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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4188

- 03/12/2026 Authored by Koegel
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
- 04/07/2026 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 04/23/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments
- 05/06/2026 Passed by the Senate as Amended and returned to the House
Refused to concur and a Conference Committee was appointed
- 05/16/2026 Read Third Time as Amended by Conference and repassed by the House
- 05/17/2026 Read Third Time as Amended by Conference and repassed by the Senate

1.1 A bill for an act

1.2 relating to commerce; adding and modifying various provisions governing consumer

1.3 protection, financial institutions, securities, insurance, unclaimed property, weights

1.4 and measures, and lawful gambling; modifying the Minnesota premium security

1.5 plan; eliminating the prescription drug affordability advisory council; making

1.6 various technical changes; requiring reports; amending Minnesota Statutes 2024,

1.7 sections 46.044, subdivision 1; 47.20, subdivision 1; 47.59, subdivision 1; 47.60,

1.8 subdivision 1; 48.195; 49.37; 53.04, subdivision 3a; 53B.74; 53C.09, subdivision

1.9 4; 56.002; 56.01; 56.05; 58.06, subdivision 2; 58.14, subdivisions 3, 4, 5, by adding

1.10 a subdivision; 58.18, subdivision 4; 58B.02, by adding subdivisions; 58B.03,

1.11 subdivisions 10, 11; 58B.051; 58B.06, subdivisions 4, 6; 60A.085; 60A.13,

1.12 subdivisions 1, 6; 60K.383; 62A.135, subdivision 1; 62A.46, subdivision 2; 62D.08,

1.13 by adding a subdivision; 62E.23, subdivision 1; 62J.40; 62J.89, subdivisions 1, 2;

1.14 62J.90, subdivision 2; 62K.07, subdivision 2; 62M.09, subdivision 3; 62Q.47;

1.15 62U.04, subdivision 13; 62W.06, by adding a subdivision; 72A.061, subdivision

1.16 5; 72A.13, subdivision 1; 72A.18, subdivision 2, by adding subdivisions; 72A.20,

1.17 subdivision 2, by adding a subdivision; 80A.50; 80C.12, subdivision 1; 80G.01,

1.18 subdivision 5a; 239.761, subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 239.77,

1.19 subdivision 1; 256B.0913, subdivision 4; 270B.14, subdivision 11; 296A.01,

1.20 subdivisions 7, 8, 14, 19, 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c; 332.32;

1.21 332.52, subdivision 3; 332A.04, subdivision 1; 332B.04, subdivision 1; 345.31,

1.22 by adding a subdivision; 345.43, by adding a subdivision; 349.211, subdivision

1.23 2b; 609.761, subdivision 3; Minnesota Statutes 2025 Supplement, sections 8.37,

1.24 subdivisions 3, 5; 41A.09, subdivision 2a; 58B.02, subdivision 8a; 62E.23,

1.25 subdivisions 1a, 2; 80A.66; 239.761, subdivisions 3, 4, 5, 6; 296A.01, subdivisions

1.26 20, 23, 24; 297I.20, subdivision 7, as amended; Laws 2026, chapter 72, section 1,

1.27 subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 58;

1.28 60A; 62A; 62D; 80A; 82B; 82C; 345; proposing coding for new law as Minnesota

1.29 Statutes, chapters 59E; 65C; repealing Minnesota Statutes 2024, sections 48.158;

1.30 56.08; 62J.86, subdivision 2; 62J.88; 332A.02, subdivision 2; 332B.02, subdivision

1.31 2.

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

2.2 **ARTICLE 1**

2.3 **CONSUMER PROTECTION, FINANCIAL PRODUCTS, AND INSURANCE**

2.4 Section 1. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 3, is amended
2.5 to read:

2.6 Subd. 3. **Money deposited in the account.** ~~50~~ Fifty percent of all money recovered by
2.7 the attorney general in a consumer enforcement action that is payable to the state and not
2.8 designated as consumer enforcement public compensation or for another specific purpose
2.9 up to the first ~~\$5,000,000~~ \$10,000,000 each fiscal year must be deposited into the account.
2.10 The remaining 50 percent of money recovered by the attorney general in a consumer
2.11 enforcement action that is payable to the state and not designated as consumer enforcement
2.12 public compensation or for another specific purpose must be deposited into the general
2.13 fund. For purposes of this subdivision, the amount of money recovered in a consumer
2.14 enforcement action that must be deposited into the fund is determined at the time when the
2.15 money otherwise would have been deposited into the general fund.

2.16 Sec. 2. Minnesota Statutes 2025 Supplement, section 8.37, subdivision 5, is amended to
2.17 read:

2.18 Subd. 5. **Distributions to eligible consumers.** (a) Money in the account may be
2.19 distributed to any eligible consumer with an identified amount of unpaid consumer
2.20 enforcement public compensation. ~~If the amount of money in the account is insufficient to~~
2.21 ~~pay all distributions to eligible consumers with an identified amount of unpaid consumer~~
2.22 ~~enforcement public compensation, the~~ Money must be distributed first to consumers eligible
2.23 for unpaid consumer enforcement public compensation based on a consumer enforcement
2.24 action with a final order of the oldest date.

2.25 ~~(b) If the attorney general projects that there will be insufficient funding to pay all eligible~~
2.26 ~~consumers from the funds available on an ongoing basis, the attorney general may~~
2.27 ~~recommend to the legislature that the legislature prescribe a formula for prorating or capping~~
2.28 ~~payments to eligible consumers so that more eligible consumers will receive payment from~~
2.29 ~~the fund.~~

2.30 (b) If money is distributed to an eligible consumer, the distribution is limited to:

2.31 (1) the full identified amount of unpaid consumer enforcement public compensation, up
2.32 to \$50,000; and

3.1 (2) 50 percent of the identified amount of unpaid consumer enforcement public
3.2 compensation over \$50,000, or \$50,000, whichever is less.

3.3 Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 1, is amended to read:

3.4 Subdivision 1. **General authority.** Pursuant to rules the commissioner of commerce
3.5 finds to be necessary and proper, if any, banks, savings banks, and savings associations
3.6 organized under the laws of this state or the United States, trust companies, trust companies
3.7 acting as fiduciaries, and other banking institutions subject to the supervision of the
3.8 commissioner of commerce, including residential mortgage originators and servicers under
3.9 chapter 58, and mortgagees or lenders approved or certified by the secretary of housing and
3.10 urban development or approved or certified by the administrator of veterans affairs, or
3.11 approved or certified by the administrator of the Farmers Home Administration or any
3.12 successor, or approved or certified by the Federal Home Loan Mortgage Corporation, or
3.13 approved or certified by the Federal National Mortgage Association, are authorized:

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

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

3.27 (3) to make, purchase, or participate in such loans and advances of credit; including
3.28 reverse mortgage loans, notwithstanding anything in subdivision 4b, sections 47.58 and
3.29 334.01, and chapter 56 or 58 to the contrary; as would be eligible for purchase, in whole or
3.30 in part, by the Federal National Mortgage Association or the Federal Home Loan Mortgage
3.31 Corporation, but without regard to any limitation placed upon the maximum principal amount
3.32 of an eligible loan; and

3.33 (4) to make, purchase or participate in such loans and advances of credit secured by
3.34 mortgages on real property which are authorized or allowed by the Office of Thrift

4.1 Supervision or the Office of the Comptroller of the Currency, or any successor to these
4.2 federal agencies.

4.3 Sec. 4. Minnesota Statutes 2024, section 47.59, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5.13 (j) "Finance charge" has the meaning given in Code of Federal Regulations, title 12, part
5.14 226, except that the following will not in any event be considered a finance charge:

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

5.19 (2) an additional charge under subdivision 6;

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

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

5.25 (5) a commission, expense reimbursement, or other sum received by a financial institution
5.26 or a person described in subdivision 4 in connection with insurance described in subdivision
5.27 6.

5.28 (k) "Financial institution" means a state or federally chartered bank, a state or federally
5.29 chartered bank and trust, a trust company with banking powers, a state or federally chartered
5.30 saving bank, a state or federally chartered savings association, an industrial loan and thrift
5.31 company organized under chapter 53, a sales finance company organized under chapter

6.1 53C, a regulated lender organized under chapter 56, a mortgage originator or servicer
6.2 licensed under chapter 58, or an operating subsidiary of any such institution.

6.3 (l) "Loan" means:

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

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

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

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

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

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

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

6.21 (m) "Official fees" means:

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

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

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

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

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

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

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

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

7.11 (ii) prepaid finance charges.

7.12 Sec. 5. Minnesota Statutes 2024, section 47.60, subdivision 1, is amended to read:

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

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

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

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

8.1 Sec. 6. Minnesota Statutes 2024, section 53.04, subdivision 3a, is amended to read:

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

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

8.14 (c) An agency or instrumentality of the United States government or a corporation
8.15 otherwise created by an act of the United States Congress or a lender approved or certified
8.16 by the secretary of housing and urban development, or approved or certified by the
8.17 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
8.18 Home Administration, or approved or certified by the Federal Home Loan Mortgage
8.19 Corporation, or approved or certified by the Federal National Mortgage Association, that
8.20 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
8.21 direct collection of payments from or enforcement of rights against borrowers arising from
8.22 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
8.23 order to purchase or take assignments of mortgage loans from persons holding a certificate
8.24 of authorization under this chapter.

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

8.27 Sec. 7. Minnesota Statutes 2024, section 53B.74, is amended to read:

8.28 **53B.74 VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL**
8.29 **REQUIREMENTS.**

8.30 (a) A licensee engaged in virtual currency business activities ~~may include virtual currency~~
8.31 ~~in the licensee's calculation of tangible net worth, by measuring the average value of the~~
8.32 ~~virtual currency in United States dollar equivalent over the prior six months, excluding~~
8.33 ~~control of virtual currency for a person entitled to the protections under section 53B.73. is~~

9.1 not required to subtract virtual currency from total assets in the licensee's calculation of
9.2 tangible net worth if:

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

9.5 (2) the virtual currency asset has a corresponding liability denominated in the virtual
9.6 currency;

9.7 (3) the virtual currency is unencumbered; and

9.8 (4) the virtual currency assets that are not subtracted from total assets are limited to the
9.9 virtual currency assets that have a corresponding liability denominated in the same virtual
9.10 currency.

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

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

9.15 (i) the identity of the person;

9.16 (ii) the form of the transaction;

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

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

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

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

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

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

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

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

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

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

10.10 Sec. 8. Minnesota Statutes 2024, section 53C.09, subdivision 4, is amended to read:

10.11 Subd. 4. **Other law may apply.** In lieu of this section and sections 53C.01, subdivisions
10.12 2, 4, and 13; 53C.08; 53C.10; and 53C.11, a retail seller or sales finance company may
10.13 proceed under section 47.59 ~~relating to credit sales made by a third party~~, subdivisions 4,
10.14 4a, and 6. In cases where the retail seller or sales finance company proceeds under section
10.15 47.59, the remaining provisions of sections 53C.01 to 53C.14 apply notwithstanding section
10.16 47.59.

10.17 Sec. 9. Minnesota Statutes 2024, section 56.002, is amended to read:

10.18 **56.002 APPLICATION.**

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

10.28 Sec. 10. Minnesota Statutes 2024, section 56.01, is amended to read:

10.29 **56.01 NECESSITY OF LICENSE.**

10.30 (a) Except as authorized by this chapter and without first obtaining a license from the
10.31 commissioner, no person shall engage in the business of making loans of money, credit,

11.1 goods, or things in action, in an amount or of a value not exceeding that specified in section
11.2 56.131, subdivision 1, and charge, contract for, or receive on the loan a greater rate of
11.3 interest, discount, or consideration than the lender would be permitted by law to charge if
11.4 not a licensee under this chapter. A person must obtain a license from the commissioner
11.5 under this chapter before arranging a consumer short-term loan under section 47.601.

11.6 (b) An agency or instrumentality of the United States government or a corporation
11.7 otherwise created by an act of the United States Congress or a lender approved or certified
11.8 by the secretary of housing and urban development, or approved or certified by the
11.9 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
11.10 Home Administration, or approved or certified by the Federal Home Loan Mortgage
11.11 Corporation, or approved or certified by the Federal National Mortgage Association, that
11.12 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
11.13 direct collection of payments from or enforcement of rights against borrowers arising from
11.14 mortgage loans, is not required to be licensed under this chapter in order to purchase or take
11.15 assignments of mortgage loans from licensees under this chapter.

11.16 Sec. 11. Minnesota Statutes 2024, section 56.05, is amended to read:

11.17 **56.05 LICENSE; TO BE POSTED.**

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

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

11.25 Sec. 12. Minnesota Statutes 2024, section 58.06, subdivision 2, is amended to read:

11.26 Subd. 2. **Application contents.** (a) The application must contain the name and complete
11.27 business address or addresses of the license applicant. The license applicant must be a
11.28 partnership, limited liability partnership, association, limited liability company, corporation,
11.29 or other form of business organization, and the application must contain the names and
11.30 complete business addresses of each partner, member, director, and principal officer. The
11.31 application must also include a description of the activities of the license applicant, in the
11.32 detail and for the periods the commissioner may require.

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

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

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

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

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

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

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

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

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

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

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

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

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

12.26 (6) other information required by the commissioner.

12.27 **Sec. 13. [58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

13.1 (b) "Authorized representative" means a person, including but not limited to an attorney,
13.2 employee, or agent of a government agency, not-for-profit housing counseling organization,
13.3 or legal services organization, designated by a borrower in a written authorization signed
13.4 by the borrower or in any other form of verifiable authorization to share information and
13.5 communicate with a servicer on behalf of the borrower.

13.6 (c) "Clearly and conspicuously" means the statement, representation, or term being
13.7 disclosed is displayed in a size, color, and contrast and is presented in a manner that makes
13.8 the statement readily noticed and understood by an ordinary consumer.

13.9 (d) "Government-sponsored enterprise" means the Federal National Mortgage Association
13.10 and the Federal Home Loan Mortgage Corporation.

13.11 (e) "Real Estate Settlement Procedures Act" or "RESPA" means the Real Estate
13.12 Settlement Procedures Act of 1974, United States Code, title 12, section 2601, et seq., and
13.13 regulations adopted pursuant to RESPA, also known as Regulation X, Code of Federal
13.14 Regulations, title 12, part 1024, as amended.

13.15 (f) "Third-party provider" means any person or entity retained by or on behalf of the
13.16 servicer, including but not limited to foreclosure firms, law firms, foreclosure trustees, other
13.17 agents, independent contractors, subsidiaries, and affiliates, that provides insurance,
13.18 foreclosure, bankruptcy, mortgage servicing including loss mitigation, or other products or
13.19 services in connection with servicing a mortgage loan.

13.20 (g) "Transferee servicer" means a servicer that has agreed to obtain the right to service
13.21 a mortgage loan pursuant to an agreement or understanding.

13.22 (h) "Transferor servicer" means a servicer that has agreed to, or been informed that the
13.23 servicer must, transfer the right to service a mortgage loan to another servicer.

13.24 Subd. 2. **General requirements.** (a) A violation of an applicable state law or
13.25 administrative rule, a federal law or regulation, or a state or federal program is a violation
13.26 of this section.

13.27 (b) In addition to complying with this section, a servicer must comply with:

13.28 (1) other applicable sections of this chapter;

13.29 (2) other applicable state law, including but not limited to chapters 46A, 47, 580, 581,
13.30 and 582;

13.31 (3) applicable sections of RESPA;

14.1 (4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section
14.2 501, et seq.; and

14.3 (5) other applicable federal laws and implementing regulations, as amended, including
14.4 but not limited to:

14.5 (i) the Gramm-Leach-Bliley Act, Public Law 106-102;

14.6 (ii) the Truth-in-Lending Act, United States Code, title 15, section 1601, et seq.; and

14.7 (iii) the Fair Credit Reporting Act, United States Code, title 15, sections 1681 to 1681x.

14.8 **Subd. 3. Servicing and ownership transfers or sales.** (a) When acquiring servicing
14.9 rights from a transferor servicer, a transferee servicer must continue processing loan
14.10 modification requests and honoring trial and permanent modifications.

14.11 (b) When transferring or selling loan servicing with pending modification requests or
14.12 trial or permanent modifications, a transferor servicer must:

14.13 (1) inform the transferee servicer if a loan modification is pending; and

14.14 (2) obligate the transferee servicer to (i) accept and continue processing loan modification
14.15 requests, and (ii) honor trial and permanent loan modification agreements.

14.16 **Subd. 4. Payment processing and fees.** (a) A servicer must comply with section 47.59,
14.17 subdivision 9a, regarding prompt crediting of payments, if the borrower has provided
14.18 sufficient information to credit the account. A servicer must apply the payment as specified
14.19 in the loan documents.

14.20 (b) A servicer may enter into a written contract with the borrower that allows the servicer
14.21 to hold certain types of money, or money sent by a certain method, for a period of time until
14.22 the money is available before crediting the money to the borrower's account.

14.23 (c) A servicer must notify the borrower if a payment is received, not credited, and placed
14.24 in a suspense account. The servicer must send the notification to the borrower within ten
14.25 business days by United States mail to the borrower's last known address. The notification
14.26 must identify (1) the reason the payment was not credited or treated as credited to the
14.27 account, and (2) any actions the borrower must take to make the residential mortgage loan
14.28 current. If a servicer provides monthly or more frequent statements that include the
14.29 information under this paragraph, the servicer is not required to provide the information in
14.30 an additional notice. If this paragraph conflicts with the requirements of an applicable
14.31 bankruptcy court order, compliance with the bankruptcy court requirements constitutes
14.32 compliance with this paragraph or paragraph (d).

15.1 (d) When a suspense account contains enough money to make a full payment, a servicer
15.2 must apply the payment to the mortgage on the date the full amount became available in
15.3 the suspense account.

15.4 (e) A servicer must assess an incurred fee to a borrower's account within 60 days of the
15.5 date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a
15.6 statement mailed to the borrower at the borrower's last known address no more than 30 days
15.7 after the date the fee is assessed. If a servicer provides monthly or more frequent statements
15.8 that include the information under this paragraph, the servicer is not required to provide the
15.9 information in an additional notice.

15.10 Subd. 5. **Contracting with third-party providers.** A servicer must adopt written policies
15.11 and procedures governing the oversight of third-party providers, including but not limited
15.12 to foreclosure trustees, foreclosure firms, subservicers, agents, subsidiaries, and affiliates.
15.13 A servicer must maintain the policies and procedures as part of the servicer's books and
15.14 records and must provide the policies and procedures to the commissioner upon request.

15.15 Subd. 6. **Maintenance of the escrow account.** (a) If a servicer collects escrow amounts
15.16 held for the borrower to pay insurance, taxes, or other charges with respect to the property,
15.17 the servicer must collect and make all payments from the escrow account. To the extent the
15.18 servicer has control, the servicer must ensure that no late penalties are assessed or other
15.19 negative consequences result for the borrower.

15.20 (b) At least annually or upon the borrower's request, a servicer must inform the borrower
15.21 in writing regarding the amount of reserve required in an escrow account. The notice must
15.22 advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve
15.23 amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and
15.24 subsequently collects the escrow amounts from the borrower.

15.25 (c) A servicer may enter into a written agreement with the borrower that specifies the
15.26 servicer is not required to make escrow payments unless money is available in the escrow
15.27 account. An agreement under this paragraph must include language that provides notice to
15.28 the borrower that the borrower is responsible to pay the escrow amounts if an amount
15.29 sufficient to pay the escrow amounts is not maintained in the escrow account.

15.30 (d) A servicer must notify the borrower within ten business days of the date a change is
15.31 made to the escrow account that modifies the borrower's escrow payment amount. A change
15.32 requiring notification includes but is not limited to hazard insurance premiums, a reduction
15.33 in the required reserve amount for the account, or a change in the property's tax assessment.

16.1 A change resulting from a borrower's regularly scheduled payment is not a change requiring
16.2 notification.

16.3 Subd. 7. Borrower requests for information. (a) A servicer must make a reasonable
16.4 attempt to comply with a borrower's request for information, including a request for
16.5 information about loss mitigation, regarding the residential mortgage loan account and must
16.6 respond to a dispute initiated by the borrower about the loan account. A reasonable attempt
16.7 under this subdivision includes but is not limited to:

16.8 (1) maintaining written or electronic records of each written request for information
16.9 involving the borrower's account until the residential mortgage loan is paid in full, sold, or
16.10 otherwise satisfied; and

16.11 (2) providing a written statement to the borrower within 30 business days of the date a
16.12 written request is received from the borrower or by following the response timelines provided
16.13 by a loss mitigation program. A borrower's request must include the borrower's name and
16.14 account number, if any, a statement that the account is or may be in error, and sufficient
16.15 detail regarding the information sought by the borrower to permit the servicer to comply.

