.

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

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

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

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

Sec. 2. Minnesota Statutes 2024, section 46A.04, is amended to read:

46A.04 EXCEPTIONS AND EXEMPTIONS.

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

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

Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

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

(3) "Conventional loan" means a loan or advance of credit, other than a

loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is

intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

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

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

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of units to be created out of existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative

apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

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

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The

term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47.77 TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.

(a) No financial institution shall initiate a transfer of a deposit account to another deposit account bearing different identification information without sending at least 30 days' prior notice to at least one of the deposit account holders at the last known address on file with the financial institution. If the new account is subject to different terms, the financial institution must obtain the written consent of at least one of the deposit account holders before the new terms become effective.

(b) No financial institution shall initiate a closure of a deposit account without first sending at least one of the deposit account holders a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file

with the financial institution at least 30 days before the financial institution closes the deposit account~~;~~, except that~~,~~ if the financial institution has reasonable suspicion to believe that account is being used in connection with a check-related fraud or other crime ~~or that~~, funds will not be available to pay items drawn on the account, or the deposit account holder has engaged in disruptive, hostile, or harassing behavior toward financial institution employees or customers, the notice may be sent the same day as the account is closed.

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

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

53B.61 MAINTENANCE OF PERMISSIBLE INVESTMENTS.

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

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

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

are subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of the statutory trust.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2024, section 58B.051, is amended to read:

58B.051 REGISTRATION FOR LENDERS.

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

(b) A registration application must include:

(1) the lender's name;

(2) the lender's address;

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

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

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

(d) The commissioner may adopt and enforce:

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

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

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

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

Sec. 10. Minnesota Statutes 2024, section 80A.65, subdivision 2, is amended to read:

Subd. 2. **Registration application and renewal filing fee.** Every applicant for an initial or renewal registration shall pay a filing fee of $200 in the case of a broker-dealer, $65 in the case of an agent, $100 in the case of an investment adviser, and $50 in the case of an investment adviser representative. When an application is denied or withdrawn, the filing fee shall be retained. A registered agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of ~~$25~~ $85.

Sec. 11. Minnesota Statutes 2024, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

(a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish minimum financial requirements for broker-dealers registered or required to be registered under this chapter and investment advisers registered or required to be registered under this chapter.

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

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

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

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

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

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

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

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

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

(A) the amount of assets under management;

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

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

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

(H) trading practices; and

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

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

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

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

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

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

(i) **Continuing education.** A rule adopted or order issued under this chapter may require an individual registered under section 80A.57 or 80A.58 to participate in a continuing education program approved by the Securities and Exchange Commission and administered by a self-regulatory organization, the North American Securities Administrators Association, or the commissioner.

Sec. 12. Minnesota Statutes 2024, section 82.63, subdivision 2, is amended to read:

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

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

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

(3) that the broker:

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

(ii) is an elected or appointed officer, signing partner, or managing member of both the business entity for which or on whose behalf the broker already holds a license, and an

affiliated business entity for which or on whose behalf the broker is applying for an additional license.

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

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

Sec. 13. **APPLICATION OF MINNESOTA STATUTES, SECTION 65A.3025.**

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

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

Sec. 14. **CERTAIN COMPLIANCE OPTIONAL.**

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

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

ARTICLE 3
HEALTH INSURANCE

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

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

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

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

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

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

(4) premium increases in recognition of late enrollment or reenrollment.

(c) The premium increase permitted under paragraph (b), clause (4), must not exceed ten percent for each late enrollment or reenrollment. The increase must only be applied as a flat percentage of premium for an individual who: (1) enrolls in a Medicare supplement policy outside of the individual's initial enrollment period in Medicare Part B; and (2) is not eligible for a guaranteed issue period under subdivision 1u. Each premium increase permitted under paragraph (b), clause (4), may be applied for more than one plan year, including to renewals and reenrollments.

(d) For insureds not residing in Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, or Washington County, a health plan may, at the option of the health carrier, phase in compliance under the following timetable:

~~(i)~~ (1) a premium adjustment as of March 1, 1993, that consists of one-half of the difference between the community rate that would be applicable to the person as of March 1, 1993, and the premium rate that would be applicable to the person as of March 1, 1993, under the rate schedule permitted on December 31, 1992. A health plan may, at the option of the health carrier, implement the entire premium difference described in this clause for any person as of March 1, 1993, if the premium difference would be 15 percent or less of the premium rate that would be applicable to the person as of March 1, 1993, under the rate schedule permitted on December 31, 1992, if the health plan does so uniformly regardless of whether the premium difference causes premiums to rise or to fall. The premium difference described in this clause is in addition to any premium adjustment attributable to medical cost inflation or any other lawful factor and is intended to describe only the premium difference attributable to the transition to the community rate; and

~~(ii)~~ (2) with respect to any person whose premium adjustment was constrained under clause ~~(i)~~ (1), a premium adjustment as of January 1, 1994, that consists of the remaining one-half of the premium difference attributable to the transition to the community rate, as described in clause ~~(i)~~ (1).

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

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

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

Subd. 1w. **Open enrollment.** A medicare supplement policy or certificate must not be sold or issued to an ~~eligible~~ individual outside of the time periods described in ~~subdivision~~ subdivisions 1h and 1u.

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

Sec. 3. **[62A.481] LIMITED LONG-TERM CARE INSURANCE.**

Subdivision 1. **Short title.** This section may be known and cited as the "Limited Long-Term Care Insurance Act."

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

(b) "Applicant" means:

(1) in the case of an individual limited long-term care insurance policy, the person who seeks to contract for benefits; or

(2) in the case of a group limited long-term care insurance policy, the proposed certificate holder.

(c) "Certificate" means a certificate issued under a group limited long-term care insurance policy that has been delivered or issued for delivery in Minnesota.

(d) "Commissioner" means the commissioner of commerce.

(e) "Elimination period" means the length of time between meeting the eligibility for benefit payment and receiving benefit payments from an insurer.

(f) "Group limited long-term care insurance" means a limited long-term care insurance policy that is delivered or issued for delivery in Minnesota and issued to:

(1) one or more employers or labor organizations, a trust or the trustees of a fund established by one or more employers, labor organizations, or a combination of employers and labor organizations for: (i) employees, former employees, or a combination of employees or former employees; or (ii) members, former members, or a combination of members or former members of the labor organizations;

(2) a professional, trade, or occupational association for the association's members, former members, retired members, or a combination of members, former members, or retired members, if the association:

(i) is composed of individuals, all of whom are or were actively engaged in the same profession, trade, or occupation; and

(ii) has been maintained in good faith for purposes other than obtaining insurance;

(3) an association, a trust, or the trustees of a fund established, created, or maintained for the benefit of members of one or more associations. Prior to advertising, marketing, or offering the policy within Minnesota, the association or associations, or the insurer of the association or associations, must file evidence with the commissioner that the association or associations have at the outset:

(i) a minimum of 100 persons;

(ii) been organized and maintained in good faith for purposes other than obtaining insurance;

(iii) been in active existence for at least one year; and

(iv) a constitution and bylaws that provide:

(A) the association or associations hold regular meetings not less than annually to further purposes of the members;

(B) except for credit unions, the association or associations collect dues or solicit contributions from members; and

(C) the members have voting privileges and representation on the governing board and committees.

Thirty days after the filing, the association or associations are deemed to satisfy the organizational requirements unless the commissioner makes a finding that the association or associations do not satisfy the organizational requirements; or

(4) a group other than a group described in clauses (1) to (3), subject to the commissioner finding that:

(i) issuing the policy is not contrary to the public interest;

(ii) issuing the policy results in acquisition or administrative economies; and

(iii) the policy's benefits are reasonable in relation to the premiums charged.

(g) "Limited long-term care insurance" means an insurance policy or rider:

(1) issued by: (i) an insurer; (ii) a fraternal benefit society; (iii) a nonprofit health, hospital, or medical service corporation; (iv) a prepaid health plan; (v) a health maintenance organization; or (vi) a similar organization, to the extent the organization is authorized to issue life or health insurance;

(2) advertised, marketed, offered, or designed to provide coverage for less than 12 consecutive months for each covered person on an expense-incurred, indemnity, prepaid, or other basis; and

(3) for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care service provided in a setting other than a hospital's acute care unit.

Limited long-term care insurance includes a policy or rider that provides for payment of benefits based upon cognitive impairment or the loss of functional capacity. Limited long-term care insurance does not include an insurance policy that is offered primarily to provide basic Medicare supplement coverage, basic hospital expense coverage, basic medical-surgical expense coverage, hospital confinement indemnity coverage, major medical expense coverage, disability income or related asset-protection coverage, accident-only coverage, specified disease or specified accident coverage, or limited benefit health coverage.

(h) "Policy" means a policy, contract, subscriber agreement, rider, or endorsement delivered or issued for delivery in Minnesota by an insurer; fraternal benefit society; nonprofit health, hospital, or medical service corporation; prepaid health plan; health maintenance organization; or any similar organization.

(i) "Waiting period" means the time an insured individual must wait before some or all of the insured individual's coverage becomes effective.

Subd. 3. **Scope.** (a) This section applies to policies delivered or issued for delivery in Minnesota on or after January 1, 2026. This section does not supersede an obligation that an entity subject to this section has to comply with other applicable insurance laws to the extent the other insurance laws do not conflict with this section, except that laws and regulations designed and intended to apply to Medicare supplement insurance policies must not be applied to limited long-term care insurance.

(b) Notwithstanding any other provision of this section, a product, policy, certificate, or rider advertised, marketed, or offered as limited long-term care insurance is subject to this section.

Subd. 4. **Group limited long-term care insurance; extra-territorial jurisdiction.** Group limited long-term care insurance coverage must not be offered to a Minnesota resident under a group policy issued in another state to a group described in subdivision 2, paragraph (f), clause (4), unless Minnesota or another state having statutory and regulatory limited long-term care insurance requirements substantially similar to those adopted in Minnesota makes a determination that the statutory and regulatory limited long-term care insurance requirements have been met.

Subd. 5. **Limited long-term care insurance; disclosure and performance standards.** (a) A limited long-term care insurance policy must not:

(1) cancel, not renew, or otherwise terminate on the basis of the insured individual's or certificate holder's age, gender, or deterioration of mental or physical health;

(2) contain a provision that establishes a new waiting period in the event existing coverage is converted to or replaced by a new or other form of coverage within the same company, except with respect to an increase in benefits voluntarily selected by the insured individual or group policyholder; or

(3) provide coverage for only skilled nursing care or provide significantly more coverage for skilled nursing care in a facility than coverage provided for lower levels of care.

(b) A limited long-term care insurance policy or certificate issued to a group identified in subdivision 2, paragraph (f), clauses (2) to (4), is prohibited from: (1) using a definition for preexisting condition that is more restrictive than or excludes a condition for which medical advice or treatment was recommended by or received from a health care services provider within the six months preceding the date an insured individual's coverage is

effective; and (2) excluding coverage for a loss or confinement that is the result of a preexisting condition unless the loss or confinement begins within six months of the date an insured individual's coverage is effective. The commissioner may extend the limitation periods established in clauses (1) and (2) with respect to specific age group categories in specific policy forms upon a finding that the extension is in the public interest. The definition of preexisting condition required under clause (1) does not prohibit an insurer from using an application form designed to elicit the complete health history of an applicant and, on the basis of the applicant's answers on the application, from underwriting in accordance with that insurer's established underwriting standards. Unless otherwise provided in the policy or certificate, an insurer is not required to cover a preexisting condition, regardless of whether the preexisting condition is disclosed on the application, until the waiting period under clause (2) expires. A limited long-term care insurance policy or certificate is prohibited from excluding or using waivers or riders of any kind to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions beyond the waiting period established in clause (2).

(c) A limited long-term care insurance policy must not be delivered or issued for delivery in Minnesota if the policy conditions eligibility: (1) for any benefits, on a prior hospitalization requirement; (2) for benefits provided in an institutional care setting, on the receipt of a higher level of institutional care; or (3) for any benefits other than waiver of premium, post-confinement, post-acute care, or recuperative benefits, on a prior institutionalization requirement. A limited long-term care insurance policy, certificate, or rider is prohibited from conditioning eligibility for noninstitutional benefits on the prior or continuing receipt of skilled care services.

(d) A limited long-term care insurance applicant has the right to: (1) return the policy, certificate, or rider to the company or the company's agent or insurance producer within 30 days of the date the policy, certificate, or rider is received; and (2) have the premium refunded if, after examination of the policy, certificate, or rider, the applicant is not satisfied with the policy, certificate, or rider for any reason.

(e) A limited long-term care insurance policy, certificate, or rider must have a notice prominently printed on the first page or attached to the policy, certificate, or rider that includes specific instructions for a limited long-term care insurance applicant to return a policy, certificate, or rider under paragraph (d). The following statement or a substantially similar statement must be included with the instructions:

"You have 30 days from the date you receive this policy, certificate, or rider to review and return it to the company if you decide not to keep it. You do not have to tell the company

why you are returning it. If you decide to not keep the policy, certificate, or rider, simply return it to the company at the company's administrative office, or you may return it to the agent or insurance producer that you bought it from. You must return the policy, certificate, or rider within 30 days of the date you first received it. The company must refund the full amount of any premium paid within 30 days of the date the company receives the returned policy, certificate, or rider. The premium refund is sent directly to the person who paid it. A returned policy, certificate, or rider is void, as if it never was issued."

This paragraph does not apply to certificates issued pursuant to a policy issued to a group defined in subdivision 2, paragraph (f), clause (1).

(f) A coverage outline must be delivered to a prospective applicant for limited long-term care insurance at the time an initial solicitation is made, using a means that prominently directs the recipient's attention to the coverage outline and the coverage outline's purpose. The commissioner must prescribe: (1) a standard format, including style, arrangement, and overall appearance; and (2) the content that must be contained on a coverage outline. With respect to an agent solicitation, the agent must deliver the coverage outline before presenting an application or enrollment form. With respect to a direct response solicitation, the coverage outline must be provided in conjunction with an application or enrollment form. Delivery of a coverage outline is not required for a policy issued to a group defined in subdivision 2, paragraph (f), clause (1), if the information described in paragraph (g) is contained in other materials relating to enrollment. A copy of the other materials must be made available to the commissioner upon request.

(g) The coverage outline provided under paragraph (f) must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a description of the eligibility triggers for benefits and how the eligibility triggers are met;

(3) a statement identifying the principal exclusions, reductions, and limitations contained in the policy;

(4) a statement describing the terms under which the policy, certificate, or both may be continued in force or discontinued, including any reservation in the policy of a right to change premium. A continuation or conversion provision for group coverage must be specifically described;

(5) a statement indicating that coverage outline is a summary only and not an insurance contract, and that the policy or group master policy contains the governing contractual provisions;

(6) a description of the terms under which the policy or certificate may be returned and premium refunded;

(7) a brief description of the relationship between cost of care and benefits; and

(8) a statement that discloses to the policyholder or certificate holder that the policy is not long-term care insurance.

(h) A certificate issued pursuant to a group limited long-term care insurance policy that is delivered or issued for delivery in Minnesota must include:

(1) a description of the principal benefits and coverage provided in the policy;

(2) a statement identifying the principal exclusions, reductions, and limitations contained in the policy; and

(3) a statement indicating that the group master policy determines governing contractual provisions.

(i) If an application for a limited long-term care insurance contract or certificate is approved, the issuer must deliver the contract or certificate of insurance to the applicant no later than 30 days after the date the application is approved.

(j) If a claim under a limited long-term care insurance contract is denied, the issuer must, within 60 days of the date the policyholder, certificate holder, or a representative of the policyholder or certificate holder submits a written request:

(1) provide a written explanation detailing the reasons for the denial; and

(2) make available all information directly related to the denial.

(k) A disclosure, statement, or written information and explanation required in this section, whether in print or electronic form, must accommodate the communication needs of individuals with disabilities and persons with limited English proficiency, as required by law.

Subd. 6. **Incontestability period.** (a) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for less than six months upon a showing of misrepresentation that is material to the coverage acceptance.

(b) An insurer may (1) rescind a limited long-term care insurance policy or certificate, or (2) deny an otherwise valid limited long-term care insurance claim, for a policy or certificate that has been in force for at least six months but less than two years upon a showing of misrepresentation that is both material to the coverage acceptance and that pertains to the condition for which benefits are sought.

(c) A policy or certificate that has been in force for two years is not contestable upon the grounds of misrepresentation alone. A policy or certificate that has been in force for two years may be contested only upon a showing that the insured knowingly and intentionally misrepresented relevant facts relating to the insured individual's health.

(d) A limited long-term care insurance policy or certificate may be field issued if compensation to the field issuer is not based on the number of policies or certificates issued. For purposes of this paragraph, "field issued" means a policy or certificate issued by a producer or a third-party administrator (1) pursuant to the underwriting authority granted to the producer or third-party administrator by an insurer, and (2) using the insurer's underwriting guidelines.

(e) If an insurer paid benefits under the limited long-term care insurance policy or certificate, the benefit payments are not recoverable by the insurer if the policy or certificate is rescinded.

Subd. 7. **Nonforfeiture benefits.** (a) A limited long-term care insurance policy may offer the option to purchase a policy or certificate that includes a nonforfeiture benefit. A nonforfeiture benefit may be offered in the form of a rider that is attached to the policy. If the policyholder or certificate holder does not purchase the nonforfeiture benefit, the insurer must provide a contingent benefit upon lapse that must be available for a specified period of time after a substantial increase in premium rates, as determined by the commissioner under paragraph (c).

(b) When a group limited long-term care insurance policy is issued, a nonforfeiture benefit offer must be made to the group policyholder. If the policy is issued as group limited long-term care insurance, as defined in subdivision 2, paragraph (f), clause (4), to an entity other than a continuing care retirement community or other similar entity, a nonforfeiture benefit offer must be made to each proposed certificate holder.

Subd. 8. **Severability.** If any provision of this section or the application of the provision to any person or circumstance is held invalid for any reason, the remainder of the section and the application of the invalid provision to other persons or circumstances is not affected.

Subd. 9. **Penalties.** In addition to any other penalties provided by the laws of Minnesota, an insurer or producer that violates any requirement under this section or other law relating to the regulation of limited long-term care insurance or the marketing of limited long-term care insurance is subject to a fine of up to three times the amount of commissions paid for each policy involved in the violation or up to $10,000, whichever is greater.

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

Sec. 4. Minnesota Statutes 2024, section 62A.65, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** No health carrier, as defined in section 62A.011, shall offer, sell, issue, or renew any individual health plan, as defined in section 62A.011, to a Minnesota resident except in compliance with this section. ~~This section does not apply to the Comprehensive Health Association established in section 62E.10.~~

Sec. 5. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** (a) No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan, except for nonpayment of premiums, fraud, or intentional misrepresentation of a material fact.