16.16 (b) At a minimum, a servicer must provide the following information in response to a
16.17 borrower request received under this subdivision:

16.18 (1) whether the account is current or, if the account is not current, an explanation
16.19 regarding the default and the date the account entered default;

16.20 (2) the current balance due on the residential mortgage loan, including the principal due;
16.21 the amount of money, if any, held in a suspense account; the amount of the escrow balance
16.22 known to the servicer, if any; and whether any escrow deficiencies or shortages are known
16.23 to the servicer;

16.24 (3) the identity, address, and other relevant information about the current holder, owner,
16.25 or assignee of the residential mortgage loan; and

16.26 (4) the telephone number and mailing address of an individual servicer representative
16.27 with the information and authority to answer questions and resolve disputes.

16.28 (c) A servicer must promptly correct errors and refund fees assessed to the borrower
16.29 resulting from an error the servicer made.

16.30 (d) If the content of a servicer's response meets the requirements under RESPA for a
16.31 response to a qualified written request, the servicer has complied with this subdivision. A
16.32 servicer deemed compliant with this subdivision under this paragraph must separately
16.33 comply with paragraph (c).

17.1 (e) In addition to the statement described under paragraph (a), clause (2), a borrower
17.2 may request more detailed information from a servicer. A servicer that receives a request
17.3 under this paragraph must provide the information to the borrower within 30 business days
17.4 of the date a written request from the borrower is received. A borrower's request must
17.5 include the borrower's name and account number, if any, a statement that the account is or
17.6 may be in error, and sufficient detail to the servicer regarding information sought by the
17.7 borrower. If requested by the borrower, a statement provided under this paragraph must
17.8 also include:

17.9 (1) a copy of the original note or, if the original note is unavailable, an affidavit of lost
17.10 note that includes all endorsements; and

17.11 (2) a statement that (i) identifies and itemizes all fees and charges assessed under the
17.12 loan servicing transaction, (ii) provides a full payment history that identifies in a clear and
17.13 conspicuous manner all the debits, credits, applications, and disbursements of all payments
17.14 received from or for the benefit of the borrower, and (iii) identifies other activity on the
17.15 residential mortgage loan, including escrow account activity and suspense account activity,
17.16 if any.

17.17 (f) For purposes of a borrower request made under paragraph (e) the account history
17.18 period must cover, at a minimum, the two-year period before the date the request for
17.19 information is received. If the servicer has not serviced the residential mortgage loan for
17.20 the entire two-year period, the servicer must provide the information back to the date on
17.21 which the servicer began servicing the residential mortgage loan and must identify the
17.22 previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed
17.23 on the residential mortgage loan prior to the two-year period or the period during which the
17.24 servicer has serviced the residential mortgage loan, the servicer must provide an account
17.25 history beginning with the month that the servicer claims any outstanding sums are owed
17.26 on the residential mortgage loan up to the date the request for the information is received.

17.27 (g) If the borrower requests a statement under paragraph (e), a servicer must provide the
17.28 statement free of charge. A borrower is entitled to only one free statement annually under
17.29 this paragraph. If a borrower requests more than one statement annually, a servicer may
17.30 charge \$30 for the second and each subsequent statement.

17.31 Subd. 8. **Borrower complaints and inquiries.** (a) A servicer must establish and maintain:

17.32 (1) procedures and systems to respond to and resolve borrower complaints and inquiries
17.33 in a manner that complies with this section;

18.1 (2) a customer service department staffed by trained personnel to whom a borrower may
18.2 direct complaints and inquiries; and

18.3 (3) a toll-free telephone number or collect calling service that enables a borrower to
18.4 speak, during regular business hours, with a live person trained to answer inquiries and
18.5 instruct borrowers how to file written complaints.

18.6 (b) Each welcome packet, periodic statement, including as applicable either the monthly
18.7 mortgage statement or annual coupon book that is provided to a borrower, and website
18.8 maintained by a servicer must clearly and conspicuously state:

18.9 (1) an address to which borrowers may direct complaints and inquiries;

18.10 (2) the toll-free telephone number or collect calling services provided by the servicer;

18.11 (3) whether the servicer is licensed with the commissioner; and

18.12 (4) that a borrower may file a complaint and obtain information about the servicer by
18.13 contacting the Department of Commerce. The information provided under this clause must
18.14 include the department's current telephone contact information and website.

18.15 (c) A servicer must establish and maintain a process that enables borrowers to escalate
18.16 complaints or pending loss mitigation matters for a supervisory-level review.

18.17 Subd. 9. **Servicing prohibitions; fair dealing duty.** (a) In addition to the prohibitions
18.18 and standards of conduct under sections 58.12, subdivision 1, paragraph (b), and 58.13,
18.19 subdivision 1, a servicer is prohibited from:

18.20 (1) engaging in unfair, deceptive, or abusive business practices, or misrepresenting or
18.21 omitting any material information, in connection with servicing a mortgage loan, including
18.22 but not limited to misrepresenting the amount, nature, or terms of a fee, payment due, or
18.23 payment claimed due on the loan, the servicing agreement's terms and conditions, or the
18.24 borrower's obligations under the loan;

18.25 (2) requiring money to be remitted by a method that is more costly to the borrower than
18.26 a bank, certified check, or attorney's check from an attorney's account; or

18.27 (3) refusing to communicate with the borrower's authorized representative if the
18.28 authorized representative provides the servicer with a written authorization, including by
18.29 electronic transmission, signed by the borrower that affirms the authorized representative
18.30 may act on behalf of the borrower. A servicer may adopt procedures, excluding collecting
18.31 the representative's Social Security number, that are reasonably related to verifying that the
18.32 representative is in fact authorized to act on behalf of the borrower.

19.1 (b) A servicer must act in good faith and deal fairly in the servicer's dealings with a
19.2 borrower in connection with servicing a borrower's mortgage loan. For purposes of this
19.3 paragraph, acting in good faith and dealing fairly includes but is not limited to the duty to:

19.4 (1) safeguard and account for any payment made by the borrower or any money belonging
19.5 to the borrower;

19.6 (2) follow reasonable and lawful instructions from the borrower that are consistent with
19.7 the underlying note and mortgage;

19.8 (3) act with reasonable skill, care, and diligence;

19.9 (4) consider alternatives to foreclosure when a borrower (i) demonstrates that the borrower
19.10 is in imminent risk of delinquency on the mortgage loan as a result of a financial hardship,
19.11 or (ii) has experienced a financial hardship and is unable to maintain the payment at the
19.12 current payment amount required under the mortgage loan or make delinquent payments;
19.13 and

19.14 (5) structure loan modifications to result in payments that are reasonably affordable and
19.15 sustainable for the borrower at the time the modification is made.

19.16 Subd. 10. **Notices; mailings; evidence of receipt.** (a) A notification, mailing, or other
19.17 correspondence from a mortgage servicer or third-party provider to a borrower must be
19.18 provided via first-class mail or email if the borrower has provided an email address for
19.19 notice or communication purposes.

19.20 (b) A servicer must provide a mailing address, facsimile number, email address, and a
19.21 method to facilitate file transfers via the Internet to produce documents requested from the
19.22 borrower. An option to transfer files via the Internet must allow both the borrower and
19.23 servicer to view the documents sent and confirm the date the documents were sent for 60
19.24 months after the date the documents were produced to the servicer.

19.25 (c) A servicer must provide a detailed description of all items received and the items'
19.26 expiration dates from a borrower within ten business days of the date an item was received
19.27 via any medium described under this subdivision.

19.28 (d) A servicer is prohibited from rejecting documentation from a borrower or potential
19.29 borrower as incomplete without providing the borrower with details regarding which specific
19.30 portion of the documentation is incomplete.

20.1 Sec. 14. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

20.2 Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person
20.3 must investigate and attempt to resolve complaints made regarding acts or practices subject
20.4 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions
20.5 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
20.6 a file containing all materials relating to the complaint and subsequent investigation for a
20.7 period of 60 months.

20.8 Sec. 15. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

20.9 Subd. 4. **Trust account records for mortgage originators.** A residential mortgage
20.10 originator or servicer shall keep and maintain for 60 months a record of all trust funds,
20.11 sufficient to identify the transaction, date and source of receipt, and date and identification
20.12 of disbursement.

20.13 Sec. 16. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

20.14 Subd. 5. **Record retention.** A licensee or exempt person must keep and maintain for 60
20.15 months the business records, including email communications, telephone recordings,
20.16 incomplete documentation, and advertisements, regarding residential mortgage loans applied
20.17 for, originated, or serviced in the course of its business.

20.18 Sec. 17. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
20.19 read:

20.20 Subd. 6. **Telephone recordings.** A person acting as a residential mortgage loan servicer
20.21 that services at least 500 residential mortgage loans secured by property in Minnesota must:

20.22 (1) record a telephone conversation with a borrower and a borrower's representatives;
20.23 and

20.24 (2) maintain the recording of the conversation for 60 months after the date the recording
20.25 is made, as provided under subdivision 5.

20.26 Sec. 18. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

20.27 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
20.28 by a federal or state chartered bank, savings bank, or credit union, unless the residential
20.29 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union

21.1 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
21.2 20.

21.3 Sec. 19. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
21.4 read:

21.5 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
21.6 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
21.7 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
21.8 Earn Plan, and any other state, federal, or private student loan repayment plan that is
21.9 calculated based on a borrower's income and for which a borrower's income may include
21.10 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
21.11 subdivision 5.

21.12 Sec. 20. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
21.13 to read:

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

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

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

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

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

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

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

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

22.1 Sec. 21. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
22.2 read:

22.3 Subd. 10. **Written communication.** "Written communication" means a written
22.4 correspondence that is made by a borrower and is transmitted by mail, facsimile, or
22.5 electronically through an email address or Internet website that the student loan servicer
22.6 designates to receive communications from a borrower and enables the student loan servicer
22.7 to identify the borrower's name and account. Written communication does not include a
22.8 notice on a payment medium supplied by a student loan servicer.

22.9 Sec. 22. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

22.10 Subd. 10. **Annual report.** (a) ~~Beginning~~ On or before March 15, 2025 each year, a
22.11 student loan lender that secures, makes, or extends student loans in Minnesota must submit
22.12 a report to the commissioner on the form the commissioner provides. The report must include
22.13 for the previous calendar year:

22.14 (1) a list of all schools attended by borrowers who received a student loan from the
22.15 student loan lender and resided within Minnesota at the time of the transaction and whose
22.16 debt is still outstanding, including student loans used to refinance an existing debt;

22.17 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who
22.18 received student loans from the student loan lender;

22.19 (3) the total number of student loans owed by borrowers residing in Minnesota who
22.20 received student loans from the student loan lender;

22.21 (4) the total outstanding dollar amount and number of student loans owed by borrowers
22.22 who reside in Minnesota, associated with each school identified under clause (1);

22.23 (5) the total dollar amount of student loans provided by the student loan lender to
22.24 borrowers who resided in Minnesota in the prior calendar year;

22.25 (6) the total outstanding dollar amount and number of student loans owed by borrowers
22.26 who resided in Minnesota, associated with each school identified under clause (1), that were
22.27 provided in the prior calendar year;

22.28 (7) the rate of default for borrowers residing in Minnesota who obtained student loans
22.29 from the student loan lender, if applicable;

22.30 (8) the rate of default for borrowers residing in Minnesota who obtained student loans
22.31 from the student loan lender associated with each school identified under clause (1), if
22.32 applicable;

23.1 (9) the range of initial interest rates for student loans provided by the student loan lender
23.2 to borrowers who resided in Minnesota in the prior calendar year;

23.3 (10) the total number of borrowers who received student loans identified under clause
23.4 (9), and the percentage of borrowers who received each rate identified under clause (9);

23.5 (11) the total dollar amount and number of student loans provided in the prior calendar
23.6 year by the student loan lender to borrowers who resided in Minnesota at the time of the
23.7 transaction and had a cosigner for the student loans;

23.8 (12) the total dollar amount and number of student loans provided by the student loan
23.9 lender to borrowers residing in Minnesota used to refinance a prior student loan or federal
23.10 student loan in the prior calendar year;

23.11 (13) the total dollar amount and number of student loans for which the student loan
23.12 lender had sued to collect from a borrower residing in Minnesota in the prior calendar year;

23.13 (14) a copy of any model promissory note, agreement, contract, or other instrument used
23.14 by the student loan lender in the previous year to substantiate that a borrower owes a new
23.15 debt to the student loan lender; and

23.16 (15) any other information considered necessary by the commissioner to assess the total
23.17 size and status of the student loan market and well-being of borrowers in Minnesota.

23.18 (b) In addition to annual reports, the commissioner may require additional regular or
23.19 special reports as the commissioner deems necessary to properly supervise student loan
23.20 lenders under this chapter.

23.21 (c) The commissioner of commerce must share data collected under this subdivision
23.22 with the commissioner of higher education.

23.23 Sec. 23. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

23.24 Subd. 11. **Annual report from student loan servicers.** (a) ~~Beginning~~ On or before
23.25 March 15, 2025 ~~each year~~, a student loan servicer that services student loans in Minnesota
23.26 must submit a report to the commissioner on the form the commissioner provides. The
23.27 report must include for the previous calendar year:

23.28 (1) a list of any outstanding student loans owed by borrowers who reside in Minnesota
23.29 that are serviced by the student loan servicer;

23.30 (2) the total outstanding dollar amount and number of student loans that are serviced by
23.31 the student loan servicer and owed by borrowers who reside in Minnesota;

24.1 (3) the total dollar amount and number of student loans owed by borrowers who resided
24.2 in Minnesota that were serviced by the student loan servicer in the prior calendar year;

24.3 (4) the rate of default for student loans owed by borrowers who reside in Minnesota that
24.4 are serviced by the student loan servicer, if applicable;

24.5 (5) the range of interest rates for student loans serviced by the student loan servicers to
24.6 borrowers who resided in Minnesota in the prior calendar year;

24.7 (6) the total outstanding dollar amount and number of student loans that were serviced
24.8 by the student loan servicer and owed by borrowers residing in Minnesota to refinance a
24.9 prior student loan or federal student loan; and

24.10 (7) any other information considered necessary by the commissioner to assess the total
24.11 size and status of the student loan market and well-being of borrowers in Minnesota.

24.12 (b) In addition to annual reports, the commissioner may require additional regular or
24.13 special reports as the commissioner deems necessary to properly supervise student loan
24.14 servicers under this chapter.

24.15 (c) The commissioner of commerce must share data collected under this subdivision
24.16 with the commissioner of higher education.

24.17 Sec. 24. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

24.18 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
24.19 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
24.20 must: protect the borrower from negative consequences resulting from the sale, assignment,
24.21 transfer, system conversion, or payment the borrower makes to the original loan servicer
24.22 consistent with the original student loan servicer's policy. For purposes of this paragraph,
24.23 "negative consequences" includes but is not limited to: (1) negative credit reporting; (2)
24.24 imposing late fees that are not required by the promissory note; or (3) eligibility loss or
24.25 denial for a benefit or protection established under federal law or included in the loan
24.26 contract.

24.27 ~~(1) require the new student loan servicer to honor all benefits that were made available,~~
24.28 ~~or which may have become available, to a borrower from the original student loan servicer~~
24.29 ~~or are authorized under the student loan contract, including any benefits for which the student~~
24.30 ~~loan borrower has not yet qualified unless that benefit is no longer available under the federal~~
24.31 ~~or state laws and regulations; and~~

25.1 ~~(2) transfer to the new student loan servicer all information regarding the borrower, the~~
25.2 ~~account of the borrower, and the borrower's student loan, including but not limited to the~~
25.3 ~~repayment status of the student loan and the benefits described in clause (1).~~

25.4 ~~(b) The student loan servicer must complete the transfer under paragraph (a), clause (2),~~
25.5 ~~less than 45 days from the date of the sale, assignment, or transfer of the servicing.~~

25.6 ~~(c) A sale, assignment, or transfer of the servicing must be completed no less than seven~~
25.7 ~~days from the date the next payment is due on the student loan.~~

25.8 ~~(d) A new student loan servicer must adopt policies and procedures to verify that the~~
25.9 ~~original student loan servicer has met the requirements of paragraph (a).~~

25.10 (b) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
25.11 transfer of the servicing, the original and new student loan servicer must provide a written
25.12 notice to the borrower subject to the transfer. The notice must be provided no less than 15
25.13 calendar days before the transfer's effective date and must include:

25.14 (1) the sale, assignment, or transfer's effective date;

25.15 (2) the name, address, website, and toll-free telephone number for the original student
25.16 loan servicer's designated point of contact for the borrower to contact in order to obtain
25.17 answers to servicing inquiries;

25.18 (3) the name, address, website, and toll-free telephone number for the new student loan
25.19 servicer's designated point of contact for the borrower to contact in order to obtain answers
25.20 to servicing inquiries;

25.21 (4) the date the original student loan servicer stops accepting payments on the borrower's
25.22 student loan;

25.23 (5) the date the new student loan servicer begins accepting payments on the borrower's
25.24 student loan;

25.25 (6) information that indicates whether the borrower's authorization for recurring electronic
25.26 funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic
25.27 funds transfer is not transferred, the transferee must provide information that explains how
25.28 the borrower may establish a new recurring electronic funds transfer with the new servicer;
25.29 and

25.30 (7) a statement that indicates the current loan balance, including the current unpaid
25.31 amount of principal, interest, and fees.

26.1 (c) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
 26.2 transfer of the servicing, the original student loan servicer must ensure all necessary
 26.3 information regarding a borrower, a borrower's account, and a borrower's student loan
 26.4 accompanies a loan when the loan is transferred to a new student loan servicer. The transfer
 26.5 of necessary information must occur within 45 calendar days of the sale, assignment, or
 26.6 transfer's effective date. For purposes of this subdivision, "necessary information" includes
 26.7 but is not limited to:

26.8 (1) a schedule of all transactions credited or debited to the student loan account;

26.9 (2) a copy of the promissory note for the student loan;

26.10 (3) notes created by the student loan servicer's personnel that reflect communications
 26.11 with the borrower regarding the student loan account;

26.12 (4) a report of the data fields relating to the borrower's student loan account created by
 26.13 the student loan servicer's electronic systems in connection with servicing practices;

26.14 (5) copies or electronic records of information or documents the borrower provided to
 26.15 the student loan servicer;

26.16 (6) if applicable, usable data fields that contain information necessary to assess the
 26.17 borrower's eligibility for forgiveness, including public service loan forgiveness; and

26.18 (7) information necessary to compile a payment history.

26.19 (d) A new student loan servicer must adopt and implement policies and procedures to
 26.20 verify that the original student loan servicer meets the requirements of paragraph (c).

26.21 Sec. 25. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

26.22 Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate
 26.23 records, including of all written communication and telephone recordings, for each student
 26.24 loan. The records must be maintained for ~~not less than~~ at least two years following the final
 26.25 payment on the student loan or the sale, assignment, or transfer of the servicing.

26.26 Sec. 26. **[59E.01] SHORT TITLE.**

26.27 This chapter shall be known and cited as the "Rental Home Marketplace Guarantees
 26.28 Act."

26.29 Sec. 27. **[59E.02] DEFINITIONS.**

26.30 (a) For purposes of this chapter, the following terms have the meanings given.

27.1 (b) "Commissioner" means the commissioner of commerce.

27.2 (c) "Person" means an individual or an entity, excluding a state or local governmental
27.3 entity.

27.4 (d) "Platform contract holder" means a platform user who is the beneficiary or holder
27.5 of a rental home marketplace guarantee.

27.6 (e) "Provider" means:

27.7 (1) a rental home marketplace; or

27.8 (2) a rental home marketplace affiliate or representative who issues or offers as well as
27.9 administers, either directly or through a third party, a rental home marketplace guarantee.

27.10 (f) "Reimbursement insurance policy" means an insurance policy issued to a provider,
27.11 pursuant to which the insurer agrees, for the benefit of a platform contract holder, to discharge
27.12 the provider's obligations and liabilities under the terms of the rental home marketplace
27.13 guarantee in the event of the provider's default or nonperformance under the rental home
27.14 marketplace guarantee.