(b) A health carrier may elect to discontinue health plan coverage of an individual in the individual market only, in one or more of the following situations:

(1) the health carrier is ceasing to offer individual health plan coverage in the individual market in accordance with sections 62A.65, subdivision 8, and 62E.11, subdivision 9, and federal law;

(2) for network plans, the individual no longer resides, lives, or works in the service area of the health carrier, or the area for which the health carrier is authorized to do business, but only if coverage is terminated uniformly without regard to any health-status-related factor of covered individuals; or

(3) a decision by the health carrier to discontinue offering a particular type of individual health plan if it meets the following requirements:

(i) provides notice in writing to each individual provided coverage of that type of health plan at least 90 days before the date the coverage is discontinued;

(ii) provides notice to the department at least 30 business days before the issuer or health carrier provides notice to the individuals under item (i);

(iii) offers to each covered individual, on a guaranteed issue basis, the option to purchase any other individual health plan currently being offered by the health carrier or related health carrier for individuals in that market; and

(iv) acts uniformly without regard to any health status-related factor of covered individuals or dependents of covered individuals who may become eligible for coverage.

Sec. 6. Minnesota Statutes 2024, section 62A.65, is amended by adding a subdivision to read:

Subd. 2a. **Uniform modification of plan.** (a) Only at the time of coverage renewal may a health carrier modify the health plan for a product, as defined under Code of Federal Regulations, title 45, section 144.103, offered to an individual in the individual market if the modification is effective uniformly for all individuals with that product.

(b) For purposes of paragraph (a), modifications made uniformly and solely pursuant to applicable federal or state requirements are considered a uniform modification of coverage if:

(1) the modification is made within a reasonable time period after the imposition or modification of the federal or state requirement; and

(2) the modification is directly related to the imposition or modification of the federal or state requirement.

(c) Other types of modifications made uniformly are considered a uniform modification of coverage if the health plan for the product in the individual market meets all of the following criteria:

(1) the product is offered by the same health carrier;

(2) the product is offered as the same product network type, which includes but is not limited to a health maintenance organization, preferred provider organization, exclusive provider organization, point of service, or indemnity;

(3) the product continues to cover at least a majority of the same service area;

(4) within the product, each health plan has the same cost-sharing structure as before the modification, except for any variation in cost sharing solely related to changes in cost and utilization of medical care, or to maintain the same metal level, as defined in section 62K.06, subdivision 4; and

(5) the product provides the same covered benefits, except for any changes in benefits that cumulatively impact the plan-adjusted index rate as defined under Code of Federal Regulations, title 45, section 144.103, for any health plan within the product within an allowable variation of plus or minus two percentage points, not including changes pursuant to applicable federal or state requirements.

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

Subd. 2. **Coverage cancellation; nonrenewal.** No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (1) failure to pay the charge for health care coverage; (2) termination of the health care plan subject to section 62A.65, subdivisions 2 and 2a; (3) termination of the group plan; (4) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (5) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 62D.104; (6) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (7) fraud or misrepresentation by the enrollee with respect to eligibility for coverage or any other material fact; or (8) other reasons established in rules promulgated by the commissioner of health.

Sec. 8. Minnesota Statutes 2024, section 62D.12, subdivision 2a, is amended to read:

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, paragraph (b), clause (3), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2, paragraph (b), clause (3); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 9. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement

coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Sec. 10. Minnesota Statutes 2024, section 62J.26, subdivision 1, is amended to read:

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

(1) "commissioner" means the commissioner of commerce;

(2) "enrollee" has the meaning given in section 62Q.01, subdivision 2b;

(3) "health plan" means a health plan as defined in section 62A.011, subdivision 3, but includes coverage listed in clauses (7) and (10) of that definition;

(4) "mandated health benefit proposal" or "proposal" means a proposal that would statutorily require a health plan company to do the following:

(i) provide coverage or increase the amount of coverage for the treatment of a particular disease, condition, or other health care need;

(ii) provide coverage or increase the amount of coverage of a particular type of health care treatment or service or of equipment, supplies, or drugs used in connection with a health care treatment or service; or

(iii) provide coverage for care delivered by a specific type of provider; and

~~(iv) require a particular benefit design or impose conditions on cost-sharing for:~~

~~(A) the treatment of a particular disease, condition, or other health care need;~~

~~(B) a particular type of health care treatment or service; or~~

~~(C) the provision of medical equipment, supplies, or a prescription drug used in connection with treating a particular disease, condition, or other health care need; or~~

~~(v) impose limits or conditions on a contract between a health plan company and a health care provider.~~

(5) "Minnesota public health care program" means a public health care program administered by the commissioner of human services under chapters 256B and 256L.

(b) "Mandated health benefit proposal" does not include health benefit proposals:

(1) amending the scope of practice of a licensed health care professional; ~~or~~

(2) that make state law consistent with federal law; or

(3) that apply exclusively to Minnesota public health care programs.

Sec. 11. Minnesota Statutes 2024, section 62J.26, subdivision 2, is amended to read:

Subd. 2. **Evaluation process and content.** (a) The commissioner, in consultation with the commissioners of health, human services, and management and budget, must evaluate all mandated health benefit proposals as provided under subdivision 3.

(b) The purpose of the evaluation is to provide the legislature with a complete and timely analysis of all ramifications of any mandated health benefit proposal. The evaluation must include, in addition to other relevant information, the following to the extent applicable:

(1) scientific and medical information on the mandated health benefit proposal, on the potential for harm or benefit to the patient, and on the comparative benefit or harm from alternative forms of treatment, and must include the results of at least one professionally accepted and controlled trial comparing the medical consequences of the proposed therapy, alternative therapy, and no therapy;

(2) public health, economic, and fiscal impacts of the mandated health benefit proposal on persons receiving health services in Minnesota, on persons receiving health services in a Minnesota public health care program, on the relative cost-effectiveness of the proposal, and on the health care system in general;

(3) the extent to which the treatment, service, equipment, or drug is generally utilized by a significant portion of the population and used in the Minnesota public health care programs;

(4) the extent to which insurance coverage for the mandated health benefit proposal is already generally available and available in the Minnesota public health care programs;

(5) the extent to which the mandated health benefit proposal, by health plan category, would apply to the benefits offered to the health plan's enrollees and enrollees in the Minnesota public health care programs;

(6) the extent to which the mandated health benefit proposal will increase or decrease the cost of the treatment, service, equipment, or drug;

(7) the extent to which the mandated health benefit proposal may increase enrollee premiums; and

(8) if the proposal applies to a qualified health plan as defined in section 62A.011, subdivision 7, the cost to the state to defray the cost of the mandated health benefit proposal

using commercial market reimbursement rates in accordance with Code of Federal Regulations, title 45, section 155.170.

(c) The commissioner shall consider actuarial analysis done by health plan companies and any other proponent or opponent of the mandated health benefit proposal in determining the cost of the proposal.

(d) The commissioner must summarize the nature and quality of available information on these issues, and, if possible, must provide preliminary information to the public. The commissioner may conduct research on these issues or may determine that existing research is sufficient to meet the informational needs of the legislature. The commissioner may seek the assistance and advice of researchers, community leaders, or other persons or organizations with relevant expertise. The commissioner must provide the public with at least 45 days' notice when requesting information pursuant to this section. The commissioner must notify the chief authors of a bill when a request for information is issued.

(e) Information submitted to the commissioner pursuant to this section that meets the definition of trade secret information, as defined in section 13.37, subdivision 1, paragraph (b), is nonpublic data.

(f) The commissioner must publish all evaluations conducted under this section on a publicly available website within 30 days of the evaluation's completion.

Sec. 12. Minnesota Statutes 2024, section 62J.26, subdivision 3, is amended to read:

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

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

(c) If the evaluation of multiple proposals are required, the commissioner must consult with the chairs of the standing legislative committees having jurisdiction over the subject

matter of the mandated health benefit proposals to prioritize the evaluations and establish a reporting date for each proposal to be evaluated.

(d) By December 31 of the year in which a mandated health benefit proposal, for which an evaluation described in subdivision 2 has not been conducted, is enacted, the commissioner must conduct an evaluation described in subdivision 2. The evaluation required by this paragraph applies to mandated health benefit proposals:

(1) introduced or offered by a legislator who was not seated by the deadline for notification under paragraph (a);

(2) enacted without conformity to paragraph (a); or

(3) for which an evaluation was required under paragraph (b) but was not conducted.

Sec. 13. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to read:

Subd. 6. **Conformity.** A mandated health benefit proposal enacted into law is effective whether or not it is in conformity with this section.

Sec. 14. Minnesota Statutes 2024, section 62J.26, is amended by adding a subdivision to read:

Subd. 7. **Adoption of forms.** (a) The commissioner of commerce must adopt forms, by July 1, 2026, for the following:

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

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

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

Sec. 15. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

Subd. 4. **Contract.** Pursuant to a request for proposal, ~~the commissioner of administration, in consultation with~~ the commissioners of health and commerce~~, shall~~ must contract with ~~at least three organizations~~ more than one organization or business ~~entities~~ entity to provide independent external reviews of all adverse determinations submitted for external review.

The contract ~~shall~~ must ensure that the fees for services rendered in connection with the reviews are reasonable.

ARTICLE 4
GENERAL INSURANCE

Section 1. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

(8) assess a natural person or entity subject to the jurisdiction of the commissioner the necessary expenses of the investigation performed by the department when an investigation is made by order of the commissioner. The cost of the investigation shall be determined by

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

(9) issue data calls.

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

Sec. 2. Minnesota Statutes 2024, section 45.027, is amended by adding a subdivision to read:

Subd. 1b. **Data calls.** (a) Information provided in response to a data call issued by the commissioner or the commissioner's authorized representative: (1) must be treated as nonpublic data, as defined under section 13.02, subdivision 9; and (2) is not subject to subpoena. The commissioner may create and make public summary data derived from data classified as nonpublic under this paragraph.

(b) The commissioner may grant access to data submitted by insurers in response to a data call issued by the commissioner or the commissioner's authorized representative to the National Association of Insurance Commissioners (NAIC) if NAIC agrees in writing to hold the data as nonpublic data.

Sec. 3. Minnesota Statutes 2024, section 45.027, subdivision 2, is amended to read:

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

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

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

(2) pursuant to court order.

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

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

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

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

(d) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a

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

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

Sec. 5. Minnesota Statutes 2024, section 60A.201, subdivision 2, is amended to read:

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2024, section 60A.201, is amended by adding a subdivision to read:

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

Sec. 7. Minnesota Statutes 2024, section 60C.09, subdivision 2, is amended to read:

Subd. 2. **Further definition.** In addition to subdivision 1, a covered claim does not include:

(1) claims by an affiliate of the insurer;

(2) claims due a reinsurer, insurer, insurance pool, or underwriting association, as subrogation recoveries, reinsurance recoveries, contribution, indemnification, or otherwise. This clause does not prevent a person from presenting the excluded claim to the insolvent insurer or its liquidator, but the claims shall not be asserted against another person, including the person to whom the benefits were paid or the insured of the insolvent insurer, except to

the extent that the claim is outside the coverage of the policy issued by the insolvent insurer; ~~and~~

(3) any claims, resulting from insolvencies which occur after July 31, 1996, by an insured whose net worth exceeds $25,000,000 on December 31 of the year prior to the year in which the insurer becomes an insolvent insurer; provided that an insured's net worth on that date shall be deemed to include the aggregate net worth of the insured and all of its subsidiaries and affiliates as calculated on a consolidated basis. The association may request financial information from an insured to determine the insured's net worth under this clause. If an insured fails to provide the requested financial information within 60 days of the date the association submits a request, the insured's net worth is deemed to exceed $25,000,000 for purposes of the association's evaluation of the claim under section 60C.10. A request by the association to an insured seeking financial information under this clause must inform the insured of the consequences of failing to provide the requested information;

(4) any claims under a policy written by an insolvent insurer with a deductible or self-insured retention of $300,000 or more, nor that portion of a claim that is within an insured's deductible or self-insured retention; and

(5) claims that are a fine, penalty, interest, or punitive or exemplary damages.

Sec. 8. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

Subd. 5. **Other violations.** If the commissioner believes a person has committed a violation of section 60D.17 that prevents the full understanding of the enterprise risk to the insurer by affiliates or by the insurance holding company system, the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Sec. 9. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with~~,~~ or corporate office held by~~, or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities

of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 10. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

Sec. 11. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

Sec. 12. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

Subd. 6c. **NAIC liquidity stress test framework.** "NAIC liquidity stress test framework" means a NAIC publication which includes a history of the NAIC's development of regulatory liquidity stress testing, the scope criteria applicable for a specific data year, and the liquidity stress test instructions and reporting templates for a specific data year, scope criteria, instructions, and reporting template being adopted by the NAIC, and as amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

Sec. 13. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

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

Sec. 14. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

Sec. 15. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

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

(b) For purposes of this section, a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction. The information must remain confidential until the conclusion of the transaction unless the commissioner, in the commissioner's discretion, determines that confidential treatment interferes with the enforcement of this section. This paragraph does not apply if the statement referred to in paragraph (a) is otherwise filed.

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

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

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

Sec. 17. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

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

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

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

Sec. 18. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

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

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

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

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

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

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b,

that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

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

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

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

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

(d) If the lead state insurance commissioner determines that an insurance holding company system no longer meets one or more of the requirements for an exemption from filing the group capital calculation under this subdivision, the insurance holding company system must file the group capital calculation at the next annual filing date unless given an extension by the lead state insurance commissioner based on reasonable grounds shown.

Sec. 20. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

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

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

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

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

Sec. 21. **[60D.195] GROUP CAPITAL CALCULATION.**

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

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

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

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

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

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

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

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

(2) the insurance holding company system:

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

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

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

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

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

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

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

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

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

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

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

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

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or

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

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

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

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

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

Sec. 22. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

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

(1) the terms shall be fair and reasonable;

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

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

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

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

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

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

(8) all of an insurer's records and data held by an affiliate are and remain the property of the insurer, are subject to control of the insurer, are identifiable, and are segregated or readily capable of segregation, at no additional cost to the insurer, from all other persons' records and data. For purposes of this clause, records and data include all records and data that are otherwise the property of the insurer in whatever form maintained, including but not limited to claims and claim files, policyholder lists, application files, litigation files, premium records, rate books, underwriting manuals, personnel records, financial records, or similar records within the affiliate's possession, custody, or control. At the request of the insurer, the affiliate must provide that the receiver may (i) obtain a complete set of all records of any type that pertain to the insurer's business, (ii) obtain access to the operating systems on which the data are maintained, (iii) obtain the software that runs the operating systems either through assumption of licensing agreements or otherwise, and (iv) restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

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

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

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

(2) loans or extensions of credit to any person who is not an affiliate, where the insurer makes the loans or extensions of credit with the agreement or understanding that the proceeds of the transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit provided the transactions are equal to or exceed: (i) with respect to nonlife insurers, the lesser of three percent of the insurer's admitted assets or 25 percent of surplus as regards policyholders; (ii) with respect to life insurers, three percent of the insurer's admitted assets; each as of the 31st day of December next preceding;

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

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

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

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

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

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

(c) A domestic insurer may not enter into transactions which are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise. If the commissioner determines that the separate transactions were entered into over any 12-month period for the purpose, the commissioner may exercise the authority under section 60D.25.

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

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

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

Sec. 23. Minnesota Statutes 2024, section 60D.217, is amended to read:

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

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section.

However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) this state being the place of domicile of the top-tiered ~~insurer(s)~~ insurer or insurers in the insurance holding company system of the internationally active insurance group,

the commissioner shall make a determination or acknowledgment as to the appropriate groupwide supervisor for such an internationally active insurance group pursuant to ~~subsection~~ paragraph (b).

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

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

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

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

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

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

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

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

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

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

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

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

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

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

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

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

Sec. 24. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** (a) Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); ~~60D.18;~~ 60D.19; ~~and~~ 60D.20~~,~~; and 60D.217, are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of

the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

(b) For purposes of the information reported and provided to the department pursuant to section 60D.19, subdivision 11b, the commissioner must maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company supervised by the Federal Reserve Board or any United States groupwide supervisor.

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

Sec. 25. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

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

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

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

(3) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's

affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

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

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

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

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

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

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

~~and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29~~.~~; and

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

Sec. 26. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

Subd. 6. **Classification protection and use by others.** Documents, materials, or other information in the possession or control of the NAIC or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29 are confidential, protected nonpublic, or privileged, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action.

Sec. 27. Minnesota Statutes 2024, section 60D.22, is amended by adding a subdivision to read:

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

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

(c) Notwithstanding paragraph (b), an insurer may publish an announcement in a written publication if any materially false statement with respect to the group capital calculation, resulting group capital ratio, an inappropriate comparison of any amount to an insurer's or

insurance group's group capital calculation or resulting group capital ratio, liquidity stress test result, supporting disclosures for the liquidity stress test, or an inappropriate comparison of any amount to an insurer's or insurance group's liquidity stress test result or supporting disclosures is published in any written publication and the insurer is able to demonstrate to the commissioner with substantial proof the statement's falsity or inappropriateness. The sole purpose of an announcement under this paragraph must be to rebut the materially false statement.

Sec. 28. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

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

Sec. 29. Minnesota Statutes 2024, section 60D.25, is amended to read:

60D.25 RECEIVERSHIP.

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

Sec. 30. Minnesota Statutes 2024, section 62D.221, is amended by adding a subdivision to read:

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

Sec. 31. Minnesota Statutes 2024, section 65A.01, subdivision 3c, is amended to read:

Subd. 3c. **Time requirements.** (a) In the event of a policy less than 60 days old that is declined, or a policy that it is being canceled for nonpayment of premium, the notice must be mailed to the insured at least ~~20~~ 30 days before the effective cancellation date. If a policy is being declined or canceled for underwriting considerations, the insured must be informed of the source from which the information was received.

(b) In the event of a midterm cancellation, for reasons listed in subdivision 3a, or according to policy provisions, notice must be mailed to the insured at least 30 days before the effective cancellation date.

(c) In the event of a nonrenewal, notice must be mailed to the insured at least 60 days before the effective date of nonrenewal, containing the specific underwriting or other reason for the indicated actions.

(d) This subdivision does not apply to commercial policies regulated under sections 60A.36 and 60A.37.

Sec. 32. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

Subd. 42. **Availability of current policy.** After an original policy of automobile insurance under section 65B.14, subdivision 2, or homeowner's insurance under section 65A.27, subdivision 4, has been issued, an insurer must deliver a copy of the current policy to the first named insured within 21 days of the date a request for the current policy is received. The copy may be delivered in paper form, electronically, or via a website link. An insurer is required to provide a current policy in response to a request under this subdivision once per policy period.

Sec. 33. **[168A.1502] INSURER APPLICATION FOR TITLE.**

(a) When an insurer licensed to conduct business in Minnesota acquires ownership of a vehicle through payment of damages and the owner fails to deliver the vehicle's title to the

insurer within 15 days of payment of the claim, the insurer or a designated agent may apply to the commissioner for a certificate of title as provided in this section. This section only applies to vehicles with a title issued by this state.