27.15 (g) "Rental home marketplace" means a person that:

27.16 (1) provides an online application, software, website, system, or other medium that:

27.17 (i) is used to advertise or offer available property to the public; and

27.18 (ii) connects and enables platform users' property;

27.19 (2) provides, directly or indirectly, or maintains an online platform by:

27.20 (i) transmitting or otherwise communicating the offer or acceptance of a transaction
27.21 between two platform users; or

27.22 (ii) owning or operating the electronic infrastructure or technology that connects two or
27.23 more platform users; and

27.24 (3) if the person offers rental home marketplace guarantees, offers rental home
27.25 marketplace guarantees only in a manner that is ancillary to the conduct of the person's
27.26 primary legitimate business or activity.

27.27 (h) "Rental home marketplace guarantee" means a contract or agreement issued in
27.28 connection with a rental home marketplace, whether or not the contract or agreement includes
27.29 a separate consideration, to reimburse a user sharing property for damages the renter is
27.30 responsible for under the rental home marketplace's terms of service, with or without
27.31 additional provision for incidental payment of indemnity.

28.1 Sec. 28. **[59E.03] REQUIREMENTS FOR DOING BUSINESS.**

28.2 (a) A provider is prohibited from issuing or offering a rental home marketplace guarantee
28.3 unless the provider has made the rental home marketplace guarantee terms available on the
28.4 provider's website and complied with this chapter.

28.5 (b) A provider that offers rental home marketplace guarantees must file a registration
28.6 with the commissioner on a form prescribed by the commissioner.

28.7 (c) To ensure the faithful performance of a provider's obligations to the provider's
28.8 platform contract holders, each provider who is obligated to a platform contract holder must
28.9 insure all rental home marketplace guarantees under a reimbursement insurance policy
28.10 issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to
28.11 sections 60A.195 to 60A.2095.

28.12 (d) A person handling rental home marketplace guarantee losses on behalf of a provider
28.13 must be trained in property damage and loss assessment and interpretation of the rental
28.14 home marketplace guarantee terms before handling losses. The training must be adequate
28.15 for a person handling rental home marketplace guarantee losses to provide knowledgeable,
28.16 fair, and objective service. A provider must maintain records demonstrating completion of
28.17 the training by a person handling rental home marketplace guarantee losses.

28.18 Sec. 29. **[59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT**
28.19 **INSURANCE.**

28.20 A rental home marketplace guarantee does not constitute insurance and is not required
28.21 to comply with other Minnesota insurance laws if the provider complies with this chapter.

28.22 Sec. 30. **[59E.05] REIMBURSEMENT INSURANCE POLICY.**

28.23 (a) A reimbursement insurance policy insuring rental home marketplace guarantees must
28.24 clearly state that upon the provider's default or nonperformance under the rental home
28.25 marketplace guarantee, the insurer that issued the policy must pay on behalf of the provider
28.26 any amount the provider is obligated to pay according to the rental home marketplace
28.27 guarantee.

28.28 (b) A reimbursement insurance policy is subject to the laws and regulations governing
28.29 termination and nonrenewal of insurance policies in Minnesota. The termination of a
28.30 reimbursement insurance policy does not reduce the issuer's responsibility for rental home
28.31 marketplace guarantees issued by providers before the termination's effective date.

29.1 (c) A provider is the agent of the insurer that issued the reimbursement insurance policy.
29.2 The insurer retains the right to seek indemnification or subrogation from the provider if the
29.3 insurer pays or is obligated to pay the platform contract holder the amount the provider was
29.4 obligated to pay under the rental home marketplace guarantee. This chapter does not prevent
29.5 or limit the insurer's right in this regard.

29.6 Sec. 31. **[59E.06] CONSUMER PROTECTION AND DISCLOSURES.**

29.7 (a) A rental home marketplace guarantee must include a statement in substantially the
29.8 following form: "This rental home marketplace guarantee is not an insurance contract."

29.9 (b) A rental home marketplace guarantee must contain a statement in substantially the
29.10 following form: "The provider's obligations are backed by a reimbursement insurance policy.
29.11 If the provider is unable or fails to perform on the provider's contractual obligation under
29.12 a rental home marketplace guarantee within 90 days after the date proof of loss is filed, a
29.13 platform user is entitled to make a claim directly against the insurance company subject to
29.14 the terms of the policy."

29.15 (c) A rental home marketplace guarantee must be written in clear, understandable
29.16 language and must specify the terms, limitations, exceptions, conditions, or exclusions,
29.17 including conditions governing transferability or termination.

29.18 (d) A provider is prohibited from making, permitting, or causing to be made a false or
29.19 misleading statement, or deliberately omitting a material statement whose omission is
29.20 considered misleading, in connection with offering or advertising a rental home marketplace
29.21 guarantee.

29.22 Sec. 32. **[59E.07] ENFORCEMENT.**

29.23 The commissioner may enforce this chapter using the enforcement authority under
29.24 chapters 46 and 60A.

29.25 Sec. 33. Minnesota Statutes 2024, section 60A.085, is amended to read:

29.26 **60A.085 CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO**
29.27 **COVERED PERSONS.**

29.28 (a) No cancellation of any group life, group accidental death and dismemberment, group
29.29 disability income, or group medical expense policy, plan, or contract regulated under chapter
29.30 62A or 62C is effective unless the insurer has made a good faith effort to notify all covered
29.31 persons of the cancellation at least 30 days before the effective cancellation date. For purposes

30.1 of this section, an insurer has made a good faith effort to notify all covered persons if the
30.2 insurer has notified all the persons included on the list required by paragraph (b) at the home
30.3 address given and only if the list has been updated within the last 12 months.

30.4 (b) At the time of the application for coverage subject to paragraph (a), the insurer shall
30.5 obtain an accurate list of the names and home addresses of all persons to be covered.

30.6 (c) Paragraph (a) does not apply if the group policy, plan, or contract is replaced, or if
30.7 the insurer has reasonable evidence to indicate that it will be replaced, by a substantially
30.8 similar policy, plan, or contract.

30.9 (d) In no event shall this section extend coverage under a group policy, plan, or contract
30.10 more than 120 days beyond the date coverage would otherwise cancel based on the terms
30.11 of the group policy, plan, or contract.

30.12 (e) If coverage under the group policy, plan, or contract is extended by this section, then
30.13 the time period during which affected members may exercise any conversion privilege
30.14 provided for in the group policy, plan, or contract is extended for the same length of time,
30.15 plus 30 days.

30.16 (f) In the case of a group life, group accidental death and dismemberment, or group
30.17 disability income policy, the insurer and group policyholder may agree that the group
30.18 policyholder assumes responsibility for notifying all covered persons if a cancellation under
30.19 paragraphs (a) and (c) occurs. As part of the agreement, the group policyholder must certify
30.20 to the insurer that the notification required under this section has taken place. If the employer
30.21 assumes responsibility for the notification, paragraphs (b), (d), and (e) do not apply.

30.22 Sec. 34. Minnesota Statutes 2024, section 60K.383, is amended to read:

30.23 **60K.383 TRAVEL INSURANCE.**

30.24 Subdivision 1. **Definitions.** (a) As used in this section, the terms in paragraphs (b) to
30.25 ~~(d)~~ (e) have the meanings given.

30.26 (b) "Limited lines travel insurance producer" means a licensed managing general agent
30.27 or third-party administrator; licensed insurance producer, including a limited lines producer;
30.28 or travel administrator, as defined in section 65C.02, subdivision 13.

30.29 (c) "Offer and disseminate" means providing general information, including a description
30.30 of coverage and price, as well as processing an application and collecting premiums.

30.31 ~~(b)~~ (d) "Travel insurance" means insurance coverage for personal risks incident to planned
30.32 travel, including, but not limited to:

- 31.1 (1) interruption or cancellation of trip or event;
- 31.2 (2) loss of baggage or personal effects;
- 31.3 (3) damages to accommodations or rental vehicles; ~~or~~
- 31.4 (4) sickness, accident, disability, or death occurring during travel;
- 31.5 (5) emergency evacuation;
- 31.6 (6) repatriation of remains; or
- 31.7 (7) a contractual obligation to indemnify or pay a specified amount of money to the
- 31.8 traveler upon determinable contingencies related to travel, as approved by the commissioner.
- 31.9 Travel insurance does not include major medical plans, which provide comprehensive
- 31.10 medical protection for travelers with trips lasting six months or longer, including those
- 31.11 working overseas as an expatriate or military personnel being deployed, or a product that
- 31.12 requires a specific insurance producer license.

31.13 ~~(e) "Travel insurance producer" means an insurer designee, such as a managing general~~

31.14 ~~underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

31.15 ~~(d)~~ (e) "Travel retailer" means a business entity that ~~offers and disseminates:~~

31.16 (1) makes, arranges, or offers planned travel; and

31.17 (2) may offer and disseminate travel insurance as a service to the travel retailer's

31.18 customers on behalf of and under the direction of a limited lines travel insurance producer.

31.19 Subd. 2. ~~Travel retailer license~~ **Licensing and registration.** (a) The commissioner

31.20 may issue a limited lines travel insurance producer license to an individual or business entity

31.21 that has filed with the commissioner a limited lines travel insurance producer license

31.22 application in a form and manner prescribed by the commissioner. A limited lines travel

31.23 insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a

31.24 licensed insurer. A person is prohibited from acting as a limited lines travel insurance

31.25 producer or travel insurance retailer unless the person is licensed or registered.

31.26 (b) A travel retailer may offer and disseminate travel insurance on behalf of and under

31.27 a limited lines travel insurance producer business entity license only if the travel insurance

31.28 producer holds a business entity license, and:

31.29 ~~(1) the licensed business entity is clearly identified as the licensed producer on marketing~~

31.30 ~~materials and fulfillment packages distributed by travel retailers to customers; identification~~

31.31 ~~shall include the entity's name and contact information;~~

32.1 (1) the limited lines travel insurance producer or travel retailer provides to travel insurance
32.2 purchasers:

32.3 (i) a description of the material terms or the actual material terms of the insurance
32.4 coverage;

32.5 (ii) a description of the process to file a claim;

32.6 (iii) a description of the process to review or cancel the travel insurance policy; and

32.7 (iv) the identity and contact information of the insurer and limited lines travel insurance
32.8 producer;

32.9 (2) the ~~licensed business entity~~ limited lines travel insurance producer keeps a register,
32.10 on a form prescribed by the commissioner, of each travel retailer that offers travel insurance
32.11 on the licensed business entity's behalf. The register must be maintained and updated by
32.12 the limited lines travel insurance producer and must include (i) the name, address, and
32.13 contact information of the travel retailer and an officer or person who directs or controls
32.14 the travel retailer's operations, and (ii) the travel retailer's federal ~~Employer~~ tax identification
32.15 number. The ~~licensed business entity shall~~ limited lines travel insurance producer must also
32.16 certify that the travel retailer registered complies with United States Code, title 18, section
32.17 1033. The ~~licensed business entity shall~~ limited lines travel insurance producer must submit
32.18 the register within 30 days upon request by the commissioner. Section 60K.43, subdivisions
32.19 1, 3, and 4, apply to limited lines travel insurance producers and travel retailers;

32.20 (3) the ~~licensed business entity~~ limited lines travel insurance producer has designated
32.21 one of its employees as who is a licensed individual producer; as a "designated responsible
32.22 producer" or "DRP;" responsible for the business entity's compliance with Minnesota
32.23 insurance laws and rules;

32.24 (4) the DRP, president, secretary, treasurer, and any other officer or person who directs
32.25 or controls the ~~licensed business entity's~~ limited lines travel insurance producer's insurance
32.26 operations ~~comply~~ complies with the fingerprinting requirements applicable to insurance
32.27 producers in the resident state of the ~~business entity~~ limited lines travel insurance producer;

32.28 (5) the ~~licensed business entity~~ limited lines travel insurance producer has paid all
32.29 applicable insurance producer licensing fees as set forth in Minnesota ~~state~~ law; and

32.30 (6) the ~~licensed business entity~~ limited lines travel insurance producer requires each
32.31 employee and authorized representative of the travel retailer whose duties include offering
32.32 and disseminating travel insurance to receive a program of instruction or training, which
32.33 may be subject to review by the commissioner. The training materials must, at a minimum,

33.1 contain adequate instruction regarding the types of insurance offered, ethical sales practices,
33.2 and required disclosures provided to prospective customers.

33.3 (c) A travel retailer offering or disseminating travel insurance must make available to
33.4 prospective purchasers a brochure or other written materials that have been approved by
33.5 the travel insurer. The materials must include information that, at a minimum:

33.6 (1) provides the identity and contact information of the insurer and the limited lines
33.7 travel insurance producer;

33.8 (2) explains that a person is not required to purchase travel insurance in order to purchase
33.9 any other product or service from the travel retailer; and

33.10 (3) explains that an unlicensed travel retailer is permitted to provide only general
33.11 information about the insurance offered by the travel retailer, including a description of the
33.12 coverage and price, but is not qualified or authorized to (i) answer technical questions about
33.13 the terms and conditions of the insurance offered by the travel retailer, or (ii) evaluate the
33.14 adequacy of the customer's existing insurance coverage.

33.15 (d) A travel retailer employee or authorized representative who is not licensed as an
33.16 insurance producer is prohibited from:

33.17 (1) evaluating or interpreting the technical terms, benefits, and conditions contained in
33.18 the offered travel insurance coverage;

33.19 (2) evaluating or providing advice concerning a prospective purchaser's existing insurance
33.20 coverage; or

33.21 (3) representing that the travel retailer employee or authorized representative is a licensed
33.22 insurer, licensed producer, or insurance expert.

33.23 **Subd. 3. Offer and dissemination of travel insurance; compensation.** Notwithstanding
33.24 any other law, a travel retailer whose insurance-related activities, and those of its employees
33.25 and authorized representatives, are limited to offering and disseminating travel insurance
33.26 on behalf of and under the direction of a licensed business entity limited lines travel insurance
33.27 producer meeting the conditions stated in this section; is authorized to do so and receive
33.28 related compensation; upon registration by the licensed business entity. For purposes of this
33.29 section, "offering and disseminating" means providing general information, including a
33.30 description of the coverage and price, as well as processing the application, collecting
33.31 premiums, and performing other nonlicensable activities permitted by the state limited lines
33.32 travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

34.1 Subd. 4. **Insurer designee.** As the ~~insurer~~ insurer's designee, the limited lines travel
34.2 insurance producer is responsible for the acts of the travel retailer and must use reasonable
34.3 means to ensure compliance by the travel retailer with this section and chapter 65C.

34.4 Subd. 5. **Producers of major lines of insurance.** A person licensed in a major line of
34.5 authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance.
34.6 A property and casualty insurance producer is not required to be appointed by an insurer in
34.7 order to sell, solicit, or negotiate travel insurance.

34.8 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
34.9 enactment.

34.10 Sec. 35. Minnesota Statutes 2024, section 62A.135, subdivision 1, is amended to read:

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

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

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

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

34.31 ~~(d)~~ (4) "average annualized premium" means the average of the estimated annualized
34.32 premium per covered person based on the anticipated distribution of business using all
34.33 significant criteria having a price difference, such as age, sex, amount, dependent status,

35.1 mode of payment, and rider frequency. For filing of rate revisions, the amount is the
35.2 anticipated average assuming the revised rates have fully taken effect.

35.3 Sec. 36. Minnesota Statutes 2024, section 62A.46, subdivision 2, is amended to read:

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

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

35.17 Sec. 37. **[62A.70] SHORT-TERM HOME HEALTH AND NURSING CARE**
35.18 **INSURANCE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36.15 (2) physical therapy;

36.16 (3) speech therapy;

36.17 (4) respiratory therapy;

36.18 (5) occupational therapy;

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

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

36.21 (8) medical social services; and

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

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

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

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

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

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

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

37.8 (1) cognitive impairment; or

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

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

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

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

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

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

37.19 (2) fraud or misrepresentation by the insured;

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

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

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

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

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

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

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

38.2 Sec. 38. [65C.01] SCOPE AND PURPOSES.

38.3 Subdivision 1. Purpose. The purpose of this chapter is to promote the public welfare
38.4 by creating a comprehensive legal framework within which travel insurance may be sold
38.5 in Minnesota.

38.6 Subd. 2. Application. (a) This chapter applies to:

38.7 (1) travel insurance that covers any Minnesota resident and is sold, solicited, negotiated,
38.8 or offered in Minnesota; and

38.9 (2) policies and certificates that are delivered or issued for delivery in Minnesota.

38.10 (b) This chapter does not apply to cancellation fee waivers or travel assistance services,
38.11 except as expressly provided in this chapter.

38.12 Subd. 3. Applicability of other law. All other applicable provisions of Minnesota
38.13 insurance law apply to travel insurance, except that this chapter supersedes any general
38.14 provisions of law that would otherwise apply to travel insurance.

38.15 EFFECTIVE DATE. This section is effective 90 days following the date of final
38.16 enactment.

38.17 Sec. 39. [65C.02] DEFINITIONS.

38.18 Subdivision 1. Application. For purposes of this chapter, the following terms have the
38.19 meanings given.

38.20 Subd. 2. Aggregator site. "Aggregator site" means a website that provides access to
38.21 information, including product and insurer information, regarding insurance products from
38.22 more than one insurer for use in comparison shopping.

38.23 Subd. 3. Blanket travel insurance. "Blanket travel insurance" means a travel insurance
38.24 policy issued to an eligible group providing coverage for specific classes of persons defined
38.25 in the policy, with coverage provided to all members of the eligible group without a separate
38.26 charge to individual members of the eligible group.

38.27 Subd. 4. Cancellation fee waiver. "Cancellation fee waiver" means a contractual
38.28 agreement between a travel services supplier and the travel services supplier's customer to
38.29 waive some or all of the nonrefundable cancellation fee provisions contained in the supplier's
38.30 underlying travel contract, with or without regard to the reason for the cancellation or form
38.31 of reimbursement. A cancellation fee waiver is not insurance.

39.1 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

39.2 Subd. 6. **Eligible group.** "Eligible group" means two or more persons who are engaged
39.3 in a common enterprise or have an economic, educational, or social affinity or relationship,
39.4 including but not limited to:

39.5 (1) an entity engaged in the business of providing travel or travel services, including but
39.6 not limited to:

39.7 (i) a tour operator, lodging provider, vacation property owner, hotel, resort, travel club,
39.8 travel agency, property manager, cultural exchange program, and common carrier; or

39.9 (ii) the operator, owner, or lessor of a means of transporting passengers, including but
39.10 not limited to an airline, cruise line, railroad, steamship company, and public bus carrier,
39.11 if all group members or customers have a common exposure to the risk attendant to the
39.12 particular type of travel;

39.13 (2) a college, school, or other institution of learning covering students, teachers,
39.14 employees, or volunteers;

39.15 (3) an employer covering a group of employees, volunteers, contractors, board of
39.16 directors, dependents, or guests;

39.17 (4) a sports team, camp, or sports team or camp sponsor covering participants, members,
39.18 campers, employees, officials, supervisors, or volunteers;

39.19 (5) a religious, charitable, recreational, educational, or civic organization, or branch of
39.20 a religious, charitable, recreational, educational, or civic organization, covering any group
39.21 of members, participants, or volunteers;

39.22 (6) a financial institution, financial institution vendor, parent holding company, trustee,
39.23 or agent or designee of one or more financial institutions or financial institution vendors,
39.24 including account holders, credit card holders, debtors, guarantors, or purchasers;

39.25 (7) an incorporated or unincorporated association, including a labor union, that (i) has
39.26 a common interest, constitution, and bylaws, and (ii) is organized and maintained in good
39.27 faith for purposes other than obtaining insurance for members or participants of the
39.28 association covering the association's members;

39.29 (8) a trust or the trustees of a fund established, created, or maintained for the benefit of
39.30 and to cover members, employees, or customers, subject to the commissioner authorizing
39.31 the use of a trust by one or more associations meeting the requirements under clause (7);

40.1 (9) an entertainment production company covering a group of participants, volunteers,
40.2 audience members, contestants, or workers;

40.3 (10) a volunteer fire department, ambulance, rescue, police, court, first aid, civil defense,
40.4 or other volunteer group;

40.5 (11) a preschool, day care institution for children or adults, or senior citizen club;

40.6 (12) an automobile or truck rental or leasing company covering a group of individuals
40.7 who may become renters, lessees, or passengers as defined by the group of individuals'
40.8 travel status on the rented or leased vehicles. The common carrier, operator, owner or lessor
40.9 of a means of transportation, or automobile or truck rental or leasing company is the
40.10 policyholder under a policy governed by this section; or

40.11 (13) any other group the commissioner determines (i) is engaged in a common enterprise
40.12 or has an economic, educational, or social affinity or relationship, and (ii) for which policy
40.13 issuance is not contrary to the public interest.

40.14 Subd. 7. **Fulfillment materials.** "Fulfillment materials" means documentation sent to
40.15 a person who purchases a travel protection plan that confirms the purchase and provides
40.16 the travel protection plan's coverage and assistance details.

40.17 Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance
40.18 issued to an eligible group.

40.19 Subd. 9. **Limited lines travel insurance producer.** "Limited lines travel insurance
40.20 producer" has the meaning given in section 60K.383, subdivision 1, paragraph (b).

40.21 Subd. 10. **Offer and disseminate.** "Offer and disseminate" has the meaning given in
40.22 section 60K.383, subdivision 1, paragraph (c).

40.23 Subd. 11. **Primary certificate holder.** "Primary certificate holder" means an individual
40.24 who elects and purchases travel insurance under a group policy.

40.25 Subd. 12. **Primary policyholder** "Primary policyholder" means an individual who elects
40.26 and purchases individual travel insurance.

40.27 Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly
40.28 or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles
40.29 claims on residents of Minnesota in connection with travel insurance. A person is not a
40.30 travel administrator if the person's only actions that otherwise indicate the person is a travel
40.31 administrator are:

41.1 (1) the person works for a travel administrator, to the extent that the person's activities
41.2 are subject to the travel administrator's supervision and control;

41.3 (2) the insurance producer sells insurance or engages in administrative and claims-related
41.4 activities within the scope of the producer's license;

41.5 (3) the travel retailer (i) offers and disseminates travel insurance, and (ii) is registered
41.6 under the license of a limited lines travel insurance producer under this chapter;

41.7 (4) the individual (i) adjusts or settles claims in the normal course of the individual's
41.8 practice or employment as an attorney, and (ii) does not collect charges or premiums in
41.9 connection with insurance coverage; or

41.10 (5) the business entity is affiliated with a licensed insurer while acting as a travel
41.11 administrator for the direct and assumed insurance business of an affiliated insurer.

41.12 Subd. 14. **Travel assistance services.** "Travel assistance services" means noninsurance
41.13 services (1) for which the consumer is not indemnified based on a fortuitous event, and (2)
41.14 where providing the service does not result in transfer or shifting of risk that would constitute
41.15 the business of insurance. Travel assistance services include but are not limited to: security
41.16 advisories; destination information; vaccination and immunization information services;
41.17 travel reservation services; entertainment; activity and event planning; translation assistance;
41.18 emergency messaging; international legal and medical referrals; medical case monitoring;
41.19 coordination of transportation arrangements; emergency cash transfer assistance; medical
41.20 prescription replacement assistance; passport and travel document replacement assistance;
41.21 lost luggage assistance; concierge services; and any other service that is furnished in
41.22 connection with planned travel. Travel assistance services are not insurance and are not
41.23 related to insurance.

41.24 Subd. 15. **Travel insurance.** "Travel insurance" has the meaning given in section
41.25 60K.383, subdivision 1, paragraph (d).

41.26 Subd. 16. **Travel protection plan.** "Travel protection plan" means a plan that provides
41.27 one or more of the following:

41.28 (1) travel insurance;

41.29 (2) travel assistance services; or

41.30 (3) cancellation fee waivers.

41.31 Subd. 17. **Travel retailer.** "Travel retailer" has the meaning given in section 60K.383,
41.32 subdivision 1, paragraph (e).

42.1 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
42.2 enactment.

42.3 Sec. 40. **[65C.04] TRAVEL PROTECTION PLANS.**

42.4 A travel protection plan may be offered at one price for the combined features that the
42.5 travel protection plan offers in Minnesota if:

42.6 (1) the travel protection plan:

42.7 (i) clearly discloses to the consumer, at or before the time the travel protection plan is
42.8 purchased, that the travel protection plan includes travel insurance, travel assistance services,
42.9 and cancellation fee waivers, as applicable; and

42.10 (ii) provides information and an opportunity, at or prior to the time the travel protection
42.11 plan is purchased, for the consumer to obtain additional information regarding the features
42.12 and pricing of the travel insurance, travel assistance services, and cancellation fee waivers;
42.13 and

42.14 (2) the fulfillment materials:

42.15 (i) describe and delineate the travel insurance, travel assistance services, and cancellation
42.16 fee waivers in the travel protection plan; and

42.17 (ii) include the travel insurance disclosures and the contact information for the persons
42.18 providing travel assistance services and cancellation fee waivers, as applicable.

42.19 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
42.20 enactment.

42.21 Sec. 41. **[65C.05] SALES PRACTICES.**

42.22 Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a
42.23 person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to
42.24 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing
42.25 of travel insurance and travel protection plans, this chapter prevails.

42.26 Subd. 2. **Illusory travel insurance.** A person that offers or sells a travel insurance policy
42.27 that could never result in payment of claims for an insured individual under the policy is
42.28 engaging in an unfair trade practice under sections 72A.17 to 72A.32.

42.29 Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel
42.30 insurance, including but not limited to sales materials, advertising materials, and marketing

43.1 materials, must be consistent with the travel insurance policy, including but not limited to
43.2 forms, endorsements, policies, rate filings, and certificates of insurance.

43.3 (b) A person that offers travel insurance policies or certificates that contain preexisting
43.4 condition exclusions must, before the insurance is purchased, provide a consumer with
43.5 information and an opportunity to learn more about the preexisting condition exclusions.
43.6 The information about preexisting condition exclusions must be included in the insurance
43.7 policy's coverage fulfillment materials.

43.8 (c) The fulfillment materials and the information described in section 60K.383,
43.9 subdivision 2, paragraph (b), clause (1), must be provided to a policyholder or certificate
43.10 holder as soon as practicable after a travel protection plan is purchased. Unless the insured
43.11 individual has started a covered trip or filed a claim under the travel insurance coverage, a
43.12 policyholder or certificate holder may cancel a policy or certificate for a full refund of the
43.13 travel protection plan price from the date a travel protection plan is purchased until at least:

43.14 (1) 15 days after the date the travel protection plan's fulfillment materials are delivered
43.15 by mail; or

43.16 (2) ten days after the date the travel protection plan's fulfillment materials are delivered
43.17 by means other than mail.

43.18 (d) For purposes of this section, "delivery" means (1) handing fulfillment materials to
43.19 the policyholder or certificate holder, or (2) sending fulfillment materials by mail or electronic
43.20 means to the policyholder or certificate holder.

43.21 (e) The company must disclose in the policy documentation and fulfillment materials
43.22 whether the travel insurance is primary or secondary to other applicable coverage.

43.23 (f) Travel insurance that is marketed directly to a consumer through an insurer's website
43.24 or by others through an aggregator site is not an unfair trade practice or other violation of
43.25 law if an accurate summary or short description of coverage is provided on the web page,
43.26 provided the consumer has access to the policy's full provisions by electronic means.

43.27 Subd. 4. **Opt out.** A person that offers, solicits, or negotiates travel insurance or travel
43.28 protection plans on an individual or group basis is prohibited from offering, soliciting, or
43.29 negotiating travel insurance or travel protection plans by using negative option or opting
43.30 out that requires a consumer to take an affirmative action to deselect coverage, including
43.31 by unchecking a box on an electronic form, when the consumer purchases a trip.

43.32 Subd. 5. **Other prohibitions.** A person that markets blanket travel insurance coverage
43.33 as free of cost is engaging in an unfair trade practice.

44.1 Subd. 6. Coverage required by other jurisdictions. If a consumer's destination
44.2 jurisdiction requires insurance coverage, a person does not engage in an unfair trade practice
44.3 if the person requires a consumer to choose between the following options as a condition
44.4 of purchasing a trip or travel package:

44.5 (1) purchasing the coverage required by the destination jurisdiction through the travel
44.6 retailer or limited lines travel insurance producer supplying the trip or travel package; or

44.7 (2) agreeing to obtain and provide proof of coverage that meets the destination
44.8 jurisdiction's requirements prior to departure.

44.9 EFFECTIVE DATE. This section is effective 90 days following the date of final
44.10 enactment.

44.11 Sec. 42. [65C.06] TRAVEL ADMINISTRATORS.

44.12 (a) Notwithstanding chapters 59A to 79A, a person is prohibited from acting as or
44.13 representing that the person is a travel administrator for travel insurance in Minnesota unless
44.14 the person:

44.15 (1) is a licensed property and casualty insurance producer in Minnesota for activities
44.16 permitted under the property and casualty insurance producer license;

44.17 (2) holds a valid managing general agent license in Minnesota; or

44.18 (3) holds a valid third-party administrator license in Minnesota.

44.19 (b) A travel administrator and the travel administrator's employees are exempt from the
44.20 licensing requirements of chapter 72B for travel insurance the travel administrator
44.21 administers.

44.22 (c) An insurer is responsible for:

44.23 (1) the acts of a travel administrator administering travel insurance underwritten by the
44.24 insurer; and

44.25 (2) ensuring the travel administrator maintains all books and records relevant to the
44.26 insurer that the travel administrator must make available to the commissioner upon request.

44.27 EFFECTIVE DATE. This section is effective 90 days following the date of final
44.28 enactment.

45.1 Sec. 43. [65C.07] POLICY.

45.2 (a) Notwithstanding chapters 59A to 79A, travel insurance is classified and filed for
45.3 purposes of rates and forms under an inland marine line of insurance. Notwithstanding this
45.4 paragraph, travel insurance that provides coverage for illness, accident, disability, or death
45.5 occurring during travel, either exclusively or in conjunction with related emergency
45.6 evacuation or repatriation of remains coverage, or incidental limited property and casualty
45.7 benefits, including baggage or trip cancellation, may be filed under either an accident and
45.8 health line of insurance or an inland marine line of insurance.

45.9 (b) Travel insurance may be offered and issued in the form of an individual, group, or
45.10 blanket policy.

45.11 (c) Eligibility and underwriting standards for travel insurance may be developed and
45.12 provided based on travel protection plans designed for individual or identified marketing
45.13 or distribution channels, provided the standards also meet the underwriting standards for
45.14 an inland marine line of insurance under Minnesota law.

45.15 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
45.16 enactment.

45.17 Sec. 44. Minnesota Statutes 2024, section 72A.13, subdivision 1, is amended to read:

45.18 Subdivision 1. **Penalties.** Any company, corporation, association, society, or other
45.19 insurer, or any officer or agent thereof, which or who solicits, issues or delivers to any
45.20 person in this state any policy in violation of the provisions of sections 60A.06, subdivision
45.21 3 ~~or~~, 62A.01 to 62A.10, or 62A.70 may be punished by a fine of not more than \$200 for
45.22 each offense, and the commissioner may revoke the license of any company, corporation,
45.23 association, society, or other insurer of another state or country, or of the agent thereof,
45.24 which or who willfully violates any provision of sections 60A.06, subdivision 3 ~~or~~, 62A.01
45.25 to 62A.10, or 62A.70.

45.26 Sec. 45. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

45.27 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,
45.28 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal
45.29 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster
45.30 ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person"
45.31 shall in addition mean any person, firm or corporation even though not engaged in the
45.32 business of insurance.

46.1 Sec. 46. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
46.2 read:

46.3 Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person who
46.4 uses a lead-generating device to:

46.5 (1) publicize the availability of what is or what purports to be an insurance product or
46.6 service that the person is not licensed to sell directly to a customer;

46.7 (2) identify a customer who may be interested in learning more about an insurance
46.8 product; or

46.9 (3) sell or transmit customer information to an insurer or producer for the purposes of
46.10 subsequent contact or sales activity.

46.11 (b) For purposes of sections 72A.17 to 72A.32, insurance lead generator does not include
46.12 an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an insurance
46.13 producer, as defined under section 60K.31, subdivision 6.

46.14 Sec. 47. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
46.15 read:

46.16 Subd. 4. **Lead-generating device.** "Lead-generating device" means communication
46.17 directed to the public that, regardless of the communication's form, content, or stated purpose,
46.18 is intended to result in compiling or qualifying a list containing names and other personal
46.19 information to solicit Minnesota residents to purchase what is or what purports to be an
46.20 insurance product or service.

46.21 Sec. 48. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
46.22 read:

46.23 Subd. 5. **Recording.** "Recording" means documenting a sale or verifying a call, including
46.24 a virtual technology call, to market an insurance product or service.

46.25 Sec. 49. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

46.26 **Subd. 2. False information and advertising generally.** Making, publishing,
46.27 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
46.28 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
46.29 magazine, email, Internet advertisement or posting, or other publication, or in the form of
46.30 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
46.31 radio station, or using the Internet or other electronic means, or in any other way, an

47.1 advertisement, announcement, or statement, containing any assertion, representation, or
47.2 statement with respect to the business of insurance, or with respect to any person in the
47.3 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
47.4 constitute an unfair method of competition and an unfair and deceptive act or practice.

47.5 Sec. 50. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
47.6 read:

47.7 Subd. 2a. **Failure to maintain certain records.** An insurance lead generator must
47.8 maintain books, records, documents, and other business records in a manner that ensures
47.9 data regarding complaints and marketing are accessible and retrievable for examination by
47.10 the insurance commissioner. An insurance lead generator must maintain data under this
47.11 subdivision for at least the current calendar year and the two preceding years.

47.12 Sec. 51. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

47.13 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
47.14 transaction conducted:

47.15 (1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise~~ located in
47.16 Minnesota;

47.17 (2) by a dealer representative at a location in Minnesota;

47.18 (3) between a dealer and a consumer ~~who lives~~ in Minnesota; or

47.19 (4) between a dealer and a Minnesota consumer when the transaction involves:

47.20 (i) delivering or shipping a bullion product to an address in Minnesota; or

47.21 ~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota~~
47.22 ~~resident; or~~

47.23 ~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an
47.24 address in Minnesota, unless the transaction occurs when the consumer is ~~at a business~~
47.25 ~~location~~ outside of Minnesota.

47.26 Sec. 52. **[82B.081] NOTICE TO COMMISSIONER.**

47.27 Subdivision 1. **Change of application information.** A licensee must provide notice to
47.28 the commissioner if the information in the license application filed with the commissioner
47.29 changes. The notice must be provided in writing or another format prescribed by the
47.30 commissioner within ten days of the date the change occurs. For purposes of this subdivision,

48.1 an information change requiring notice includes but is not limited to a change with respect
48.2 to the licensee's personal name, trade name, address, or business location.

48.3 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
48.4 decision or court order, whether or not the decision or order is appealed, resulting from a
48.5 proceeding in which the licensee was named as a defendant and the final adverse decision
48.6 relates to fraud or misrepresentation. The notice must be provided in writing or another
48.7 format prescribed by the commissioner within ten days of the date the final adverse decision
48.8 or court order is issued.

48.9 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
48.10 action involving the licensee, including but not limited to a suspension or revocation of the
48.11 licensee's real property appraiser license or another occupational license issued by Minnesota
48.12 or another jurisdiction. The notice must be provided in writing or another format prescribed
48.13 by the commissioner within ten days of the date the disciplinary action occurs.

48.14 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
48.15 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
48.16 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
48.17 similar violation of a real property appraiser licensing law. The notice must be provided in
48.18 writing or another format prescribed by the commissioner within ten days of the date the
48.19 charge, judgment, or plea occurs.

48.20 Sec. 53. **[82C.031] NOTICE TO COMMISSIONER.**

48.21 Subdivision 1. **Change of application information.** A licensee must provide notice to
48.22 the commissioner if the information in the license application filed with the commissioner
48.23 changes. The notice must be provided in writing or another format prescribed by the
48.24 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
48.25 an information change requiring notice includes but is not limited to a change with respect
48.26 to the licensee's personal name, trade name, address, or business location.

48.27 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
48.28 decision or court order, whether or not the decision or order is appealed, resulting from a
48.29 proceeding in which the licensee was named as a defendant and the final adverse decision
48.30 relates to fraud or misrepresentation. The notice must be provided in writing or another
48.31 format prescribed by the commissioner within ten days of the date the final adverse decision
48.32 or court order is issued.

49.1 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
49.2 action involving the licensee, including but not limited to a suspension or revocation of the
49.3 licensee's real property appraisal management company license issued by another jurisdiction.
49.4 The notice must be provided in writing or another format prescribed by the commissioner
49.5 within ten days of the date the disciplinary action occurs.

49.6 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
49.7 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
49.8 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
49.9 similar violation of a real property appraisal management company licensing law. The notice
49.10 must be provided in writing or another format prescribed by the commissioner within ten
49.11 days of the date the charge, judgment, or plea occurs.

49.12 Sec. 54. Minnesota Statutes 2024, section 256B.0913, subdivision 4, is amended to read:

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

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

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

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

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

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

49.27 (6) the person needs long-term care services that are not funded through other state or
49.28 federal funding, or other health insurance or other third-party insurance such as long-term
49.29 care insurance. For purposes of this clause, short-term home health and nursing care insurance
49.30 under section 62A.70 does not constitute health or other third-party insurance;

49.31 (7) except for individuals described in clause (8), the monthly cost of the alternative
49.32 care services funded by the program for this person does not exceed 75 percent of the

50.1 monthly limit described under section 256S.18. This monthly limit does not prohibit the
50.2 alternative care client from payment for additional services, but in no case may the cost of
50.3 additional services purchased under this section exceed the difference between the client's
50.4 monthly service limit defined under section 256S.04, and the alternative care program
50.5 monthly service limit defined in this paragraph. If care-related supplies and equipment or
50.6 environmental modifications and adaptations are or will be purchased for an alternative
50.7 care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive
50.8 months beginning with the month of purchase. If the monthly cost of a recipient's other
50.9 alternative care services exceeds the monthly limit established in this paragraph, the annual
50.10 cost of the alternative care services shall be determined. In this event, the annual cost of
50.11 alternative care services shall not exceed 12 times the monthly limit described in this
50.12 paragraph;

50.13 (8) for individuals assigned a case mix classification A as described under section
50.14 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies
50.15 in bathing, dressing, grooming, walking, and eating when the dependency score in eating
50.16 is three or greater as determined by an assessment performed under section 256B.0911, the
50.17 monthly cost of alternative care services funded by the program cannot exceed \$593 per
50.18 month for all new participants enrolled in the program on or after July 1, 2011. This monthly
50.19 limit shall be applied to all other participants who meet this criteria at reassessment. This
50.20 monthly limit shall be increased annually as described in section 256S.18. This monthly
50.21 limit does not prohibit the alternative care client from payment for additional services, but
50.22 in no case may the cost of additional services purchased exceed the difference between the
50.23 client's monthly service limit defined in this clause and the limit described in clause (7) for
50.24 case mix classification A;

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

50.27 (i) the appointment of a representative payee;

50.28 (ii) automatic payment from a financial account;

50.29 (iii) the establishment of greater family involvement in the financial management of
50.30 payments; or

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

50.32 (10) for a person participating in consumer-directed community supports, the person's
50.33 monthly service limit must be equal to the monthly service limits in clause (7), except that

51.1 a person assigned a case mix classification L must receive the monthly service limit for
51.2 case mix classification A.

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

51.7 (c) Alternative care funding under this subdivision is not available for a person who is
51.8 a medical assistance recipient or who would be eligible for medical assistance without a
51.9 spenddown or waiver obligation. A person whose initial application for medical assistance
51.10 and the elderly waiver program is being processed may be served under the alternative care
51.11 program for a period up to 60 days. If the individual is found to be eligible for medical
51.12 assistance, medical assistance must be billed for services payable under the federally
51.13 approved elderly waiver plan and delivered from the date the individual was found eligible
51.14 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative
51.15 care funds may not be used to pay for any service the cost of which: (i) is payable by medical
51.16 assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a
51.17 medical assistance income spenddown for a person who is eligible to participate in the
51.18 federally approved elderly waiver program under the special income standard provision.