(b) At least 15 days prior to applying for a certificate of title under this section, the insurer or a designated agent must notify the owner and any lienholders of record of the insurer's intent to apply for a title. The notice must be sent to the last known address of the owner and any lienholders by certified mail or by a commercial delivery service that provides evidence of delivery.

(c) At least 15 days after notifying the owner and any lienholders under paragraph (b), the insurer may apply for a certificate of title from the commissioner. The application must attest that the insurer or a designated agent:

(1) paid the claim;

(2) requested the title or other necessary transfer documents from the owner; and

(3) provided notice to the owner and any lienholders as required under paragraph (b).

If the insurer or a designated agent does not attest to completing the requirements under clauses (1) to (3), the commissioner must reject the application.

(d) Notwithstanding any outstanding liens, upon proper application and payment of applicable fees, the commissioner must issue a certificate of title, salvage title, or prior salvage title in the name of the insurer. Issuance of a certificate of title, salvage title, or prior salvage title extinguishes all existing liens against the vehicle. If the vehicle is sold, the insurer or a designated agent must assign the title to the buyer and the vehicle is transferred without any liens.

Sec. 34. **[168A.1503] REQUIREMENTS UPON UNPAID INSURANCE VEHICLE CLAIM.**

Subdivision 1. **Definition.** For purposes of this section, "salvage vehicle auction company" or "auction company" means a business, organization, or individual that sells salvage vehicles on behalf of insurers.

Subd. 2. **Notice to auction company.** (a) If an insurance company licensed to conduct business in Minnesota requests an auction company to take possession of a salvage vehicle that is subject to an insurance claim and the insurance company does not subsequently take ownership of the vehicle, the insurance company may direct the auction company to release the vehicle to the owner or lienholder.

(b) The insurance company must provide the auction company notice, by commercial delivery service, email, or a proprietary electronic system accessible by both the insurance company and the auction company, authorizing the auction company to release the vehicle to the vehicle's owner or lienholder.

Subd. 3. **Notice to owner or lienholder.** (a) Upon receiving notice from an insurance company, the auction company must send two notices a minimum of 14 days apart to the owner of the vehicle and any lienholders stating that the vehicle is available to be recovered from the auction company within 30 days of the date the first notice was sent. Each notice must include an invoice for any outstanding charges owed to the auction company that must be paid before the vehicle may be recovered.

(b) Notice under this subdivision must be sent to the address of the owner and any lienholder on record with the commissioner by certified mail or a commercially available delivery service that provides proof of delivery.

Subd. 4. **Vehicle deemed abandoned.** (a) If the owner or any lienholder does not recover the vehicle within 30 days of the date on which the first notice was sent under subdivision 3, (1) the vehicle is considered abandoned, (2) the vehicle's certificate of title is deemed assigned to the auction company, and (3) without surrendering the certificate of title, the auction company may request, on a form provided by the commissioner, that the commissioner issue a certificate of title that is free of liens.

(b) A request under paragraph (a) must be accompanied by a copy of (1) the notice sent by the insurance company required under subdivision 2, and (2) evidence of delivery of the notices sent to the owner and any lienholders required under subdivision 3 or evidence that the notices were undeliverable.

(c) Notwithstanding any outstanding liens against the vehicle, upon proper application and receipt of any fees charged under section 168A.29, the commissioner must issue a certificate of title that is free of liens and bears a salvage or prior salvage brand to the auction company in possession of the vehicle.

Sec. 35. Minnesota Statutes 2024, section 334.01, subdivision 2, is amended to read:

Subd. 2. **Contracts of $100,000 or more.** Notwithstanding any law to the contrary, except as stated in section 58.137, and with respect to ~~contracts~~ a conventional loan or contract for deed, section 47.20, subdivision 4a, no limitation on the rate or amount of interest, points, finance charges, fees, or other charges applies to a loan, mortgage, credit sale, or advance made under a written contract, signed by the debtor, for the extension of

credit to the debtor in the amount of $100,000 or more, or any written extension and other written modification of the written contract. The written contract, written extension, and written modification are exempt from the other provisions of this chapter.

ARTICLE 5
MISCELLANEOUS COMMERCE POLICY

Section 1. **[45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.**

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

(b) "Association" has the meaning given in section 515B.1-103, clause (4).

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

(d) "Nonpublic data" has the meaning given in section 13.02, subdivision 9.

(e) "Private data on individuals" has the meaning given in section 13.02, subdivision 12.

(f) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

Subd. 2. **Establishment.** A common interest community ombudsperson position is established within the Department of Commerce to assist unit owners in enforcing their rights and to facilitate resolution of disputes between unit owners and associations. The ombudsperson is appointed by the governor, serves in the unclassified service, and may be removed only for just cause.

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

Subd. 4. **Duties.** (a) The ombudsperson must assist unit owners, their tenants, and associations to understand and enforce their rights under chapter 515B and the governing documents of the specific unit owner's association, including by:

(1) creating and publishing plain language explanations of common provisions of common interest community declarations and bylaws; and

(2) publishing materials and providing resources and referrals related to the rights and responsibilities of unit owners and associations.

(b) Upon the request of a unit owner or association, the ombudsperson must provide dispute resolution services, including acting as a mediator, in disputes between a unit owner and an association concerning chapter 515B or the governing documents of the common interest community, except where:

(1) there is a complaint based on the same dispute pending in a judicial or administrative proceeding, or if there is a harassment or restraining order involved; or

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

(c) The ombudsperson may provide dispute resolution services for disputes between the tenant of a unit owner and an association, if the unit owner agrees to participate in the dispute resolution process.

(d) The ombudsperson must compile and analyze complaints and inquiries involving common interest communities to identify issues and trends. When assisting a unit owner in enforcing their rights under this section, the ombudsperson may inform them of the existence of other complaints from other unit owners in the same common interest community, subject to subdivision 7.

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

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

(2) information regarding the services provided by the Office of the Common Interest Community Ombudsperson, including assistance with dispute resolution;

(3) information regarding alternative dispute resolution methods and programs; and

(4) any other information that the ombudsperson determines is useful to unit owners, associations, common interest community boards of directors, and common interest community property management companies.

(f) When requested or as the ombudsperson deems appropriate, the ombudsperson must provide reports and recommendations to the legislative committees with jurisdiction over common interest communities.

(g) In the course of assisting to resolve a dispute, the ombudsperson may, at reasonable times, enter and view premises within the control of the common interest community.

Subd. 5. **Powers limited.** The ombudsperson and the commissioner are prohibited from rendering a formal legal opinion regarding a dispute between a unit owner and an association. The ombudsperson and commissioner are prohibited from making a formal determination or issuing an order regarding disputes between a unit owner and an association. Nothing in this subdivision limits the ability of the commissioner to execute duties or powers under any other law.

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

Subd. 7. **Data.** Data collected, created, or maintained by the office of the ombudsperson under this section are private data on individuals or nonpublic data.

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

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

Sec. 2. Minnesota Statutes 2024, section 80E.12, is amended to read:

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

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

(a) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law which has not been voluntarily ordered by the new motor vehicle dealer, provided that this paragraph does not modify or supersede reasonable provisions of the franchise requiring the dealer to market a representative line of the new motor vehicles the manufacturer or distributor is publicly advertising;

(b) order or accept delivery of any new motor vehicle, part or accessory thereof, equipment, or any other commodity not required by law in order for the dealer to obtain delivery of any other motor vehicle ordered by the dealer;

(c) order or accept delivery of any new motor vehicle with special features, accessories, or equipment not included in the list price of the motor vehicles as publicly advertised by the manufacturer or distributor;

(d) participate monetarily in an advertising campaign or contest, or to purchase any promotional materials, showroom, or other display decorations or materials at the expense of the new motor vehicle dealer;

(e) enter into any agreement with the manufacturer or to do any other act prejudicial to the new motor vehicle dealer by threatening to cancel a franchise or any contractual agreement existing between the dealer and the manufacturer. Notice in good faith to any dealer of the dealer's violation of any terms of the franchise agreement shall not constitute a violation of sections 80E.01 to 80E.17;

(f) change the capital structure of the new motor vehicle dealer or the means by or through which the dealer finances the operation of the dealership; provided, that the new motor vehicle dealer at all times meets any reasonable capital standards agreed to by the dealer; and also provided, that no change in the capital structure shall cause a change in the principal management or have the effect of a sale of the franchise without the consent of the manufacturer or distributor as provided in section 80E.13, paragraph (j);

(g) prevent or attempt to prevent, by contract or otherwise, any motor vehicle dealer from changing the executive management control of the new motor vehicle dealer unless the franchisor proves that the change of executive management will result in executive management control by a person who is not of good moral character or who does not meet the franchisor's existing reasonable capital standards and, with consideration given to the volume of sales and services of the new motor vehicle dealer, uniformly applied minimum business experience standards in the market area; provided, that where the manufacturer, distributor, or factory branch rejects a proposed change in executive management control, the manufacturer, distributor, or factory branch shall give written notice of its reasons to the dealer;

(h) refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicle or related products or establishment of another make or line of new motor vehicles in the same dealership facilities as those of the manufacturer; provided, however, that this clause does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facilities requirements of the manufacturer and that the acquisition or addition is not unreasonable in light of all existing circumstances; provided further that if a manufacturer determines to deny a dealer's request for a change described in this paragraph, such denial must be in writing, must offer an analysis of the grounds for the denial addressing the criteria contained in this paragraph, and must be

delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application or documents customarily used by the manufacturer for dealer actions described in this paragraph. If a denial that meets the requirements of this paragraph is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed change.