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

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

51.29 Sec. 55. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

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

- 52.1 (1) a complete and accurate account or description, including the weight if customarily
52.2 purchased by weight, of the scrap metal or motor vehicle purchased or acquired;
- 52.3 (2) the date, time, and place of the receipt of the scrap metal or motor vehicle purchased
52.4 or acquired and a unique transaction identifier;
- 52.5 (3) a photocopy or electronic scan of the seller's:
- 52.6 (i) proof of identification, including the identification number, if the seller is an individual;
52.7 or
- 52.8 (ii) certificate of authority to transact business in Minnesota and business tax identification
52.9 number, if the seller is an entity;
- 52.10 (4) the amount paid and the number of the check or electronic transfer used to purchase
52.11 or acquire the scrap metal or motor vehicle;
- 52.12 (5) the license plate number and description of the vehicle used by the person when
52.13 delivering the scrap metal or motor vehicle, including the vehicle make and model, and any
52.14 identifying marks on the vehicle, such as a business name, decals, or markings, if applicable;
- 52.15 (6) a statement signed by the seller, under penalty of perjury as provided in section
52.16 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
52.17 or encumbrances and the seller has the right to sell it;
- 52.18 (7) a copy of the receipt, which must include at least the following information: the name
52.19 and address of the dealer, the date and time the scrap metal or motor vehicle was received
52.20 by the dealer, an accurate description of the scrap metal or motor vehicle, and the amount
52.21 paid for the scrap metal or motor vehicle;
- 52.22 (8) the identity or identifier of the employee completing the transaction; and
- 52.23 (9) if the seller is attempting to sell copper metal, a photocopy or electronic scan of the
52.24 seller's:
- 52.25 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
52.26 2c; or
- 52.27 (ii) the documentation used to support the seller being deemed to hold a license to sell
52.28 scrap metal copper under subdivision 2c, paragraph (f), clauses (1) to (3).
- 52.29 (b) The record, as well as the scrap metal or motor vehicle purchased or acquired, shall
52.30 at all reasonable times be open to the inspection of any properly identified law enforcement
52.31 officer.

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

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

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

53.15 (f) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent,
53.16 employee, or representative may not disclose personal information concerning a customer
53.17 without the customer's consent unless the disclosure is required by law or made in response
53.18 to a request from a law enforcement agency. A scrap metal dealer must implement reasonable
53.19 safeguards to protect the security of the personal information and prevent unauthorized
53.20 access to or disclosure of the information. For purposes of this paragraph, "personal
53.21 information" is any individually identifiable information gathered in connection with a
53.22 record under paragraph (a).

53.23 Sec. 56. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

53.24 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
53.25 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
53.26 person has a valid license issued by the commissioner under this subdivision.

53.27 (b) On the first Friday of the months of April and October of each calendar year, from
53.28 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
53.29 from individuals who do not have an approved license to sell scrap metal copper under this
53.30 subdivision. All other requirements of subdivision 1b apply and must be documented by
53.31 the scrap metal dealer on the dates specified in this paragraph.

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

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

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

54.3 and

54.4 (2) an acknowledgment that the applicant obtained the copper by lawful means in the

54.5 regular course of the applicant's business, trade, or authorized construction work.

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

54.7 (1) the name, legal entity type, principal business address, telephone number, and date

54.8 of formation of the entity; and

54.9 (2) an acknowledgment that the applicant obtained the copper by lawful means in the

54.10 regular course of the applicant's business, trade, or authorized construction work.

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

54.12 ~~(e)~~ (g) Within 30 days of the date an application is received, the commissioner may

54.13 require additional information or submissions from an applicant and may obtain any

54.14 document or information that is reasonably necessary to verify the information contained

54.15 in the application. Within 90 days after the date a completed application is received, the

54.16 commissioner must review the application and issue a license if the applicant is deemed

54.17 qualified under this section. The commissioner may issue a license subject to restrictions

54.18 or limitations. If the commissioner determines the applicant is not qualified, the commissioner

54.19 must notify the applicant and must specify the reason for the denial.

54.20 ~~(f)~~ (h) A person is deemed to hold a license to sell scrap metal copper if the person holds

54.21 one of the following:

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

54.23 (2) a document, certificate, or card of competency issued by a municipality to perform

54.24 work in a given trade or craft in the building trades. The document, certificate, or card must

54.25 state that the individual is authorized to sell scrap metal copper. This clause is effective

54.26 January 1, 2025; or

54.27 (3) a Section 608 Technician Certification issued by the United States Environmental

54.28 Protection Agency.

54.29 ~~(g)~~ (i) A license issued under this subdivision is valid for one year. To renew a license,

54.30 an applicant must submit a completed renewal application on a form prescribed by the

54.31 commissioner and a renewal fee of \$250. The commissioner may request that a renewal

54.32 applicant submit additional information to clarify any new information presented in the

55.1 renewal application. A renewal application submitted after the renewal deadline must be
55.2 accompanied by a nonrefundable late fee of \$500.

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

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

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

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

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

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

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

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

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

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

55.21 ~~(l)~~ (n) The commissioner must enforce this subdivision under chapter 45.

55.22 Sec. 57. Minnesota Statutes 2024, section 332.32, is amended to read:

55.23 **332.32 EXCLUSIONS.**

55.24 (a) The term "collection agency" does not include banks when collecting accounts owed
55.25 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
55.26 abstract companies doing an escrow business, real estate brokers, public officers, persons
55.27 acting under order of a court, lawyers, trust companies, insurance companies, credit unions,
55.28 savings associations, loan or finance companies unless they are engaged in asserting,
55.29 enforcing or prosecuting unsecured claims which have been purchased from any person,
55.30 firm, or association when there is recourse to the seller for all or part of the claim if the
55.31 claim is not collected.

56.1 (b) The term "collection agency" ~~shall~~ does not include a trade association performing
56.2 services authorized by section 604.15, subdivision 4a, but the trade association in performing
56.3 the services may not engage in any conduct that would be prohibited for a collection agency
56.4 under section 332.37.

56.5 (c) The term "collection agency" does not include a residential mortgage servicer licensed
56.6 under chapter 58 or a student loan servicer licensed under chapter 58B if the residential
56.7 mortgage servicer or student loan servicer is engaging in activities subject to licensure under
56.8 chapter 58 or 58B, as applicable.

56.9 Sec. 58. Minnesota Statutes 2024, section 332.52, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

57.10 (10) any consumer reporting agency as defined in the federal Fair Credit Reporting Act,
57.11 United States Code, title 15, sections 1681 to 1681t, as amended through December 31,
57.12 1990.

57.13 Sec. 59. Minnesota Statutes 2024, section 332A.04, subdivision 1, is amended to read:

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

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

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

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

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

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

57.25 (6) disclosure of:

57.26 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
57.27 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
57.28 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
57.29 other similar offense or violation, or any violation of a federal or state law or regulation in
57.30 connection with activities relating to the rendition of debt management services or involving

58.1 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
58.2 protection law;

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

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

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

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

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

58.16 ~~(9)~~ (8) any other information and material as the commissioner may require.

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

58.19 Sec. 60. Minnesota Statutes 2024, section 332B.04, subdivision 1, is amended to read:

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

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

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

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

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

58.30 (5) disclosure of:

59.1 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
 59.2 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
 59.3 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
 59.4 other similar offense or violation, or any violation of a federal or state law or regulation in
 59.5 connection with activities relating to the rendition of debt settlement services or involving
 59.6 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
 59.7 protection law;

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

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

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

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

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

59.21 ~~(8)~~ (7) any other information and material as the commissioner may require.

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

59.24 Sec. 61. Laws 2026, chapter 72, section 1, subdivision 5, is amended to read:

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

59.29 (b) Notwithstanding any contrary provision in law, including but not limited to section
 59.30 16A.151, any civil penalty recovered under this subdivision must be deposited into the
 59.31 ~~general fund. On July 1 each year, the accumulated balance of civil penalties collected in~~
 59.32 ~~the previous year is appropriated to the commissioner of public safety for the Office of~~

60.1 ~~Justice Programs to provide grants to organizations to provide direct services and advocacy~~
 60.2 ~~for victims of sexual assault, general crime, domestic violence, and child abuse. Funding~~
 60.3 ~~must support the direct needs of organizations serving victims of crime by providing:~~

60.4 ~~(1) direct client assistance to crime victims;~~

60.5 ~~(2) competitive wages for direct service staff;~~

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

60.7 ~~(4) culturally responsive programming;~~

60.8 ~~(5) prevention programming, including domestic abuse transformation and restorative~~
 60.9 ~~justice programming; and~~

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

60.11 ~~Services funded must include services for victims of crime in underserved communities~~
 60.12 ~~most impacted by violence and reflect the ethnic, racial, economic, cultural, and geographic~~
 60.13 ~~diversity of the state. Up to five percent of the appropriation is available for grant~~
 60.14 ~~administration victims of crime account under Minnesota Statutes, section 299A.708.~~

60.15 Sec. 62. **EFFECTIVE DATE MODIFICATION FOR LAWS 2026, CHAPTER 48.**

60.16 Laws 2026, chapter 48, sections 1, 2, and 5, are effective retroactively from April 22,
 60.17 2026.

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

60.19 Sec. 63. **REPEALER.**

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

60.22 **ARTICLE 2**
 60.23 **SECURITIES**

60.24 Section 1. Minnesota Statutes 2024, section 80A.50, is amended to read:

60.25 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
 60.26 **CORPORATE OFFERING REGISTRATION.**

60.27 (a) **Federal covered securities.**

60.28 (1) **Required filing of records.** With respect to a federal covered security, as defined
 60.29 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not

61.1 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued
61.2 under this chapter may require the filing of any or all of the following records:

61.3 (A) before the initial offer of a federal covered security in this state, all records that are
61.4 part of a federal registration statement filed with the Securities and Exchange Commission
61.5 under the Securities Act of 1933 and a consent to service of process complying with section
61.6 80A.88 signed by the issuer;

61.7 (B) after the initial offer of the federal covered security in this state, all records that are
61.8 part of an amendment to a federal registration statement filed with the Securities and
61.9 Exchange Commission under the Securities Act of 1933; and

61.10 (C) to the extent necessary or appropriate to compute fees, a report of the value of the
61.11 federal covered securities sold or offered to persons present in this state, if the sales data
61.12 are not included in records filed with the Securities and Exchange Commission.

61.13 (2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is
61.14 effective for one year commencing on the later of the notice filing or the effectiveness of
61.15 the offering filed with the Securities and Exchange Commission. On or before expiration,
61.16 the issuer may renew a notice filing by filing a copy of those records filed by the issuer with
61.17 the Securities and Exchange Commission that are required by rule or order under this chapter
61.18 to be filed. A previously filed consent to service of process complying with section 80A.88
61.19 may be incorporated by reference in a renewal. A renewed notice filing becomes effective
61.20 upon the expiration of the filing being renewed.

61.21 (3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With
61.22 respect to a security that is a federal covered security under Section 18(b)(4)(D) of the
61.23 Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may
61.24 require a notice filing by or on behalf of an issuer to include a copy of Form D, including
61.25 the Appendix, as promulgated by the Securities and Exchange Commission, and a consent
61.26 to service of process complying with section 80A.88 signed by the issuer not later than 15
61.27 days after the first sale of the federal covered security in this state.

61.28 (4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the
61.29 Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is
61.30 a failure to comply with a notice or fee requirement of this section, the administrator may
61.31 issue a stop order suspending the offer and sale of a federal covered security in this state.
61.32 If the deficiency is corrected, the stop order is void as of the time of its issuance and no
61.33 penalty may be imposed by the administrator.

61.34 (b) **Small corporation offering registration.**

62.1 (1) **Registration required.** A security meeting the conditions set forth in this section
62.2 may be registered as set forth in this section.

62.3 (2) **Availability.** Registration under this section is available only to the issuer of securities
62.4 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
62.5 The issuer must be organized under the laws of one of the states or possessions of the United
62.6 States. The securities offered must be exempt from registration under the Securities Act of
62.7 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

62.8 (3) **Disqualification.** Registration under this section is not available to any of the
62.9 following issuers:

62.10 (A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities
62.11 Exchange Act of 1934;

62.12 (B) an investment company;

62.13 (C) a development stage company that either has no specific business plan or purpose
62.14 or has indicated that its business plan is to engage in a merger or acquisition with an
62.15 unidentified company or companies or other entity or person;

62.16 (D) an issuer if the issuer or any of its predecessors, officers, directors, governors,
62.17 partners, ten percent stock or equity holders, promoters, or any selling agents of the securities
62.18 to be offered, or any officer, director, governor, or partner of the selling agent:

62.19 (i) has filed a registration statement that is the subject of a currently effective registration
62.20 stop order entered under a federal or state securities law within five years before the filing
62.21 of the small corporate offering registration application;

62.22 (ii) has been convicted within five years before the filing of the small corporate offering
62.23 registration application of a felony or misdemeanor in connection with the offer, purchase,
62.24 or sale of a security or a felony involving fraud or deceit, including, but not limited to,
62.25 forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to
62.26 defraud;

62.27 (iii) is currently subject to a state administrative enforcement order or judgment entered
62.28 by a state securities administrator or the Securities and Exchange Commission within five
62.29 years before the filing of the small corporate offering registration application, or is subject
62.30 to a federal or state administrative enforcement order or judgment in which fraud or deceit,
62.31 including, but not limited to, making untrue statements of material facts or omitting to state
62.32 material facts, was found and the order or judgment was entered within five years before
62.33 the filing of the small corporate offering registration application;

63.1 (iv) is currently subject to an order, judgment, or decree of a court of competent
63.2 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or
63.3 decree of a court of competent jurisdiction permanently restraining or enjoining the party
63.4 from engaging in or continuing any conduct or practice in connection with the purchase or
63.5 sale of any security or involving the making of a false filing with a state or with the Securities
63.6 and Exchange Commission entered within five years before the filing of the small corporate
63.7 offering registration application; or

63.8 (v) is subject to a state's administrative enforcement order, or judgment that prohibits,
63.9 denies, or revokes the use of an exemption for registration in connection with the offer,
63.10 purchase, or sale of securities,

63.11 (I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification
63.12 is duly licensed or registered to conduct securities-related business in the state in which the
63.13 administrative order or judgment was entered against the person or if the dealer employing
63.14 the party is licensed or registered in this state and the form BD filed in this state discloses
63.15 the order, conviction, judgment, or decree relating to the person, and

63.16 (II) except that the disqualification under this subdivision is automatically waived if the
63.17 state securities administrator or federal agency that created the basis for disqualification
63.18 determines upon a showing of good cause that it is not necessary under the circumstances
63.19 to deny the registration.

63.20 **(4) Filing and effectiveness of registration statement.** A small corporate offering
63.21 registration statement must be filed with the administrator. If no stop order is in effect and
63.22 no proceeding is pending under section 80A.54, such registration statement shall become
63.23 effective automatically at the close of business on the 20th day after filing of the registration
63.24 statement or the last amendment of the registration statement or at such earlier time as the
63.25 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
63.26 other than by an affiliate of the issuer, all outstanding securities of the same class identified
63.27 in the small corporate offering registration statement as a security registered under this
63.28 chapter are considered to be registered while the small corporate offering registration
63.29 statement is effective. A small corporate offering registration statement is effective for one
63.30 year after its effective date or for any longer period designated in an order under this chapter.
63.31 A small corporate offering registration statement may be withdrawn only with the approval
63.32 of the administrator.

63.33 **(5) Contents of registration statement.** A small corporate offering registration statement
63.34 under this section shall be on Form U-7, including exhibits required by the instructions

64.1 thereto, as adopted by the North American Securities Administrators Association, or such
64.2 alternative form as may be designated by the administrator by rule or order and must include:

64.3 (A) a consent to service of process complying with section 80A.88;

64.4 (B) a statement of the type and amount of securities to be offered and the amount of
64.5 securities to be offered in this state;

64.6 (C) a specimen or copy of the security being registered, unless the security is
64.7 uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial
64.8 equivalents in effect, and a copy of any indenture or other instrument covering the security
64.9 to be registered;

64.10 (D) a signed or conformed copy of an opinion of counsel concerning the legality of the
64.11 securities being registered which states whether the securities, when sold, will be validly
64.12 issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

64.13 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a
64.14 registration statement or similar filing has been made in connection with the offering
64.15 including information as to effectiveness of each such filing; and (iii) in which a stop order
64.16 or similar proceeding has been entered or in which proceedings or actions seeking such an
64.17 order are pending;

64.18 (F) a copy of the offering document proposed to be delivered to offerees; and

64.19 (G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales
64.20 literature intended as of the effective date to be used in connection with the offering and
64.21 any solicitation of interest used in compliance with section 80A.46(17)(B).

64.22 (6) **Copy to purchaser.** A copy of the offering document as filed with the administrator
64.23 must be delivered to each person purchasing the securities prior to sale of the securities to
64.24 such person.

64.25 (c) **Offering limit.** Offers and sales of securities under a small corporate offering
64.26 registration as set forth in this section are allowed up to the limit prescribed by Code of
64.27 Federal Regulations, title 17, part 230.504 (b)(2), as amended.

64.28 (d) **Regulation A - Tier 2 filing requirements.**

64.29 (1) **Initial filing.** An issuer planning to offer and sell securities in Minnesota in an
64.30 offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before
64.31 the date of the initial sale of securities in Minnesota, submit to the administrator:

65.1 (A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the
65.2 documents filed with the Securities Exchange Commission; and

65.3 (B) a consent to service of process on Form U-2, if consent to service of process is not
65.4 provided in the Regulation A - Tier 2 offering notice filing form.

65.5 The initial notice filing made in Minnesota is effective for 12 months after the date the
65.6 filing is made.

65.7 (2) **Renewal.** For each additional 12-month period in which the same offering is
65.8 continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew
65.9 the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked
65.10 "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing
65.11 must be made on or before the date notice filing expires.

65.12 (3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota
65.13 by submitting a Regulation A - Tier 2 offering notice filing form or other document
65.14 describing the transaction.

65.15 (e) Notice filing requirement for federal crowdfunding offerings. This paragraph
65.16 applies to offerings made under Regulation Crowdfunding, Code of Federal Regulations,
65.17 title 17, part 227, and sections 4(a)(6) and 18(b)(4)(C) of the Securities Act of 1933, United
65.18 States Code, title 15, sections 77d(A)(6) and 77r(b)(4)(C).

65.19 (1) Initial filing. An issuer that (i) offers and sells securities in Minnesota in an offering
65.20 exempt under federal Regulation Crowdfunding, and (ii) has a principal place of business
65.21 in Minnesota or sells at least 50 percent of the offering's aggregate amount to Minnesota
65.22 residents, must file with the administrator:

65.23 (A) a completed Uniform Notice of Federal Crowdfunding Offering form or copies of
65.24 all documents filed with the Securities and Exchange Commission; and

65.25 (B) if the issuer is not filing on the Uniform Notice of Federal Crowdfunding Offering
65.26 form, consent to service of process on Form U-2.

65.27 If the issuer's principal place of business is in Minnesota, the initial filing must be submitted
65.28 with the administrator when the issuer makes the issuer's initial Form C filing concerning
65.29 the offering with the Securities and Exchange Commission. If the issuer's principal place
65.30 of business is not in Minnesota but Minnesota residents have purchased at least 50 percent
65.31 of the aggregate amount of the offering, the filing must be submitted when the issuer becomes
65.32 aware that the aggregate purchases made by Minnesota residents meets the threshold, but
65.33 no later than 30 days after the date the offering is complete. The initial notice filing is

66.1 effective for a 12-month period beginning on the date the initial filing is submitted to the
66.2 administrator.

66.3 (2) **Renewal.** For each additional 12-month period in which a single offering is continued,
66.4 an issuer conducting an offering under federal Regulation Crowdfunding may renew the
66.5 issuer's notice filing by filing with the administrator on or before the date the current notice
66.6 filing expires:

66.7 (A) a completed Uniform Notice of Federal Crowdfunding Offering form that is marked
66.8 "renewal"; or

66.9 (B) a cover letter or other document requesting renewal.

66.10 (3) **Amendment.** An issuer may increase the amount of securities offered in Minnesota
66.11 by submitting (i) a completed Uniform Notice of Federal Crowdfunding Offering form that
66.12 is marked "amendment," or (ii) another document that describes the modified transaction.

66.13 Sec. 2. Minnesota Statutes 2025 Supplement, section 80A.66, is amended to read:

66.14 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

66.15 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
66.16 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
66.17 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
66.18 minimum financial requirements for broker-dealers registered or required to be registered
66.19 under this chapter and investment advisers registered or required to be registered under this
66.20 chapter.