For purposes of this section and sections 80E.07, subdivision 1, paragraph (c), and 80E.14, subdivision 4, reasonable facilities requirements shall not include a requirement that a dealer establish or maintain exclusive facilities for the manufacturer of a line make unless determined to be reasonable in light of all existing circumstances or the dealer and the manufacturer voluntarily agree to such a requirement and separate and adequate consideration was offered and accepted;

(i) during the course of the agreement, change the location of the new motor vehicle dealership or make any substantial alterations to the dealership premises during the course of the agreement, when to do so would be unreasonable or if the manufacturer fails to provide the dealer 180 days' prior written notice of a required change in location or substantial premises alteration; ~~or~~

(j) prospectively assent to a release, assignment, novation, waiver, or estoppel whereby a dealer relinquishes any rights under sections 80E.01 to 80E.17, or which would relieve any person from liability imposed by sections 80E.01 to 80E.17 or to require any controversy between a new motor vehicle dealer and a manufacturer, distributor, or factory branch to be referred to any person or tribunal other than the duly constituted courts of this state or the United States, if the referral would be binding upon the new motor vehicle dealer~~.~~; or

(k) refrain from participation in an auto show described in section 168.27, subdivision 10a.

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

Sec. 3. Minnesota Statutes 2024, section 168.27, is amended by adding a subdivision to read:

Subd. 10a. **Participation in auto shows.** (a) A new motor vehicle dealer may participate in an auto show outside the county where the dealer maintains the dealer's licensed location to sell new vehicles without obtaining an additional license if:

(1) the dealer participates in an auto show that takes place in a county other than the county where the dealer maintains a licensed location not more than four times during any calendar year;

(2) the auto show is not held at a licensed location of any participating dealer;

(3) the auto show is of a duration of no more than 12 consecutive days;

(4) the auto show expressly prohibits:

(i) the sale or lease of vehicles at the show;

(ii) labeling or marking vehicles as "For Sale" or "Sold";

(iii) labeling or marking a vehicle with a price other than the manufacturer's retail price label;

(iv) using printed posters, cards, and other printed materials that contain special dealership pricing; and

(v) appraisal of trade-in vehicles and quoting a trade-in price for a particular vehicle.

(b) The auto show may permit:

(1) exhibitor staff to distribute business cards, coupons, vehicle promotional materials, and factory-approved rebates;

(2) exhibitor staff to make appointments for potential customers to visit the dealership, collect names of customer leads for later contact, and discuss the suggested retail price of a vehicle and the availability of particular lines of vehicles; and

(3) test rides or test drives of new vehicles, but only under a program conducted by the auto show.

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

Sec. 4. Minnesota Statutes 2024, section 216B.40, is amended to read:

216B.40 EXCLUSIVE SERVICE RIGHT; SERVICE EXTENSION.

Except as provided in sections 216B.42 ~~and~~, 216B.421, and 216B.422, each electric utility shall have the exclusive right to provide electric service at retail to each and every present and future customer in its assigned service area and no electric utility shall render or extend electric service at retail within the assigned service area of another electric utility unless the electric utility consents thereto in writing; provided that any electric utility may extend its facilities through the assigned service area of another electric utility if the extension is necessary to facilitate the electric utility connecting its facilities or customers within its own assigned service area.

Sec. 5. **[216B.422] ELECTRICITY SALES FOR CHARGING ELECTRIC VEHICLES.**

A retail seller of electricity used to recharge a battery that powers an electric vehicle, as defined in section 169.011, subdivision 26a, and that is not otherwise a public utility under this chapter, is not in violation of section 216B.40 if the electricity the retailer sells was provided by the utility serving the location of the charging station.

Sec. 6. Minnesota Statutes 2024, section 216B.62, is amended by adding a subdivision to read:

Subd. 9. **Administrative costs for discontinuation of telecommunication services.** The commission may assess fees for the actual commission costs to administer the discontinuation of telecommunication services under section 237.181. The money received from the assessment must be deposited into an account in the special revenue fund and all money deposited is appropriated to the commission for the purposes specified under this subdivision. The commission may initially assess for estimated costs under section 237.181, then must adjust subsequent assessments for actual costs incurred under section 237.181. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law.

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

Sec. 7. **[237.181] CUSTOMER TRANSITION PLANS FOR AREAS WITH VOIP ALTERNATIVES.**

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

(b) "Commission" means the Public Utilities Commission.

(c) "Voice over internet protocol" or "VOIP" has the meaning given in section 237.025.

(d) "Alternative providers" means one or more providers the Federal Communications Commission has identified through Broadband Data Collection, location fabric data, or a successor data program as having a provider offering wireline broadband access service through fiber optic cable to the home capable of carrying VOIP of at least 25 megabits per second download speed and three megabit per second upload speed and offers VOIP services at a rate no more than 120 percent of the current rate for local flat-rated voice service. Other Federal Communications Commission-approved adequate replacements shall be considered by the commission upon request of the telephone company or telecommunications carrier

if the telephone company or telecommunications carrier fulfills the required obligations set forth in this section.

Subd. 2. **Customer transition plans.** (a) A telephone company or telecommunications carrier may submit a petition to the commission for approval of a customer transition plan to discontinue telecommunications service in an area where the telephone company or telecommunications carrier has shown that customers in the affected area have access to one or more providers for the telecommunications service provided by the telephone company or telecommunications carrier.

(b) The proposed customer transition plan must:

(1) clearly identify the area and affected customers;

(2) clearly identify the alternative providers available to customers in the affected area;

(3) provide for technical assistance to affected customers who request assistance with the transition to an alternate provider;

(4) draft consumer dispute forms for commission approval;

(5) describe the public education meeting plans for affected customers when required by the commission; and

(6) provide onetime connection fees and device costs for households eligible for credit as defined in section 237.70, subdivision 4a.

Subd. 3. **Commission process.** The commission shall provide for notice and comment on the petition for a customer transition plan. The commission shall approve, modify, or reject a petition filed under this section. The commission shall only approve a plan under this section if it finds that the telephone company or telecommunications carrier:

(1) has met its burden of demonstrating to the commission that customers in the affected area have at least one alternative provider available to those customers;

(2) has demonstrated that it will put sufficient resources into assisting customers to transition to an alternate provider, including providing onetime connection fees and device costs for households eligible for credit as defined in section 237.70, subdivision 4a; and

(3) has held a public meeting in the affected area as required by the commission and provided written notice of the meeting to customers 60 days in advance.

Subd. 4. **Obligations upon approval.** Upon approval of a petition for a customer transition plan under this section, the telephone company or telecommunications carrier that proposed the petition must continue to serve an affected customer until the telephone

company or telecommunications carrier completes the required actions in subdivision 2 and any disputes brought by the customer before the commission are resolved.

Subd. 5. **Dispute resolution.** The commission must resolve any dispute over whether a location has service available at the rates described in subdivision 1 on an expedited basis pursuant to section 237.61, prior to the date services will be discontinued. Such disputes must be submitted at least 90 days prior to the date of service discontinuance and resolved 15 days prior to the date of service discontinuation.

Subd. 6. **Reinstatement of service.** (a) The commission may reinstate existing obligations on the telephone company or telecommunications carrier to provide services to customers affected by this section:

(1) on the commission's own initiative; or

(2) in response to a request for agency action.

(b) Before acting under this subdivision, the commission must:

(1) provide notice and conduct a hearing; and

(2) determine that reinstating any existing obligation to serve is necessary because customers lack access to one or more providers.

(c) The telephone company or telecommunications carrier that would be affected by modification or reinstatement of service shall bear the burden of proof in a proceeding under this subdivision.

Subd. 7. **Local exchange carrier.** Nothing in this section relieves an incumbent local exchange carrier as defined under United States Code, title 47, section 251(h)(1), of its existing interconnection obligations or terminates existing interconnection agreements in a manner other than according to their terms or other existing law.

Subd. 8. **No relinquishment of ETC status.** A petition approved under this section shall not be deemed to be a relinquishment of any eligible telecommunications carrier designation that has been granted to the petitioning telephone company or telecommunications carrier under federal and state law.

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

Sec. 8. **[239.90] RETAIL ELECTRIC VEHICLE SUPPLY EQUIPMENT.**

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

(b) "Electric vehicle supply equipment" or "EVSE" means a conductor, including an ungrounded, grounded, and equipment grounding conductor, electric vehicle connector, attachment plug, and other fitting, device, power outlet, or apparatus installed specifically to measure, deliver, and compute the price of electrical energy delivered to an electric vehicle.

(c) "Electricity sold as vehicle fuel" means electrical energy transferred to or stored onboard an electric vehicle primarily to propel the electric vehicle.

(d) "Fixed service" means a service that continuously provides the nominal power that is possible with the equipment as installed.

(e) "Nominal power" means the intended, named, or stated, as opposed to the actual, rate of electrical energy transfer.

(f) "Variable service" means a service that may be controlled, resulting in periods of reduced or interrupted transfer of electrical energy.

Subd. 2. **Inspection; fees.** The director must inspect a retail EVSE annually or as often as is possible given budgetary and staffing limitations. The director must charge an EVSE owner a $100 fee to inspect and test each EVSE charging port.

Subd. 3. **EVSE program account; appropriation.** An EVSE program account is created in the special revenue fund of the state treasury. The commissioner must credit to the account fees collected from inspections under this section and appropriations and transfers made to the account. Earnings, including interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Money in the account is appropriated to the commissioner to pay for operations of the EVSE program.