66.21 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
66.22 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
66.23 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
66.24 chapter and an investment adviser registered or required to be registered under this chapter
66.25 shall file such financial reports as are required by a rule adopted or order issued under this
66.26 chapter. If the information contained in a record filed under this subsection is or becomes
66.27 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
66.28 amendment.

66.29 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
66.30 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
66.31 U.S.C. Section 80b-22):

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

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

67.9 (3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures
67.10 that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter
67.11 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures
67.12 established under this clause. The procedures must designate by name or title a number of
67.13 supervisory employees that is reasonable relative to the number of the broker-dealer's
67.14 registered agents, offices, and transactions in Minnesota. A copy of the written procedures
67.15 and the system to apply the procedures must be kept and maintained at each branch office
67.16 affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance
67.17 with FINRA Rule 3110.11, or any successor federal law, to satisfy its obligation under this
67.18 paragraph; and

67.19 ~~(3)~~(4) investment adviser records required to be maintained under paragraph (d)(1) may
67.20 be maintained in any form of data storage required by rule adopted or order issued under
67.21 this chapter.

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

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

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

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

- 68.1 (A) the amount of assets under management;
- 68.2 (B) the use of leverage, including off-balance-sheet leverage, as to the assets under
68.3 management;
- 68.4 (C) counterparty credit risk exposure;
- 68.5 (D) trading and investment positions;
- 68.6 (E) valuation policies and practices of the fund;
- 68.7 (F) types of assets held;
- 68.8 (G) side arrangements or side letters, whereby certain investors in a fund obtain more
68.9 favorable rights or entitlements than other investors;
- 68.10 (H) trading practices; and
- 68.11 (I) such other information as the administrator determines is necessary and appropriate
68.12 in the public interest and for the protection of investors, which may include the establishment
68.13 of different reporting requirements for different classes of fund advisers, based on the type
68.14 or size of the private fund being advised.
- 68.15 (4) **Filing of records.** A rule or order under this chapter may require each investment
68.16 adviser to a private fund to file reports containing such information as the administrator
68.17 deems necessary and appropriate in the public interest and for the protection of investors.
- 68.18 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be
68.19 registered under this chapter and of an investment adviser registered or required to be
68.20 registered under this chapter, including the records of a private fund described in paragraph
68.21 (d) and the records of investment advisers to private funds, are subject to such reasonable
68.22 periodic, special, or other audits or inspections by a representative of the administrator,
68.23 within or without this state, as the administrator considers necessary or appropriate in the
68.24 public interest and for the protection of investors. An audit or inspection may be made at
68.25 any time and without prior notice. The administrator may copy, and remove for audit or
68.26 inspection copies of, all records the administrator reasonably considers necessary or
68.27 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
68.28 charge for conducting an audit or inspection under this subsection.
- 68.29 (f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
68.30 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
68.31 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
68.32 under this chapter may require a broker-dealer or investment adviser that has custody of or

69.1 discretionary authority over funds or securities of a customer or client to obtain insurance
69.2 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
69.3 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
69.4 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
69.5 of security may not be required of a broker-dealer registered under this chapter whose net
69.6 capital exceeds, or of an investment adviser registered under this chapter whose minimum
69.7 financial requirements exceed, the amounts required by rule or order under this chapter.
69.8 The insurance, bond, or other satisfactory form of security must permit an action by a person
69.9 to enforce any liability on the insurance, bond, or other satisfactory form of security if
69.10 instituted within the time limitations in section 80A.76(j)(2).

69.11 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
69.12 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
69.13 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
69.14 customer except under the supervision of a broker-dealer and an investment adviser
69.15 representative may not have custody of funds or securities of a client except under the
69.16 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
69.17 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
69.18 regarding custody of funds or securities of a customer and on an investment adviser regarding
69.19 custody of securities or funds of a client.

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

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

69.30 (j) **Business continuity and succession plan.** An investment adviser registered or
69.31 required to be registered under this chapter must establish, maintain, and enforce written
69.32 policies and procedures relating to business continuity and succession planning. At a
69.33 minimum, the policies and procedures under this paragraph must provide:

69.34 (1) a means to protect, back up, and recover books and records;

70.1 (2) an alternate method to provide notice to customers; key personnel; employees;
70.2 vendors; service providers, including third-party custodians; and regulators, regarding issues
70.3 pertaining to the investment adviser's business operations, including but not limited to
70.4 significant business interruption, the death or unavailability of key personnel, other disruption
70.5 to business activities, or ceasing business operations;

70.6 (3) a plan to relocate the office space for a principal place of business that is subject to
70.7 a temporary or permanent loss;

70.8 (4) a plan to assign duties to qualified responsible persons if key personnel die or are
70.9 otherwise unavailable; and

70.10 (5) a plan to otherwise minimize service disruption and client harm that might result
70.11 from sudden and significant business interruption.

70.12 **(k) Physical security and cybersecurity policies and procedures.** An investment
70.13 adviser registered or required to be registered under this chapter must establish, implement,
70.14 update, and enforce written physical security and cybersecurity policies and procedures that
70.15 are designed to ensure the confidentiality, integrity, and availability of physical and electronic
70.16 records and information. The policies and procedures must be tailored to the investment
70.17 adviser's business model and must take into account the investment adviser's business size,
70.18 type of service provided, and number of locations.

70.19 (1) The physical security and cybersecurity policies and procedures must:

70.20 (A) protect against reasonably anticipated threats or hazards to the security or integrity
70.21 of client records and information;

70.22 (B) ensure that the investment adviser protects confidential client records and information;
70.23 and

70.24 (C) protect client records and information that, if released, might result in harm or
70.25 inconvenience to the client.

70.26 (2) At a minimum, the physical security and cybersecurity policies and procedures must
70.27 develop and implement:

70.28 (A) an organizational understanding to manage information security risk with respect
70.29 to systems, assets, data, and capabilities;

70.30 (B) safeguards to ensure delivery of critical infrastructure services;

70.31 (C) actions and tools to identify when an information security event occurs;

70.32 (D) actions to take when an information security event is detected; and

71.1 (E) plans for security and system resilience, and to restore capabilities or services that
71.2 are impaired due to an information security event.

71.3 (3) At the time a client engages an investment adviser and on an annual basis thereafter,
71.4 an investment adviser must deliver to the client a privacy policy that is reasonably designed
71.5 to assist the client understand how the investment adviser collects and shares, to the extent
71.6 permitted by state and federal law, nonpublic personal information. If information in the
71.7 policy becomes materially inaccurate, the investment adviser must promptly update and
71.8 deliver an amended privacy policy to the client.

71.9 (l) **Written confirmation.** A broker-dealer must promptly provide to the customer a
71.10 written confirmation at or before completing a transaction in accordance with FINRA Rule
71.11 2232, or any successor federal law. The confirmation must:

71.12 (1) describe the security purchased or sold, the date of the transaction, the price of the
71.13 security purchased or sold, and any commission charged;

71.14 (2) indicate whether the broker-dealer acted for the broker-dealer's account, as an agent
71.15 for a customer, as an agent for another person, or as an agent for both a customer and another
71.16 person;

71.17 (3) if the broker-dealer is acting as an agent for a customer, include (i) the name of the
71.18 person who purchased the security, (ii) the name of the person who sold the security, or (iii)
71.19 a statement that the information in item (i) or (ii) is available to a customer on request if
71.20 the broker-dealer knows the information or is able to ascertain the information with
71.21 reasonable diligence;

71.22 (4) indicate whether the transaction was unsolicited; and

71.23 (5) indicate the name of the agent that executed the transaction.

71.24 A broker-dealer that complies with Securities and Exchange Commission Rule 10b-10,
71.25 Code of Federal Regulations, title 17, part 240.10b-10, or article III, section 12, of the
71.26 Financial Industry Regulatory Authority Rules of Fair Practice, complies with this paragraph.

71.27 (m) **Conditions; stipulations; provisions.** A broker-dealer is prohibited from entering
71.28 into a contract with a customer if the contract contains a condition, stipulation, or provision
71.29 that binds the customer to waive rights under chapter 80A; Minnesota Rules, chapter 2876;
71.30 or an order issued by the commissioner. A condition, stipulation, or provision included in
71.31 a contract subject to this paragraph is void.

71.32 (n) **Principal office; employment.** A broker-dealer whose principal office is located in
71.33 Minnesota must have at least one registered person employed on a full-time basis at the

72.1 principal office located in Minnesota. This paragraph does not apply to a broker-dealer
72.2 engaged solely in offering and selling:

72.3 (1) interests in a direct participation program; or

72.4 (2) securities issued by open-end investment companies, face amount certificate
72.5 companies, or unit investment trusts registered under the Investment Company Act of 1940,
72.6 United States Code, title 15, sections 80a-1 to 80a-64.

72.7 **Sec. 3. [80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL**
72.8 **BUSINESS PRACTICES.**

72.9 Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe
72.10 high standards of commercial honor and just and equitable principles of trade when
72.11 conducting the broker-dealer's business. An act or practice that is contrary to the standards
72.12 constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's
72.13 registration or to take other action authorized by statute. For purposes of this subdivision,
72.14 an act or practice that is contrary to the standards includes:

72.15 (1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i)
72.16 delivering securities purchased by a customer; or (ii) upon request, paying free credit balances
72.17 reflecting a customer's completed transactions;

72.18 (2) inducing trading in a customer's account that is excessive in size or frequency
72.19 considering the account's financial resources and character;

72.20 (3) recommending that a customer purchase, sell, or exchange a security without
72.21 reasonable grounds to believe the transaction or recommendation is suitable for the customer,
72.22 based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial
72.23 situation, and needs; and (ii) other relevant information known by the broker-dealer;

72.24 (4) recommending a security transaction or investment strategy involving securities,
72.25 including account recommendations, to a retail customer if the recommendation does not
72.26 comply with the obligations set forth in Code of Federal Regulations, title 17, section
72.27 240.151-1;

72.28 (5) executing a transaction on behalf of a customer without the customer's authorization;

72.29 (6) exercising discretionary power to effect a transaction for a customer's account without
72.30 first obtaining written discretionary authority from the customer, unless the discretionary
72.31 power relates solely to the time the order is executed or the order's price;

73.1 (7) executing a transaction in a margin account without securing from the customer a
73.2 properly executed written margin agreement promptly after the account's initial transaction;

73.3 (8) failing to segregate customers' free securities or securities held in safekeeping;

73.4 (9) hypothecating a customer's securities without having a lien on the customer's
73.5 securities, unless the broker-dealer secures the customer's properly executed written consent
73.6 promptly after the initial transaction, except as permitted by Securities and Exchange
73.7 Commission regulations;

73.8 (10) entering into a transaction with or for a customer at a price that is not reasonably
73.9 related to the security's current market price, or receiving an unreasonable commission or
73.10 profit;

73.11 (11) failing to furnish to a customer purchasing securities in an offering, no later than
73.12 the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary
73.13 prospectus and an additional document that, when combined with the preliminary prospectus,
73.14 includes all of the information included in the final prospectus;

73.15 (12) charging an unreasonable or inequitable fee for services performed, including: (i)
73.16 miscellaneous services that include but are not limited to collecting money due for principal,
73.17 dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or
73.18 maintaining custody of securities; and (ii) other services related to the broker-dealer's
73.19 securities business;

73.20 (13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared
73.21 to purchase or sell at the stated price and under the stated conditions at the time the offer
73.22 to buy or sell is made;

73.23 (14) representing that a security is being offered to a customer "at the market" or at a
73.24 price relevant to the market price, unless the broker-dealer knows or has reasonable grounds
73.25 to believe a market for the security exists other than the market made, created, or controlled
73.26 by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom
73.27 the broker-dealer is associated with respect to the security's distribution; or (iii) a person
73.28 controlled by, controlling, or under common control with the broker-dealer;

73.29 (15) effecting a transaction in, or inducing the purchase or sale of, a security using a
73.30 manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance,
73.31 which includes but is not limited to:

73.32 (i) effecting a transaction in a security that involves no change in the security's beneficial
73.33 ownership;

74.1 (ii) entering an order to purchase or sell a security with the knowledge that at least one
74.2 other order for the same security that is substantially the same size, entered at substantially
74.3 the same time, and for substantially the same price as the order has been or will be entered
74.4 by or for the same or a different party to create (A) a false or misleading appearance of
74.5 active trading in the security, or (B) a false or misleading appearance with respect to the
74.6 market for the security. This item does not prohibit a broker-dealer from entering bona fide
74.7 agency cross transactions for the broker-dealer's customers; or

74.8 (iii) effecting, alone or with another person, a series of transactions in a security that
74.9 creates actual or apparent active trading in the security, or raises or reduces the price of the
74.10 security, to induce others to purchase or sell the security;

74.11 (16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer
74.12 carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a
74.13 securities transaction effected by the broker-dealer with or for the customer;

74.14 (17) publishing or circulating, or causing to be published or circulated, a notice, circular,
74.15 advertisement, newspaper article, investment service, or communication of any kind that
74.16 purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer
74.17 believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote
74.18 the bid price or asked price for a security, unless the broker-dealer believes the quote
74.19 represents a bona fide bid for or offer of the security;

74.20 (18) using an advertising or sales presentation in a manner that is deceptive or misleading,
74.21 including but not limited to distributing: (i) nonfactual data, material, or a presentation based
74.22 on conjecture, unfounded claims, or unrealistic claims; or (ii) assertions in a brochure, flyer,
74.23 or display using words, pictures, graphs, or other representations that are designed to
74.24 supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

74.25 (19) failing to disclose to a customer, before entering into a contract with or for a customer
74.26 to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated
74.27 with, or under common control with the security's issuer. If a disclosure under this clause
74.28 is not made in writing, the disclosure must be supplemented by giving or sending written
74.29 disclosure before or at the time the transaction is completed;

74.30 (20) failing to make a bona fide public offering of all of the securities allotted to a
74.31 broker-dealer for distribution, whether the securities are acquired as an underwriter, as a
74.32 selling group member, or from a member participating in the distribution as an underwriter
74.33 or selling group member;

75.1 (21) failing or refusing to: (i) furnish a customer, upon reasonable request, information
75.2 the customer is entitled to; or (ii) respond to a formal written request or complaint;

75.3 (22) failing to pay and fully satisfy a final judgment or arbitration award resulting from
75.4 an arbitration or court proceeding relating to an investment and initiated by the customer,
75.5 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
75.6 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
75.7 with the terms of the alternative payment arrangement;

75.8 (23) attempting to avoid paying a final judgment or arbitration award resulting from an
75.9 arbitration or court proceeding relating to an investment and initiated by the customer,
75.10 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
75.11 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
75.12 with the terms of the alternative payment arrangement;

75.13 (24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of
75.14 disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or
75.15 broker-dealer's agent by the Securities and Exchange Commission, a state or provincial
75.16 securities or other financial services regulator, or a self-regulatory organization;

75.17 (25) accessing a client's account by using the client's unique identifying information,
75.18 including but not limited to the client's username and password;

75.19 (26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ
75.20 security, failing to promptly provide the most current prospectus or the most recently filed
75.21 periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States
75.22 Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a
75.23 customer;

75.24 (27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

75.25 (28) for each month in which activity has occurred in a customer's account and no less
75.26 frequently than once every three months regardless of whether customer account activity
75.27 has occurred, failing to provide the customer with an account statement that, with respect
75.28 to all over-the-counter non-NASDAQ equity securities in the account, contains a value for
75.29 each security based on the closing market bid on a date certain. This clause applies only if
75.30 the broker-dealer has been a market maker in the security at any time during the month in
75.31 which the monthly or quarterly statement is issued; or

75.32 (29) failing to comply with an applicable provision of the Financial Industry Regulatory
75.33 Authority conduct rules or an applicable fair practice or ethical standard promulgated by

76.1 the Securities and Exchange Commission or a self-regulatory organization approved by the
76.2 Securities and Exchange Commission.

76.3 Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent
76.4 must observe high standards of commercial honor and just and equitable principles of trade
76.5 when conducting the broker-dealer's agent's business. An act or practice that is contrary to
76.6 the standards constitutes grounds for the administrator to deny, suspend, or revoke the
76.7 broker-dealer's agent's registration or to take other action authorized by statute. For purposes
76.8 of this subdivision, an act or practice that is contrary to the standards includes:

76.9 (1) lending to or borrowing from a customer money or securities, or acting as a custodian
76.10 for a customer's money, securities, or executed stock power, unless otherwise permissible
76.11 under FINRA Rule 3240 or any successor federal law;

76.12 (2) effecting securities transactions that are not recorded on the regular books or records
76.13 maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions
76.14 are authorized in writing by the broker-dealer before executing the transaction or exempt
76.15 as subscription-way transactions under Rule 17a-3 of the Securities Exchange Act of 1934
76.16 or any successor federal law;

76.17 (3) establishing or maintaining an account that contains fictitious information in order
76.18 to execute transactions that are otherwise prohibited;

76.19 (4) sharing directly or indirectly in profits or losses in a customer account without the
76.20 written authorization from the customer and the broker-dealer the broker-dealer's agent
76.21 represents;

76.22 (5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or
76.23 other compensation from purchasing or selling securities with a person who is not also
76.24 registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under
76.25 direct or indirect common control or unless otherwise allowed under Securities and Exchange
76.26 Commission rules, guidance, or authorization; or

76.27 (6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6),
76.28 (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

76.29 Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under
76.30 subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages
76.31 in other conduct, including but not limited to forgery, embezzlement, nondisclosure,
76.32 incomplete disclosure, misstatement of material facts, or manipulative or deceptive practices,
76.33 is also subject to denial, suspension, or revocation of registration.

77.1 Sec. 4. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

77.2 Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing,
77.3 may issue a cease and desist order and may issue an order denying, suspending or revoking
77.4 any registration, amendment or exemption on finding any of the following:

77.5 ~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or
77.6 employee thereof or any other person has violated or failed to comply with any provision
77.7 of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

77.8 ~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation
77.9 to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon
77.10 purchasers or would so operate;

77.11 ~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or
77.12 employee thereof or any other person is engaging or about to engage in false, fraudulent or
77.13 deceptive practices in connection with the offer and sale of a franchise;

77.14 ~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted
77.15 of an offense or held liable in a civil action by final judgment described in section 80C.04,
77.16 subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described
77.17 in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order; ~~or has~~
77.18 had a civil judgment entered against the person as described in section 80C.04, clause (5),
77.19 described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the
77.20 involvement of the person in the business of the applicant or franchisor creates a substantial
77.21 risk to prospective franchisees;

77.22 ~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely
77.23 affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

77.24 ~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include
77.25 activities which are illegal where performed; or

77.26 ~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation
77.27 of the business of the franchisor or any term or condition of the franchise agreement or any
77.28 practice of the franchisor is or would be unfair or inequitable to franchisees.

ARTICLE 3

HEALTH INSURANCE

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

Subdivision 1. Notice required. (a) No later than April 15 each year, an insurance company that issues health plans, as defined in section 62A.011, and is licensed under this chapter to offer, sell, or issue a policy of accident and sickness insurance, as defined in section 62A.01, subdivision 1, or that is a nonprofit health service plan corporation operating under chapter 62C must notify the commissioner if, for an insurance company or nonprofit health service plan corporation with at least 25,000 enrollees, the insurance company or nonprofit health service plan corporation:

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

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

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

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

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

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

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

(4) a description of anticipated issues associated with the insurance company's or nonprofit health service plan corporation's business, including but not limited to (i) assets,

79.1 (ii) anticipated business growth and associated surplus strain, (iii) significant change in risk
79.2 profile, (iv) mix of business, and (v) reinsurance use, if any, in each case.

79.3 (b) If the information reported under paragraph (a) raises a concern with respect to an
79.4 insurance company's or nonprofit health service plan corporation's business on a prospective
79.5 basis due to anticipated business growth, including but not limited to anticipated business
79.6 growth, strain on surplus, increased exposure to risk, or an imbalanced mix of business, the
79.7 commissioner may issue a corrective order specifying corrective actions the commissioner
79.8 determines are required. A corrective order issued under this paragraph is subject to review
79.9 under chapter 14.