Subd. 4. **Method of sale.** (a) Electrical energy kept, offered, or exposed for sale and sold at retail as a vehicle fuel must be expressed in kilowatt-hour units.

(b) In addition to the price per kilowatt-hour for the quantity of electrical energy sold, a fee may be assessed for other services. A fee assessed for another service may be a fixed fee or may be based on time measurement.

Subd. 5. **Labeling.** (a) A computing EVSE must display the unit price in whole cents or tenths of one cent, based on the price per kilowatt-hour. If the electrical energy is unlimited or free of charge, the computing EVSE must clearly indicate that the electrical energy is unlimited or free of charge in lieu of the unit price.

(b) For a fixed service application, the following information must be conspicuously displayed or posted on the face of the device:

(1) the level of electric vehicle service, expressed as the nominal power transfer; and

(2) the type of electrical energy transfer.

(c) If a fee is assessed for other services in direct connection with fueling the vehicle, including but not limited to a fee based on time measurement or a fixed fee, the additional fee must be displayed.

(d) An EVSE must be labeled in a manner that complies with Federal Trade Commissioner labeling requirements for alternative fuels and alternative fueled vehicles, Code of Federal Regulations, title 16, part 309.

(e) An EVSE must be listed and labeled in a manner that complies with the National Electric Code NFPA 70, Article 625, Electric Vehicle Charging Systems.

Subd. 6. **Advertising; sign prices.** (a) When a sign or device is used to advertise the price of electricity to fuel a vehicle, the price for electrical energy must be expressed in price per kilowatt-hour, in whole cents or tenths of one cent. If the electrical energy is unlimited or free of charge, the advertising or sign must clearly indicate that the electrical energy is unlimited or free of charge in lieu of the unit price.

(b) If more than one electrical energy unit price may apply over the duration of a single transaction or sale to the general public, the terms and conditions that determine each unit price and the times each unit price apply must be clearly displayed.

(c) For a fixed service application, the following information must be conspicuously displayed or posted:

(1) the level of electric vehicle service, expressed as the nominal power transfer; and

(2) the type of electrical energy transfer.

(d) For a variable service application, the following information must be conspicuously displayed or posted:

(1) the type of delivery;

(2) the minimum and maximum power transfer that may occur during a transaction, including whether service may be reduced to zero;

(3) the conditions under which a variation in electrical energy transfer occurs; and

(4) the type of electrical energy transfer.

(e) If a fee is assessed for other services in direct connection with the fueling of the vehicle, including but not limited to a fee based on time measurement or a fixed fee, the additional fee must be included on all street signs or other advertising.

Sec. 9. **[325F.079] SALE OF NITROUS OXIDE.**

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

(b) "Nitrous oxide" means a canister containing nitrous oxide that is sold by a retailer.

(c) "Retailer" means a person, located within Minnesota or elsewhere, engaged in the business of selling or offering for sale nitrous oxide to a consumer in Minnesota.

Subd. 2. **Prohibition.** A retailer is prohibited from selling or offering for sale nitrous oxide to a consumer in Minnesota.

Subd. 3. **Exceptions.** Nitrous oxide may be purchased for the following reasons:

(1) care or treatment of a disease, condition, or injury by a licensed medical or dental practitioner;

(2) possession and use by a manufacturer as part of a manufacturing process or industrial operation;

(3) possession, use, or sale as a propellant in food preparation for restaurant, food service, or houseware products; or

(4) possession, use, or sale of nitrous oxide for automative purposes.

Subd. 4. **Violation.** A person who violates this section is guilty of a misdemeanor.

Sec. 10. **[325F.677] AVAILABILITY OF WATER AT PLACES OF ENTERTAINMENT.**

Subdivision 1. **Definition.** For purposes of this section, "place of entertainment" has the meaning given in section 325F.676, subdivision 1, paragraph (h).

Subd. 2. **Available water requirement.** When occupancy exceeds 100 attendees and where an attendee must have a ticket in order to access the place of entertainment, a place of entertainment must provide attendees with access to potable water by:

(1) providing water at no cost to the attendees;

(2) allowing attendees to bring factory-sealed bottled water into the place of entertainment; or

(3) allowing attendees to bring an empty water bottle to the place of entertainment and providing attendees with access to potable water to fill the bottle. A place of entertainment may prohibit certain types and sizes of water bottles in order to protect the safety of others.

Subd. 3. **Exceptions.** An exhibit, gallery, or presentation space where beverages are prohibited is not required to allow water into the exhibit, gallery, or presentation space if water is available at no cost in an accessible location outside of the museum exhibit gallery or presentation space.

Sec. 11. Minnesota Statutes 2024, section 325G.24, subdivision 2, is amended to read:

Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to become a member of a club may unilaterally terminate such membership, in the person's exclusive discretion, by giving notice of termination at any time.

(b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed, and postage prepaid.

(c) A club must not impose a termination fee or any other liability on the member for termination under this subdivision.

(d) Termination under this subdivision is effective at the end of the membership term in which the member provides the notice of termination. If membership is at-will without a defined membership term, then termination under this subdivision is effective ~~immediately, unless~~ no later than 30 days after the date of a verified consumer's notice of termination. If the member indicates a future effective date of termination~~, in which event~~ beyond those set forth herein, the date indicated by the member is the effective date of termination.

(e) If a member provides notice of termination at any time before midnight of the third business day following the date on which membership was attained, the club must treat the notice as a notice of cancellation under subdivision 1, unless the member specifically provides for a future termination effective date.

EFFECTIVE DATE. This section is effective July 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

Sec. 12. **[515B.5-101] COMMON INTEREST COMMUNITY REGISTRATION.**

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

(b) "Association" has the meaning given in section 515B.1-103, clause (4).

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

(d) "Master declaration" has the meaning given in section 515B.1-103, clause (22).

(e) "Master developer" has the meaning given in section 515B.1-103, clause (23).

(f) "Unit" has the meaning given in section 515B.1-103, clause (35).

Subd. 2. **Establishment.** The Department of Commerce must establish a register that contains the information required under subdivision 3 regarding each residential common interest community or similar association governed by this chapter, operating within Minnesota.

Subd. 3. **Registration required.** (a) A residential common interest community or similar association governed by this chapter must annually register under this section if the common interest community or similar association owns any number of units in Minnesota.

(b) A residential common interest community or similar association governed by this chapter must provide the following information to the department when registering:

(1) the common interest community or association's legal name;

(2) the common interest community or association's federal employer identification number;

(3) the common interest community or association's telephone number, email address, and mailing and physical address;

(4) the current board officers' full names, titles, email addresses, and other contact information;

(5) a copy of the common interest community or association's governing documents, including but not limited to declarations, bylaws, rules, and any amendments;

(6) the total number of parcels in the common interest community or association; and

(7) the total amount of revenues and expenses from the common interest community or association's annual budget.

(c) For residential common interest communities or associations governed by this chapter that are under the control of a master developer, the register must include:

(1) the master developer's legal name;

(2) the master developer's telephone number, email address, and mailing and physical address;

(3) the master developer's federal employer identification number;

(4) the total number of parcels owned by the master developer on the date of reporting;

(5) the master developer's master declaration required under section 515B.2-121;

(6) the master developer's anticipated timeline to transfer control to the owners; and

(7) how the master developer transfers control to the owners.

(d) Residential common interest communities or associations governed by this chapter that contract with a property management company must also provide the following information:

(1) the property management company's legal name;

(2) the property management company's telephone number, email address, and mailing and physical address; and

(3) a brief description of the property management company's legal obligations under the terms of the contract.

Subd. 4. **Registration fee.** Each residential common interest community or association must pay an annual registration fee of $55 to support the register established in subdivision 2 and the common interest community ombudsperson under section 45.0137.

Subd. 5. **Data classification.** Data collected, created, received, or maintained pursuant to this section is private data on individuals, as defined in section 13.02, subdivision 12.

Subd. 6. **Notice requirement.** The Department of Commerce must provide notice to a common interest community or association that fails to register. The common interest community or association must register as provided under this section within 60 days after receiving the notice to register.

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

ARTICLE 6
CANNABIS FINANCE POLICY

Section 1. Minnesota Statutes 2024, section 342.17, is amended to read:

342.17 SOCIAL EQUITY APPLICANTS.

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of, received a stay of adjudication under chapter 609 for, or was adjudicated delinquent under chapter 260B of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a military veteran, including a service-disabled veteran, current or former member of the national guard;

(5) is a military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

(6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods:

(i) that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), or another report based on federal or state data on arrests or convictions;

(ii) where the poverty rate was 20 percent or more;

(iii) where the median family income did not exceed 80 percent of the statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area;

(iv) where at least 20 percent of the households receive assistance through the Supplemental Nutrition Assistance Program; or

(v) where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index; or

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least $5,000 but not more than $100,000 in the previous year.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, apply to at least 65 percent of the controlling ownership of the business entity.

Sec. 2. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2a. **Cannabis testing facility licenses.** (a) Pending an applicant's accreditation by a laboratory accrediting organization approved by the office, the office may issue or renew a cannabis testing facility license for an applicant that is a person, cooperative, or business if the applicant:

(1) submits documentation to the office demonstrating that the applicant has a signed contract with a laboratory accreditation organization approved by the office, has scheduled an audit, and is making progress toward accreditation by a laboratory accrediting organization approved by the office according to the standards of the most recent edition of ISO/IEC 17025: General Requirements for the Competence of Testing and Calibration Laboratories;

(2) passes a final site inspection conducted by the office; and

(3) meets all other licensing requirements according to chapter 342 and Minnesota Rules.