79.10 Sec. 2. Minnesota Statutes 2024, section 62D.08, is amended by adding a subdivision to
79.11 read:

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

79.20 Sec. 3. [62D.085] SUBSTANTIAL ENROLLMENT GROWTH; NOTICE.

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

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

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

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

80.1 Subd. 2. **Additional information.** (a) Upon receiving notice under subdivision 1, the
80.2 commissioner may request and the health maintenance organization must provide additional
80.3 information regarding the health maintenance organization's financial readiness to serve
80.4 the increased enrollment. The additional information requested may include but is not limited
80.5 to:

80.6 (1) the conditions contributing to the health maintenance organization's enrollment
80.7 growth;

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

80.10 (3) the key assumptions impacting the projections and the sensitivity of the projections
80.11 to the assumptions; and

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

80.16 (b) If the information reported under paragraph (a) raises a concern with respect to a
80.17 health maintenance organization's business on a prospective basis due to anticipated business
80.18 growth, including but not limited to anticipated business growth, strain on surplus, increased
80.19 exposure to risk, or an imbalanced mix of business, the commissioner may issue a corrective
80.20 order specifying corrective actions the commissioner determines are required. A corrective
80.21 order issued under this paragraph is subject to review under chapter 14.

80.22 Sec. 4. Minnesota Statutes 2024, section 62J.40, is amended to read:

80.23 **62J.40 COST CONTAINMENT DATA FROM STATE AGENCIES AND OTHER**
80.24 **GOVERNMENTAL UNITS.**

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

80.31 (b) For purposes of estimating total health care spending as provided in section 62J.301,
80.32 subdivision 4, clause (c), all local governmental units shall provide expenditure data to the
80.33 commissioner. The commissioner shall consult with representatives of the affected local

81.1 government units in establishing definitions, reporting formats, and reporting time frames.
81.2 As much as possible, the data shall be collected in a manner that ensures that the data
81.3 collected is consistent with data collected from the private sector and minimizes the reporting
81.4 burden to local government.

81.5 (c) A state agency that purchases health care services, provides oversight over health
81.6 insurance rates, collects taxes imposed under section 295.52, or regulates health care entities
81.7 must provide to the commissioner nonpublic data the commissioner requests to satisfy
81.8 statutory duties under sections 62J.301 to 62J.461, 62J.84, 62J.87, 62U.01 to 62U.10, 144.70,
81.9 145D.01, and 145D.02, with respect to monitoring the health care market, including but not
81.10 limited to consolidation, transaction, corporate structure, utilization, quality, spending
81.11 growth, and prescription drug supply chains.

81.12 (d) The commissioner may request unique or custom data sets from a state agency in a
81.13 request under paragraph (c). The state agency may charge the commissioner a fee to provide
81.14 data sets under paragraph (c) at the same rate the state agency charges another public or
81.15 private entity for the same data.

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

81.19 Sec. 5. Minnesota Statutes 2024, section 62K.07, subdivision 2, is amended to read:

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

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

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

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

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

81.30 (5) if any health plan offered by the health carrier requires enrollees to pay cost-sharing
81.31 on any covered prescription drugs including deductibles, co-payments, or coinsurance in

82.1 an amount that is greater than the amount the enrollee's health plan would pay for the drug
82.2 absent the applicable enrollee cost-sharing and after accounting for any rebate amount; and

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

82.7 (b) The commissioner of commerce must share reported data with the commissioner of
82.8 health and, in consultation with the commissioner of health, shall release a summary of the
82.9 information reported in paragraph (a) at the same time as the information required under
82.10 section 62A.02, subdivision 2, paragraph (c).

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

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

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

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

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

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

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

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

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

82.30 (f) A utilization review organization is prohibited from using any form of automated
82.31 processing alone without a clinician review by an appropriate health professional, as required
82.32 under this section, when making an adverse determination.

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

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

83.4 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
83.5 **SERVICES.**

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

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

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

83.20 (d) A health plan company must not impose an NQTL with respect to mental health and
83.21 substance use disorders in any classification of benefits unless, under the terms of the health
83.22 plan as written and in operation, any processes, strategies, evidentiary standards, or other
83.23 factors used in applying the NQTL to mental health and substance use disorders in the
83.24 classification are comparable to, and are applied no more stringently than, the processes,
83.25 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
83.26 to medical and surgical benefits in the same classification.

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

83.31 (f) The commissioner may require information from health plan companies to confirm
83.32 that mental health parity is being implemented by the health plan company. Information
83.33 required may include comparisons between mental health and substance use disorder

84.1 treatment and other medical conditions, including a comparison of prior authorization
84.2 requirements, drug formulary design, claim denials, rehabilitation services, and other
84.3 information the commissioner deems appropriate.

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

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

84.14 (1) 99492;

84.15 (2) 99493;

84.16 (3) 99494;

84.17 (4) G2214; and

84.18 (5) G0512.

84.19 This paragraph does not apply to managed care plans or county-based purchasing plans
84.20 when the plan provides coverage to public health care program enrollees under chapter
84.21 256B or 256L.

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

84.25 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
84.26 behavioral health service delivery method described at Federal Register, volume 81, page
84.27 80230, which includes a formal collaborative arrangement among a primary care team
84.28 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
84.29 includes but is not limited to the following elements:

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

84.31 (2) structured care management;

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

85.1 (4) modification of treatment as appropriate.

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

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

85.9 (2) identify any enforcement actions taken by either commissioner during the preceding
85.10 12-month period regarding compliance with parity for mental health and substance use
85.11 disorders benefits under state and federal law, summarizing the results of any market conduct
85.12 examinations. The summary must include: (i) the number of formal enforcement actions
85.13 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
85.14 subject matter of each enforcement action, including quantitative and nonquantitative
85.15 treatment limitations;

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

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

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

85.26 (l) A health plan must reimburse all alcoholism, mental health, and chemical dependency
85.27 services provided by clinical trainees pursuant to section 245I.04, subdivision 6, at a rate
85.28 at least equal to 100 percent of the rate that would be paid to an independently licensed
85.29 mental health professional performing the same services. This paragraph does not apply if
85.30 the service provided by the clinical trainee is not:

85.31 (1) within the clinical trainee's scope of practice under section 245I.04, subdivision 7;
85.32 or

86.1 (2) a covered service if performed by an independently licensed mental health professional
86.2 at the same clinic.

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

86.5 Sec. 8. Minnesota Statutes 2024, section 62U.04, subdivision 13, is amended to read:

86.6 Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The
86.7 commissioner or the commissioner's designee shall make the data submitted under
86.8 subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to:
86.9 (1) individuals and organizations engaged in research on, or efforts to effect transformation
86.10 in, health care outcomes, access, quality, disparities, or spending, provided the use of the
86.11 data serves a public benefit; and (2) the commissioner of commerce, subject to the data use
86.12 requirements under subdivision 11, paragraph (b), to perform health insurance oversight
86.13 duties.

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

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

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

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

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

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

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

86.30 (3) create a research advisory group to advise the commissioner on applications for data
86.31 use under this subdivision, including an examination of the rigor of the research approach,

87.1 the technical capabilities of the proposed user, and the ability of the proposed user to
87.2 successfully safeguard the data.

87.3 Sec. 9. Minnesota Statutes 2024, section 62W.06, is amended by adding a subdivision to
87.4 read:

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

87.9 Sec. 10. Minnesota Statutes 2024, section 270B.14, subdivision 11, is amended to read:

87.10 Subd. 11. **Disclosure to commissioner of health.** (a) On the request of the commissioner
87.11 of health, the commissioner may disclose return information to the extent provided in
87.12 paragraph (b) and for the purposes provided in paragraph (c).

87.13 (b) Data that may be disclosed are limited to the taxpayer's identity, as defined in section
87.14 270B.01, subdivision 5.

87.15 (c) The commissioner of health may request data only for the purposes of carrying out
87.16 epidemiologic investigations, which includes conducting occupational health and safety
87.17 surveillance, and locating and notifying individuals exposed to health hazards as a result of
87.18 employment. Requests for data by the commissioner of health must be in writing and state
87.19 the purpose of the request. Data received may be used only for the purposes of section
87.20 144.0525.

87.21 (d) The commissioner may provide records and information collected under sections
87.22 295.50 to 295.59 to the commissioner of health to the extent provided for and for the purposes
87.23 described in section 62J.40.

87.24 Sec. 11. **DIRECTION TO COMMISSIONER; CHAPTER 62J EVALUATION OF**
87.25 **HOME CARE NURSING SERVICES; LEGISLATIVE SOLUTIONS.**

87.26 (a) The commissioner of commerce must evaluate 2026 S.F. No. 4502 in accordance
87.27 with the requirements for an evaluation of a mandated health benefit proposal under
87.28 Minnesota Statutes, section 62J.26. By January 15, 2027, the commissioner must submit a
87.29 written report on the evaluation to the chairs and ranking minority members of the legislative
87.30 committees with jurisdiction over health insurance policy and finance and health and human
87.31 services policy and finance. In addition to all analyses, impacts, data, and other information
87.32 required to be included in the evaluation under Minnesota Statutes, section 62J.26, the

88.1 commissioner must include an evaluation of the fiscal impacts on the medical assistance
88.2 program. The fiscal impacts on the medical assistance program must be determined in
88.3 consultation with the commissioner of human services.

88.4 (b) By January 15, 2027, the commissioner of commerce must provide the chairs and
88.5 ranking minority members of the legislative committees with jurisdiction over health
88.6 insurance policy and finance and health and human services finance and policy with proposals
88.7 for legislative action to support the needs of medically complex individuals and their families
88.8 utilizing home care nursing services. The commissioner must consult with the commissioner
88.9 of human services to develop the proposals. The proposals must:

88.10 (1) consider fiscal impacts on the state, impacted families, and health plan companies;

88.11 (2) prioritize affordable health care coverage for the complex medical needs of recipients
88.12 of home care nursing services; and

88.13 (3) include legislative language.

88.14 **ARTICLE 4**

88.15 **REINSURANCE**

88.16 Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

88.17 Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance
88.18 entity to administer the state-based reinsurance program referred to as the Minnesota premium
88.19 security plan.

88.20 (b) The association may apply for any available federal funding for the plan. All funds
88.21 received by or appropriated to the association shall be deposited in the premium security
88.22 plan account in section 62E.25, subdivision 1. The association shall notify the chairs and
88.23 ranking minority members of the legislative committees with jurisdiction over health and
88.24 human services and insurance within ten days of receiving any federal funds.

88.25 (c) The association must collect or access data from an eligible health carrier that are
88.26 necessary to determine reinsurance payments, according to the data requirements under
88.27 subdivision 5, paragraph (c).

88.28 (d) The board must not use any funds allocated to the plan for staff retreats, promotional
88.29 giveaways, excessive executive compensation, or promotion of federal or state legislative
88.30 or regulatory changes. This paragraph does not prohibit the association from providing
88.31 technical assistance or information regarding the association or the Minnesota premium
88.32 security plan.

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

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

89.6 (g) By August 15 ~~of the year following the applicable benefit year, 2027, for benefit~~
 89.7 year 2026, the association must disburse all applicable reinsurance payments to an eligible
 89.8 health carrier. For benefit year 2027, the association must disburse applicable reinsurance
 89.9 payments to an eligible health carrier no later than August 31, 2028.

89.10 (h) For benefit year 2027, the commissioner must transfer to the association the total
 89.11 amount of money necessary for the association to pay all applicable reinsurance payments
 89.12 to each eligible health carrier by August 15, 2028.

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

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

89.18 (b) ~~By May 1~~ April 15, 2028, the ~~association~~ commissioner must provide each group
 89.19 health carrier with an estimate of the carrier's assessment under paragraph (a).

89.20 (c) ~~By June 30~~ July 3, 2028, the association must ~~notify each group health carrier of the~~
 89.21 ~~carrier's assessment amount under paragraph (a). The association must determine propose~~
 89.22 ~~each carrier's assessment amount, in consultation with~~ to the commissioner; Each carrier's
 89.23 proposed assessment amount must be based on the group health carrier's portion of the total
 89.24 premiums for group health plans written in Minnesota for benefit year 2027. The
 89.25 commissioner must approve the carrier's assessment amount by July 20. The association
 89.26 ~~must establish the final~~ assessment amount for each group health plan so must ensure that
 89.27 the aggregate assessment amount collected from group health plans under this subdivision
 89.28 equals the amount necessary for the appropriations and transfers under section 62E.25,
 89.29 subdivision 1. By July 24, 2028, the association must notify each group health carrier of
 89.30 the carrier's proposed assessment amount under paragraph (a).

89.31 (d) Subject to paragraph (e), each group health carrier must pay the assessment under
 89.32 paragraph (a) to the ~~association~~ commissioner by August ~~1~~ 7, 2028. The commissioner must
 89.33 deposit assessment payments received under this paragraph in the premium security plan

90.1 account under section 62E.25. A group health plan must pay the assessment in the manner
 90.2 determined by the commissioner.

90.3 (e) A group health carrier may apply to the commissioner to defer all or part of the
 90.4 assessment imposed under paragraph (a). The application must be submitted to the
 90.5 commissioner by May ~~15~~1, 2028. The commissioner may defer all or part of the assessment
 90.6 if the commissioner determines the payment of the assessment places the group health
 90.7 carrier in a financially impaired condition. The commissioner may deny an application for
 90.8 deferral under this paragraph. No later than June ~~15~~1, 2028, the commissioner must notify
 90.9 the association and the group health carrier whether the assessment deferral is approved or
 90.10 denied. If the commissioner approves the deferral request, the notice must include the amount
 90.11 of and due date for the deferred portion of the assessment. If all or part of the assessment
 90.12 is deferred, the association must include the amount deferred in the other group health
 90.13 carriers' assessments in a proportionate manner consistent with this subdivision. ~~The A~~
 90.14 group health carrier that receives a deferral is liable to the association commissioner for the
 90.15 amount deferred and is prohibited from receiving or becoming entitled to a reinsurance
 90.16 payment under the Minnesota premium security plan until the group health carrier has paid
 90.17 the deferred assessment.

90.18 (f) If the association ~~determines~~ and commissioner determine the assessment imposed
 90.19 under paragraph (a) exceeds or is less than the amount necessary to operate and administer
 90.20 the Minnesota premium security plan and issue reinsurance payments, the ~~association~~
 90.21 commissioner must require group health carriers to pay an additional amount ~~or~~ to the
 90.22 ~~association~~ premium security plan account created under section 62E.25 or the commissioner
 90.23 must issue a refund to the group health carriers out of the premium security plan account.
 90.24 The association and commissioner must determine the accuracy of the assessment by ~~May~~
 90.25 ~~30~~ March 15, 2029.

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

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

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

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

- 91.1 (2) will increase participation in the individual market;
- 91.2 (3) will improve access to health care providers and services for those in the individual
91.3 market;
- 91.4 (4) mitigate the impact high-risk individuals have on premium rates in the individual
91.5 market;
- 91.6 (5) take into account any federal funding available for the plan;
- 91.7 (6) for benefit year 2027, take into account the assessment under subdivision 1a;
- 91.8 (7) ensure the premium security plan account created under section 62E.25, subdivision
91.9 1, has sufficient money to ensure MNsure's stable operation after taking into account the
91.10 Minnesota premium security plan's effect on MNsure's funding; and
- 91.11 (8) take into account the total amount available to fund the plan.
- 91.12 (b) The attachment point for the plan is the threshold amount for claims costs incurred
91.13 by an eligible health carrier for an enrolled individual's covered benefits in a benefit year,
91.14 beyond which the claims costs for benefits are eligible for reinsurance payments. The
91.15 attachment point shall be set by the board at \$50,000 or more, but not exceeding the
91.16 reinsurance cap.
- 91.17 (c) The coinsurance rate for the plan is the rate at which the association will reimburse
91.18 an eligible health carrier for claims incurred for an enrolled individual's covered benefits
91.19 in a benefit year above the attachment point and below the reinsurance cap. The coinsurance
91.20 rate shall be set by the board at a rate between 50 and 80 percent.
- 91.21 (d) The reinsurance cap is the threshold amount for claims costs incurred by an eligible
91.22 health carrier for an enrolled individual's covered benefits, after which the claims costs for
91.23 benefits are no longer eligible for reinsurance payments. The reinsurance cap shall be set
91.24 by the board at \$250,000 or less.
- 91.25 (e) The board may adjust the payment parameters to the extent necessary to secure
91.26 federal approval of the state innovation waiver request in Laws 2017, chapter 13, article 1,
91.27 section 8.
- 91.28 (f) For purposes of paragraph (a), clause (7), the ~~association~~ commissioner must consult
91.29 with the commissioner of management and budget and the board of directors of MNsure to
91.30 determine the amount of funding necessary to ensure MNsure's stable operation.

92.1 Sec. 4. Minnesota Statutes 2025 Supplement, section 297I.20, subdivision 7, as amended
 92.2 by Laws 2026, chapter 88, article 1, section 179, is amended to read:

92.3 Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028,
 92.4 a taxpayer may claim a credit against the premiums tax imposed under this chapter equal
 92.5 to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately
 92.6 preceding calendar year. If the amount of the credit exceeds the liability for tax under this
 92.7 chapter, the commissioner must refund the excess to the ~~insurance company~~ taxpayer. An
 92.8 amount sufficient to pay the refunds under this subdivision is appropriated to the
 92.9 commissioner from the general fund. The credit under this subdivision does not affect the
 92.10 calculation of fire state aid under section 477B.03 and police state aid under section 477C.03.
 92.11 The commissioner of commerce must annually provide to the commissioner a list of
 92.12 assessments paid by taxpayers under section 62E.23 by March 1 of the calendar year
 92.13 following the assessment.

92.14 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 92.15 31, 2028.

92.16 ARTICLE 5

92.17 PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL

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

92.19 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
 92.20 financial or personal association that has the potential to bias or have the appearance of
 92.21 biasing a person's decisions in matters related to the board, ~~the advisory council,~~ or in the
 92.22 conduct of the board's ~~or council's~~ activities. A conflict of interest includes any instance in
 92.23 which a person, a person's immediate family member, including a spouse, parent, child, or
 92.24 other legal dependent, or an in-law of any of the preceding individuals, has received or
 92.25 could receive a direct or indirect financial benefit of any amount deriving from the result
 92.26 or findings of a decision or determination of the board. For purposes of this section, a
 92.27 financial benefit includes honoraria, fees, stock, the value of the member's, immediate family
 92.28 member's, or in-law's stock holdings, and any direct financial benefit deriving from the
 92.29 finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is
 92.30 not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange
 92.31 traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered
 92.32 by an independent trustee.

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

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

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

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

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

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

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

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

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

93.24 (4) generic drugs for which the WAC:

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

93.26 (A) a 30-day supply;

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

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

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

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

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

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

94.18 Sec. 4. **REPEALER.**

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

94.20 ARTICLE 6

94.21 UNCLAIMED PROPERTY

94.22 Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision
94.23 to read:

94.24 Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value
94.25 used as a medium of exchange, unit of account, or store of value that does not have legal
94.26 tender status recognized by the United States. Virtual currency does not include:

94.27 (1) software or protocols governing the transfer of the digital representation of value;

94.28 (2) game-related digital content; or

94.29 (3) a loyalty card or gift card.

95.1 Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF**
95.2 **FUNERAL-RELATED EXPENSES.**

95.3 Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related
95.4 expenses are presumed abandoned at the earliest of:

95.5 (1) three years after the date of death of the beneficiary;

95.6 (2) one year after the date the beneficiary has attained, or would have attained if living,
95.7 the age of 105, if the holder does not know whether the beneficiary is deceased; or

95.8 (3) 30 years after the contract for prepayment was executed.

95.9 Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN**
95.10 **TAX-DEFERRED ACCOUNTS.**

95.11 Property held in a plan described in section 529 or 529A of the Internal Revenue Code,
95.12 as amended, are exempt from the requirements of sections 345.31 to 345.60.

95.13 Sec. 4. **[345.384] VIRTUAL CURRENCY.**

95.14 (a) Virtual currency is presumed abandoned three years after the apparent owner's latest
95.15 indication of interest in the virtual currency.

95.16 (b) For purposes of this section, an indication of an apparent owner's interest in virtual
95.17 currency includes:

95.18 (1) a record communicated by the apparent owner to the holder or agent of the holder
95.19 concerning the property or the account in which the property is held;

95.20 (2) an oral communication by the apparent owner to the holder or agent of the holder
95.21 concerning the property or the account in which the property is held, if the holder or the
95.22 holder's agent contemporaneously makes and preserves a record of the fact of the apparent
95.23 owner's communication;

95.24 (3) a distribution, or evidence of receipt of a distribution made by electronic or similar
95.25 means; or

95.26 (4) activity directed by an apparent owner in the account in which the property is held,
95.27 including accessing the account or information concerning the account, or a direction by
95.28 the apparent owner to increase, decrease, or otherwise change the amount or type of virtual
95.29 currency held in the account.

96.1 (c) An action by an agent or other representative of an apparent owner, other than the
96.2 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
96.3 apparent owner.

96.4 (d) A communication with an apparent owner by a person other than the holder or the
96.5 holder's representative is not an indication of interest in the property by the apparent owner
96.6 unless a record of the communication evidences the apparent owner's knowledge of a right
96.7 to the property.

96.8 Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to
96.9 read:

96.10 Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual
96.11 currency, the holder must liquidate the virtual currency and remit the proceeds to the
96.12 commissioner.

96.13 (b) The liquidation must occur anytime within 30 days before filing the report under
96.14 section 345.41. The owner does not have recourse against the holder or the commissioner
96.15 to recover any gain in value that occurs after the liquidation of the virtual currency under
96.16 this subdivision.

96.17 (c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual
96.18 currency to be liquidated, the holder must promptly notify the commissioner in writing and
96.19 explain the reasons why the virtual currency cannot be liquidated. The commissioner has
96.20 absolute and sole discretion to direct the holder to:

96.21 (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the
96.22 commissioner; or

96.23 (2) continue to hold the virtual currency until the commissioner or the holder determines
96.24 that the virtual currency can be liquidated pursuant to this chapter.

96.25 **ARTICLE 7**

96.26 **TECHNICAL AND MISCELLANEOUS CHANGES**

96.27 Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended
96.28 to read:

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

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

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

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

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

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

97.9 (d) "Rural economic infrastructure" means the development of activities that will enhance
97.10 the value of agricultural crop or livestock commodities or by-products or waste from farming
97.11 operations through new and improved value-added conversion processes and technologies,
97.12 the development of more timely and efficient infrastructure delivery systems, and the
97.13 enhancement of marketing opportunities. "Rural economic infrastructure" also means land,
97.14 buildings, structures, fixtures, and improvements located or to be located in Minnesota and
97.15 used or operated primarily for the processing or the support of production of marketable
97.16 products from agricultural commodities or wind energy produced in Minnesota.

97.17 Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

97.18 Subdivision 1. **Issuance and conditions.** An application for a bank charter must be
97.19 granted if (1) the applicants are of good moral character and financial integrity, (2) there is
97.20 a reasonable public demand for this bank in this location, (3) the probable volume of business
97.21 in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and
97.22 the solvency of the then existing bank or banks in the locality without endangering the safety
97.23 of any bank in the locality as a place of deposit of public and private money, (4) the
97.24 commissioner of commerce is satisfied that the proposed bank will be properly and safely
97.25 managed, and (5) the commissioner is satisfied that the capital funds required pursuant to
97.26 section 48.02 are available and the commissioner may accept any reasonable demonstration
97.27 including subscription agreements supported by current financial statements. If the application
97.28 does not satisfy the requirements of this subdivision, it must be denied. In case of the denial
97.29 of the application, the commissioner of commerce shall specify the grounds for the denial.
97.30 A person aggrieved may obtain judicial review of the determination in accordance with
97.31 chapter 14.

98.1 Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

98.2 **48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.**

98.3 Notwithstanding any law to the contrary, a bank, savings bank, savings association, or
98.4 credit union organized under the laws of this state, or a national bank or federally chartered
98.5 savings bank, savings association, or credit union, doing business in this state, may charge
98.6 on any loan or discount made or upon any note, bill or other evidence of debt, except an
98.7 extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2
98.8 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial
98.9 paper in effect at the Board of Governors of the Federal Reserve Bank located in the Ninth
98.10 Federal Reserve District System.

98.11 Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

98.12 **49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION**
98.13 **OR MERGER.**

98.14 (a) Either before or after the consolidation or merger agreement has been approved by
98.15 the commissioner of commerce, it must be submitted to the stockholders of each corporation
98.16 at a meeting thereof called, and it does not become binding upon the corporation until it has
98.17 been approved at each of the meetings required by this section by the vote or ballot of the
98.18 stockholders, holding at least a majority of the amount of stock of the respective corporations,
98.19 or a higher percentage as may be required by the certificate of incorporation of the
98.20 corporations. Proof of the holding of these meetings and the results thereof must be submitted
98.21 to the commissioner of commerce.

98.22 (b) After the agreement called for by sections 49.33 to 49.41 has been approved by the
98.23 stockholders of the respective corporations and by the commissioner of commerce, the ~~latter~~
98.24 ~~shall~~ commissioner of commerce must issue a certificate reciting that the corporations have
98.25 complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or
98.26 merger of these corporations and the name of the consolidated or surviving corporation, the
98.27 amount of capital stock thereof, the names of the first board of directors, and the place of
98.28 business of the consolidated or surviving corporation, which must be within the city where
98.29 any of the constituent corporations have been previously authorized to have their places of
98.30 business.

98.31 (c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the~~
98.32 ~~Secretary of State,~~ the incorporation is deemed to be complete in the case of the consolidation,
98.33 and the assets of the constituent corporations merged into the survivor in the case of a

99.1 merger, and the consolidated or surviving corporation shall, from the date of this certificate,
99.2 have the term of corporate existence as may be specified in it, not exceeding the longest
99.3 unexpired term of any constituent corporation. The certificate of the commissioner of
99.4 commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have
99.5 been complied with, and is conclusive evidence of the existence of the consolidated or
99.6 surviving corporation.

99.7 Sec. 5. Minnesota Statutes 2024, section 58B.051, is amended to read:

99.8 **58B.051 REGISTRATION FOR LENDERS.**

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

99.13 (b) A registration application must include:

99.14 (1) the lender's name;

99.15 (2) the lender's address;

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

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

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

99.21 (d) The commissioner may adopt and enforce:

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

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

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

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

100.1 Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

100.2 Subdivision 1. **Annual statements required.** Every insurance company, including
100.3 fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file
100.4 with the commissioner, ~~annually, on or before March 1,~~ the appropriate verified National
100.5 Association of Insurance Commissioners' annual statement blank, on or before April 30 for
100.6 all lines of insurance except health, which must be filed on or before May 31. The National
100.7 Association of Insurance Commissioners' annual statement blank must be prepared in
100.8 accordance with the association's instructions handbook and following those accounting
100.9 procedures and practices prescribed by the association's accounting practices and procedures
100.10 manual, unless the commissioner requires or finds another method of valuation reasonable
100.11 under the circumstances. Another method of valuation permitted by the commissioner must
100.12 be at least as conservative as those prescribed in the association's manual. All companies
100.13 required to file an annual statement under this subdivision may also be required to file with
100.14 the commissioner and the National Association of Insurance Commissioners a copy of their
100.15 annual statement in an electronic form prescribed by the commissioner. All Minnesota
100.16 domestic insurers required to file annual statements under this subdivision must also file
100.17 quarterly statements with the commissioner for the first, second, and third calendar quarter
100.18 on or before 45 days after the end of the applicable quarter, prepared in accordance with
100.19 the association's instruction handbook. All companies required to file quarterly statements
100.20 under this subdivision may also be required to file the quarterly statements with the
100.21 commissioner and the National Association of Insurance Commissioners in an electronic
100.22 form prescribed by the commissioner. In addition, the commissioner may require the filing
100.23 of any other information determined to be reasonably necessary for the continual enforcement
100.24 of these laws. The statement may be limited to the insurer's business and condition in the
100.25 United States unless the commissioner finds that the business conducted outside the United
100.26 States may detrimentally affect the interests of policyholders in this state. The statements
100.27 shall also contain a verified schedule showing all details required by law for assessment
100.28 and taxation. The statement or schedules shall be in the form and shall contain all matters
100.29 the commissioner may prescribe, and it may be varied as to different types of insurers so
100.30 as to elicit a true exhibit of the condition of each insurer.

100.31 Sec. 7. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

100.32 Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~
100.33 A company shall transact is prohibited from transacting any new business in this state after
100.34 ~~May~~ August 31 in any year unless it ~~shall have~~ the company previously transmitted its
100.35 annual statement to the commissioner and filed a copy of its statement with the National

101.1 Association of Insurance Commissioners. The commissioner may by order annually require
101.2 that each insurer pay the required fee to the National Association of Insurance Commissioners
101.3 for the filing of annual statements, but the fee shall not be more than 50 percent greater than
101.4 the fee set by the National Association of Insurance Commissioners. Failure to file the
101.5 annual statement with the commissioner or the National Association of Insurance
101.6 Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on
101.7 the relative premium volume of each insurer.

101.8 Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

101.9 Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline
101.10 or requirement specified by this section, ~~on receiving, not less than ten days if the~~
101.11 commissioner receives a written request for an extension from the company before the date
101.12 of default, ~~satisfactory evidence of imminent hardship to the company.~~

101.13 Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended
101.14 to read:

101.15 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
101.16 with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814.
101.17 Gasoline that is not blended with biofuel must also comply with the volatility requirements
101.18 in Code of Federal Regulations, title 40, part 1090.

101.19 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
101.20 a person responsible for the product:

101.21 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
101.22 4;

101.23 (2) shall not blend the gasoline with any oxygenate other than biofuel;

101.24 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
101.25 biofuel;

101.26 (4) shall not blend the gasoline with products commonly and commercially known as
101.27 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
101.28 gasoline; and

101.29 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
101.30 designed to replace tetra-ethyl lead, that is registered by the EPA.

102.1 Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended
102.2 to read:

102.3 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
102.4 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
102.5 5.

102.6 (b) A gasoline-ethanol blend must:

102.7 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
102.8 1090;

102.9 (2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from
102.10 which a gasoline-ethanol blend was produced must comply with ASTM specification
102.11 ~~D4814-24a~~ D4814; and

102.12 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
102.13 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
102.14 or otherwise removed from a refinery or terminal.

102.15 Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended
102.16 to read:

102.17 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must
102.18 be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806.
102.19 This includes the requirement that ethanol may be denatured only as specified in Code of
102.20 Federal Regulations, title 27, parts 20 and 21.

102.21 Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended
102.22 to read:

102.23 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for
102.24 the product shall comply with the following requirements:

102.25 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total,
102.26 of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any
102.27 time in this state; and

102.28 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
102.29 paragraph (b) must not be sold or offered for sale in this state.

102.30 (b) The oxygenates prohibited under paragraph (a) are:

102.31 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

103.1 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

103.2 (3) tertiary amyl methyl ether.

103.3 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
103.4 specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline
103.5 after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

103.6 Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

103.7 Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification
103.8 ~~D396-12~~ D396.

103.9 Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

103.10 Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must
103.11 comply with ASTM specification ~~D975-12a~~ D975.

103.12 (b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel
103.13 component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel
103.14 component must comply with ASTM specification ~~D6751-11b~~ D6751.

103.15 Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

103.16 Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

103.17 Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

103.18 Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification
103.19 ~~D910-11~~ D910.

103.20 Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

103.21 Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply
103.22 with ASTM specification ~~D1655-12~~ D1655.

103.23 Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

103.24 Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must
103.25 comply with ASTM specification ~~D2880-03~~ D2880.

104.1 Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

104.2 Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent
104.3 ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section
104.4 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

104.5 Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

104.6 Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol
104.7 and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel
104.8 vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification
104.9 ~~D5797-07~~ D5797.

104.10 Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

104.11 Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable,
104.12 mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal
104.13 fats and that meets American Society for Testing and Materials (ASTM) specification
104.14 ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

104.15 Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

104.16 Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline
104.17 must comply with ASTM specification ~~D6227-12~~ D6227.

104.18 Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

104.19 Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel
104.20 and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled
104.21 vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

104.22 (b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible
104.23 liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets
104.24 American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel
104.25 Fuel (B100) Blend Stock for Distillate Fuels.

104.26 (c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section,
104.27 unless the palm oil is contained within waste oil and grease collected within the United
104.28 States or Canada.

105.1 Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

105.2 Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to
105.3 produce or generate power for propelling internal combustion engine aircraft.

105.4 Aviation gasoline includes any gasoline:

105.5 (1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor
105.6 or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation
105.7 gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other
105.8 ASTM specification as gasoline appropriate for use in producing or generating power for
105.9 propelling internal combustion engine aircraft; or

105.10 (2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an
105.11 aircraft.

105.12 Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

105.13 Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean
105.14 blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic
105.15 hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications
105.16 in ASTM specification ~~D1655-12~~ D1655.

105.17 Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

105.18 Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of
105.19 petroleum distillate and residual fuels that is intended for use as a motor fuel in internal
105.20 combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

105.21 Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

105.22 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived
105.23 denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent
105.24 ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by
105.25 volume. For the purposes of this chapter, the energy content of E85 will be considered to
105.26 be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
105.27 as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

106.1 Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended
106.2 to read:

106.3 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
106.4 with gasoline, has been agriculturally derived, and complies with ASTM specification
106.5 ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as
106.6 specified in Code of Federal Regulations, title 27, parts 20 and 21.

106.7 Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

106.8 Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures
106.9 of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign
106.10 matter, intended for use in nonaviation gas turbine engines, and that meets the specifications
106.11 in ASTM specification ~~D2880-03~~ D2880.

106.12 Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended
106.13 to read:

106.14 Subd. 23. **Gasoline.** (a) "Gasoline" means:

106.15 (1) all products commonly or commercially known or sold as gasoline regardless of
106.16 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
106.17 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
106.18 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
106.19 removed from a refinery or terminal; and

106.20 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
106.21 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
106.22 tested by the Weights and Measures Division meets the specifications in ASTM specification
106.23 ~~D4814-24a~~ D4814.

106.24 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
106.25 other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and
106.26 the volatility requirements in Code of Federal Regulations, title 40, part 1090.

106.27 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
106.28 a person responsible for the product:

106.29 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
106.30 24;

107.1 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
107.2 derived ethanol;

107.3 (3) must not blend the gasoline with other petroleum products that are not gasoline or
107.4 denatured, agriculturally derived ethanol;

107.5 (4) must not blend the gasoline with products commonly and commercially known as
107.6 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
107.7 gasoline; and

107.8 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
107.9 designed to replace tetra-ethyl lead, that is registered by the EPA.

107.10 Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended
107.11 to read:

107.12 Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with
107.13 nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or
107.14 ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that
107.15 complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured
107.16 ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or
107.17 otherwise removed from a refinery or terminal.

107.18 Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

107.19 Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of
107.20 petroleum distillates and residuals, or petroleum residual heating fuel that meets the
107.21 specifications in ASTM specification ~~D396-12~~ D396.

107.22 Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

107.23 Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a
107.24 homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic
107.25 compounds, and excessive amounts of particulate contaminants and that meets the
107.26 specifications in ASTM specification ~~D3699-08~~ D3699.

107.27 Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

107.28 Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol
107.29 and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol
107.30 by volume. For the purposes of this chapter, the energy content of M85 will be considered

108.1 to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel
108.2 vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~
108.3 D5797.

108.4 Sec. 35. Minnesota Statutes 2024, section 349.211, subdivision 2b, is amended to read:

108.5 Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize ~~which~~ that may be awarded
108.6 for a paddle ticket is \$70. The maximum value of a merchandise prize that may be awarded
108.7 for a paddle ticket must not exceed a fair market value of \$200. An organization may not
108.8 sell any paddle ticket for more than ~~\$2~~ \$5.

108.9 (b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

108.10 Sec. 36. Minnesota Statutes 2024, section 609.761, subdivision 3, is amended to read:

108.11 Subd. 3. **Social skill game.** Sections 609.755 and 609.76 do not prohibit tournaments
108.12 or contests that satisfy all of the following requirements:

108.13 (1) the tournament or contest consists of the card games of chance commonly known as
108.14 cribbage, skat, sheephead, bridge, euchre, hasenpfeffer, pinochle, gin, 500, smear, Texas
108.15 hold'em, or whist;

108.16 (2) the tournament or contest does not provide any direct financial benefit to the promoter
108.17 or organizer;

108.18 (3) the value of all prizes awarded for each tournament or contest does not exceed \$200;
108.19 and

108.20 (4) for a tournament or contest involving Texas hold'em:

108.21 (i) no person under 18 years of age may participate;

108.22 (ii) the payment of an entry fee or other consideration for participating is prohibited;

108.23 (iii) the value of all prizes awarded to an individual winner of a tournament or contest
108.24 at a single location may not exceed \$200 each day; and

108.25 (iv) the organizer or promoter must ensure that reasonable accommodations are made
108.26 for players with disabilities. Accommodations to the table and the cards shall include the
108.27 announcement of the cards visible to the entire table and the use of Braille cards for players
108.28 who are blind.

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

109.1 Sec. 37. **REPEALER.**

109.2 Minnesota Statutes 2024, section 48.158, is repealed.

APPENDIX
Article locations for h4188-3

ARTICLE 1	CONSUMER PROTECTION, FINANCIAL PRODUCTS, AND INSURANCE.....	Page.Ln 2.2
ARTICLE 2	SECURITIES.....	Page.Ln 60.22
ARTICLE 3	HEALTH INSURANCE.....	Page.Ln 78.1
ARTICLE 4	REINSURANCE.....	Page.Ln 88.14
ARTICLE 5	PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.	Page.Ln 92.16
ARTICLE 6	UNCLAIMED PROPERTY.....	Page.Ln 94.20
ARTICLE 7	TECHNICAL AND MISCELLANEOUS CHANGES	Page.Ln 96.25

48.158 SETTLEMENT OF CHECKS AT LESS THAN PAR.

No bank or trust company organized under the laws of this state shall settle any check drawn on it otherwise than at par. The provisions of this section shall not apply with respect to the settlement of a check sent to such bank or trust company as a special collection item. This section is in effect on and after November 1, 1968.

56.08 ANNUAL LICENSE FEE.

Every licensee shall, on or before the 20th day of each December, pay to the commissioner the sum of \$150 as an annual license fee for the next succeeding calendar year.

62J.86 DEFINITIONS.

Subd. 2. **Advisory council.** "Advisory council" means the Prescription Drug Affordability Advisory Council established under section 62J.88.

62J.88 PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL.

Subdivision 1. **Establishment.** The governor shall appoint a 18-member stakeholder advisory council to provide advice to the board on drug cost issues and to represent stakeholders' views. The governor shall appoint the members of the advisory council based on the members' knowledge and demonstrated expertise in one or more of the following areas: the pharmaceutical business; practice of medicine; patient perspectives; health care cost trends and drivers; clinical and health services research; and the health care marketplace.

Subd. 2. **Membership.** The council's membership shall consist of the following:

- (1) two members representing patients and health care consumers;
- (2) two members representing health care providers;
- (3) one member representing health plan companies;
- (4) two members representing employers, with one member representing large employers and one member representing small employers;
- (5) one member representing government employee benefit plans;
- (6) one member representing pharmaceutical manufacturers;
- (7) one member who is a health services clinical researcher;
- (8) one member who is a pharmacologist;
- (9) one member representing the commissioner of health with expertise in health economics;
- (10) one member representing pharmaceutical wholesalers;
- (11) one member representing pharmacy benefit managers;
- (12) one member from the Rare Disease Advisory Council;
- (13) one member representing generic drug manufacturers;
- (14) one member representing pharmaceutical distributors; and
- (15) one member who is an oncologist who is not employed by, under contract with, or otherwise affiliated with a hospital.

Subd. 3. **Terms.** (a) The initial appointments to the advisory council must be made by January 1, 2024. The initial appointed advisory council members shall serve staggered terms of two, three, or four years, determined by lot by the secretary of state. Following the initial appointments, the advisory council members shall serve four-year terms.

(b) Removal and vacancies of advisory council members shall be governed by section 15.059.

Subd. 4. **Compensation.** Advisory council members may be compensated according to section 15.059, except that those advisory council members designated in subdivision 2, clauses (10) to (15), must not be compensated.

Subd. 5. **Meetings.** Meetings of the advisory council are subject to chapter 13D. The advisory council shall meet publicly at least every three months to advise the board on drug cost issues related to the prescription drug product information submitted to the board under section 62J.90.

APPENDIX
Repealed Minnesota Statutes: H4188-3

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not expire.

332A.02 DEFINITIONS.

Subd. 2. **Accreditation.** "Accreditation" means certification as an accredited credit counseling provider by the Council on Accreditation, the Bureau Veritas Certification North America, Inc., or BSI Management Systems America, Inc.

332B.02 DEFINITIONS.

Subd. 2. **Accreditation.** "Accreditation" means certification as an accredited credit counseling provider by the Council on Accreditation, the Bureau Veritas Certification North America, Inc., or BSI Management Systems America, Inc.