(b) After receiving a license under this section, a license holder may operate a cannabis testing facility up to one year with pending accreditation status.

(c) If, after one year, a license holder continues to have pending accreditation status, the license holder may apply for a onetime extension to continue operations for up to six months. The office may grant an extension under this paragraph to a license holder if the license holder:

(1) passes a follow-up site inspection conducted by the office;

(2) submits an initial audit report from a laboratory accrediting organization approved by the office; and

(3) submits any additional information requested by the office.

(d) The office may revoke a cannabis testing facility license held by a license holder with pending accreditation status if the office determines or has reason to believe that the license holder:

(1) is not making progress toward accreditation; or

(2) has violated a cannabis testing requirement, an ownership requirement, or an operational requirement in chapter 342 or Minnesota Rules.

(e) The office must not issue or renew a cannabis testing facility license under this subdivision for a license holder if the license holder's accreditation has been suspended or revoked by a laboratory accrediting organization.

Sec. 3. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2b. **Loss of accreditation.** (a) A license holder must report loss of accreditation to the office within 24 hours of receiving notice of the loss of accreditation.

(b) The office must immediately revoke a license holder's license upon receiving notice that the license holder has lost accreditation.

ARTICLE 7
CONSUMER PROTECTION

Section 1. Minnesota Statutes 2024, section 116.943, subdivision 1, is amended to read:

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

(b) "Adult mattress" means a mattress other than a crib mattress or toddler mattress.

(c) "Air care product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to enhance or condition the indoor environment by eliminating odors or freshening the air.

(d) "Automotive maintenance product" means a chemically formulated consumer product labeled to indicate that the purpose of the product is to maintain the appearance of a motor vehicle, including products for washing, waxing, polishing, cleaning, or treating the exterior or interior surfaces of motor vehicles. Automotive maintenance product does not include automotive paint or paint repair products.

(e) "Carpet or rug" means a fabric marketed or intended for use as a floor covering.

(f) "Cleaning product" means a finished product used primarily for domestic, commercial, or institutional cleaning purposes, including but not limited to an air care product, an automotive maintenance product, a general cleaning product, or a polish or floor maintenance product.

(g) "Commissioner" means the commissioner of the Pollution Control Agency.

(h) "Cookware" means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages. Cookware includes but is not limited to pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(i) "Cosmetic" means articles, excluding soap:

(1) intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for the purpose of cleansing, beautifying, promoting attractiveness, or altering the appearance; and

(2) intended for use as a component of any such article.

(j) "Currently unavoidable use" means a use of PFAS that the commissioner has determined by rule under this section to be essential for health, safety, or the functioning of society and for which alternatives are not reasonably available.

(k) "Fabric treatment" means a substance applied to fabric to give the fabric one or more characteristics, including but not limited to stain resistance or water resistance.

(l) "Intentionally added" means PFAS deliberately added during the manufacture of a product where the continued presence of PFAS is desired in the final product or one of the product's components to perform a specific function.

(m) "Juvenile product" means a product designed or marketed for use by infants and children under 12 years of age:

(1) including but not limited to a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; child restraint system for use in motor vehicles and aircraft; co-sleeper; crib mattress; highchair; highchair pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-on chair; soft-sided portable crib; stroller; and toddler mattress; ~~and~~

(2) not including a children's electronic product such as a personal computer, audio and video equipment, calculator, wireless phone, game console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; or an adult mattress~~.~~; and

(3) not including:

(i) an off-highway vehicle made for children;

(ii) an all-terrain vehicle made for children;

(iii) an off-highway motorcycle made for children;

(iv) a snowmobile made for children;

(v) an electric-assisted bicycle made for children; or

(vi) a replacement part for a vehicle described in items (i) to (v).

(n) "Manufacturer" means the person that creates or produces a product or whose brand name is affixed to the product. In the case of a product imported into the United States, manufacturer includes the importer or first domestic distributor of the product if the person that manufactured or assembled the product or whose brand name is affixed to the product does not have a presence in the United States.

(o) "Medical device" has the meaning given "device" under United States Code, title 21, section 321, subsection (h).

(p) "Perfluoroalkyl and polyfluoroalkyl substances" or "PFAS" means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(q) "Product" means an item manufactured, assembled, packaged, or otherwise prepared for sale to consumers, including but not limited to its product components, sold or distributed for personal, residential, commercial, or industrial use, including for use in making other products.

(r) "Product component" means an identifiable component of a product, regardless of whether the manufacturer of the product is the manufacturer of the component.

(s) "Ski wax" means a lubricant applied to the bottom of snow runners, including but not limited to skis and snowboards, to improve their grip or glide properties. Ski wax includes related tuning products.

(t) "Textile" means an item made in whole or part from a natural or synthetic fiber, yarn, or fabric. Textile includes but is not limited to leather, cotton, silk, jute, hemp, wool, viscose, nylon, and polyester.

(u) "Textile furnishings" means textile goods of a type customarily used in households and businesses, including but not limited to draperies, floor coverings, furnishings, bedding, towels, and tablecloths.

(v) "Upholstered furniture" means an article of furniture that is designed to be used for sitting, resting, or reclining and that is wholly or partly stuffed or filled with any filling material.

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

Sec. 2. Minnesota Statutes 2024, section 116.943, subdivision 5, is amended to read:

Subd. 5. **Prohibitions.** (a) Beginning January 1, 2025, a person may not sell, offer for sale, or distribute for sale in this state the following products if the product contains intentionally added PFAS:

(1) carpets or rugs;

(2) cleaning products;

(3) cookware;

(4) cosmetics;

(5) dental floss;

(6) fabric treatments;

(7) juvenile products;

(8) menstruation products;

(9) textile furnishings;

(10) ski wax; or

(11) upholstered furniture.

(b) Paragraph (a) does not prohibit the sale, offering for sale, or distribution of a product that contains intentionally added PFAS only in internal components that do not come into direct contact with a person's skin or mouth during reasonably foreseeable use or abuse of the product.

~~(b)~~ (c) The commissioner may by rule identify additional products by category or use that may not be sold, offered for sale, or distributed for sale in this state if they contain intentionally added PFAS and designate effective dates. A prohibition adopted under this paragraph must be effective no earlier than January 1, 2025, and no later than January 1, 2032. The commissioner must prioritize the prohibition of the sale of product categories that, in the commissioner's judgment, are most likely to contaminate or harm the state's environment and natural resources if they contain intentionally added PFAS.

~~(c)~~ (d) Beginning January 1, 2032, a person may not sell, offer for sale, or distribute for sale in this state any product that contains intentionally added PFAS, unless the commissioner has determined by rule that the use of PFAS in the product is a currently unavoidable use. The commissioner may specify specific products or product categories for which the commissioner has determined the use of PFAS is a currently unavoidable use. The

commissioner may not determine that the use of PFAS in a product is a currently unavoidable use if the product is listed in paragraph (a).

~~(d)~~ (e) The commissioner may not take action under paragraph ~~(b)~~ (c) or ~~(c)~~ (d) with respect to a pesticide, as defined under chapter 18B, a fertilizer, an agricultural liming material, a plant amendment, or a soil amendment as defined under chapter 18C, unless the commissioner of agriculture approves the action.

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

Sec. 3. Minnesota Statutes 2024, section 325E.3892, subdivision 1, is amended to read:

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

(b) "Covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies, except ink pens and mechanical pencils;

(8) pots and pans;

(9) cups, bowls, and other food containers, except where cadmium is contained in a vitreous enamel in a nonfood contact surface;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, children's paints, and other art supplies except professional artist materials, including but not limited to oil-based paints, water-based paints, paints, pastels, pigments, ceramic glazes, and markers;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) ~~keys,~~ key chains~~,~~ and key rings; and

(15) clothing, footwear, headwear, and accessories.

(c) "Pastels" means a crayon composed of powdered pigments bonded with gum or resin.

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

Sec. 4. Minnesota Statutes 2024, section 325E.3892, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to:

(1) covered products containing lead or cadmium, or both, when regulation is preempted by federal law.; or

(2) covered products that contain lead only in solder used in internal components or in pen tips so long as:

(i) the product is not imported, manufactured, sold, held for sale, distributed, or offered for use in this state after July 1, 2028; and

(ii) the manufacturer of the product submits biennial reports to the commissioner of the Pollution Control Agency that explain the barriers to removing lead from the product, progress towards adoption of lead-free alternatives, and a timeline to fully adopt a lead-free alternative.

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

Sec. 5. **[325E.3893] LABELING REQUIREMENTS FOR MENSTRUAL PRODUCTS.**

Subdivision 1. **Labeling requirement.** A manufacturer of a menstrual product sold, offered for sale, or distributed in the state that contains intentionally added synthetic ingredients must disclose on the label the synthetic ingredients contained in the menstrual product.

Subd. 2. **Enforcement.** This section shall be enforced in the manner provided in section 325E.3892, subdivision 3.

Sec. 6. Minnesota Statutes 2024, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** (a) No person, political subdivision, or state agency shall manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this

state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

(e) Until January 1, 2028, this subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for use in hangar fixed firefighting systems at an airport, as defined under section 360.013, subdivision 39. The commissioner of the Pollution Control Agency, in consultation with the state fire marshal, may provide the operator of an airport using class B firefighting foam containing PFAS chemicals one year extensions beyond this date upon a showing that the need for additional time is beyond the operator's control and that public safety and the environment will be protected during the period of the extension.

APPENDIX
Article locations for S2216-3