

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 4365

(SENATE AUTHORS: KLEIN)

DATE	D-PG	OFFICIAL STATUS
03/11/2026	6595	Introduction and first reading Referred to Commerce and Consumer Protection
04/20/2026	8382a	Comm report: To pass as amended and re-refer to Finance
04/27/2026		Comm report: To pass as amended Second reading Referred to for comparison to HF4188

1.1 A bill for an act

1.2 relating to commerce; eliminating the Prescription Drug Affordability Advisory

1.3 Council; modifying various provisions governing nondepository financial

1.4 institutions, insurance, consumer protection, telecommunications, securities,

1.5 financial products, and unclaimed property; providing for health plan regulatory

1.6 alignment; transferring duties and employees; modifying the premium security

1.7 plan; modifying provisions related to charitable gambling; requiring reports; making

1.8 technical corrections; appropriating money and making reductions; amending

1.9 Minnesota Statutes 2024, sections 46.044, subdivision 1; 47.20, subdivision 1;

1.10 47.59, subdivision 1; 47.60, subdivision 1; 48.195; 49.37; 52.063, subdivision 3;

1.11 52.24, subdivisions 1, 2, by adding a subdivision; 53.04, subdivision 3a; 53B.69,

1.12 subdivision 10; 53B.74; 53C.09, subdivision 4; 56.002; 56.01; 56.05; 58.06,

1.13 subdivision 2; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18,

1.14 subdivision 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11;

1.15 58B.051; 58B.06, subdivisions 4, 6; 60A.07, by adding a subdivision; 60A.085;

1.16 60A.13, subdivisions 1, 6; 60A.50, subdivisions 1, 3; 60A.951, subdivision 3;

1.17 60A.985, subdivision 8; 60A.9853, subdivision 1; 60A.9854; 60B.03, subdivision

1.18 2; 60G.01, subdivisions 2, 4; 60K.383; 62A.02, subdivision 8; 62A.021, subdivision

1.19 1; 62A.135, subdivision 1; 62A.46, subdivision 2; 62A.61; 62A.65, subdivisions

1.20 7, 8; 62D.08, subdivisions 1, 2, 3, 7, by adding a subdivision; 62D.12, subdivision

1.21 1; 62D.124, subdivision 5; 62D.221, subdivisions 1, 2; 62E.11, subdivisions 9,

1.22 13; 62E.23, subdivision 1; 62J.40; 62J.60, subdivision 5; 62J.89, subdivisions 1,

1.23 2; 62J.90, subdivision 2; 62J.96, by adding a subdivision; 62K.07, subdivision 2;

1.24 62L.02, subdivision 8; 62L.08, subdivision 11; 62L.09, subdivision 3; 62L.10,

1.25 subdivision 4; 62L.11, subdivision 2; 62M.02, by adding a subdivision; 62M.09,

1.26 subdivision 3; 62M.11; 62Q.01, subdivision 2; 62Q.106; 62Q.188, subdivision 2;

1.27 62Q.37, subdivision 2; 62Q.47; 62Q.51, subdivision 3; 62Q.545; 62Q.556,

1.28 subdivisions 3, 4; 62Q.69, subdivisions 2, 3; 62Q.71; 62Q.73, subdivisions 3, 10;

1.29 62Q.81, subdivision 7; 62U.04, subdivision 13; 62W.06, by adding a subdivision;

1.30 65A.27, subdivision 1; 72A.061, subdivision 5; 72A.13, subdivision 1; 72A.18,

1.31 subdivision 2, by adding subdivisions; 72A.20, subdivision 2, by adding a

1.32 subdivision; 80A.50; 80C.12, subdivision 1; 80G.01, subdivision 5a; 237.035;

1.33 237.036; 237.069; 237.07, subdivision 1; 237.11; 237.164; 237.626, subdivisions

1.34 1, 3; 237.66, by adding subdivisions; 237.70, subdivision 7; 237.762, subdivision

1.35 5; 239.761, subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 239.77, subdivision 1;

1.36 256B.0913, subdivision 4; 296A.01, subdivisions 7, 8, 14, 19, 22, 26, 28, 35;

1.37 325E.21, subdivisions 1b, 2c; 325F.79; 325F.791, subdivisions 1, 5; 325F.792,

1.38 subdivision 2; 332.32; 332.52, subdivision 3; 332A.04, subdivision 1; 332B.04,

2.1 subdivision 1; 345.31, by adding a subdivision; 345.43, by adding a subdivision;
 2.2 349.211, subdivision 2b; Minnesota Statutes 2025 Supplement, sections 8.37,
 2.3 subdivisions 3, 5; 41A.09, subdivision 2a; 58B.02, subdivision 8a; 62A.31,
 2.4 subdivision 1u; 62D.21; 62D.211; 62E.23, subdivisions 1a, 2; 80A.66; 239.761,
 2.5 subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; 297L.20, subdivision 7;
 2.6 proposing coding for new law in Minnesota Statutes, chapters 45A; 48; 52; 53B;
 2.7 58; 60A; 62A; 62D; 65A; 80A; 82B; 82C; 325E; 325F; 325M; 345; proposing
 2.8 coding for new law as Minnesota Statutes, chapters 59E; 65C; repealing Minnesota
 2.9 Statutes 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions
 2.10 1, 2, 3, 4, 5; 56.08; 62J.86, subdivision 2; 62J.88; 62J.96, subdivision 3; 237.065;
 2.11 237.066; 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8,
 2.12 9, 10, 11; 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59,
 2.13 subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a,
 2.14 3; 237.75; 237.766; 237.768; 237.772; 237.775; 332A.02, subdivision 2; 332B.02,
 2.15 subdivision 2.

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

2.17 ARTICLE 1

2.18 COMMERCE FINANCE

2.19 Section 1. **HEALTH MAINTENANCE ORGANIZATIONS AND COUNTY-BASED**
 2.20 **PURCHASERS REGULATION; APPROPRIATION.**

2.21 \$1,750,000 in fiscal year 2028 is appropriated from the general fund to the commissioner
 2.22 of commerce to regulate health maintenance organizations and county-based purchasers.

2.23 Sec. 2. **APPROPRIATION REDUCTION.**

2.24 The commissioner of management and budget must reduce the Department of Health's
 2.25 fiscal year 2028 general fund appropriation by \$1,750,000 and must reduce the Department
 2.26 of Health's fiscal year 2028 state government special revenue fund appropriation by
 2.27 \$1,836,000 to account for the transfer of health maintenance organization and county-based
 2.28 purchaser regulatory responsibilities to the commissioner of commerce. These reductions
 2.29 are ongoing.

2.30 ARTICLE 2

2.31 PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL

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

2.33 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
 2.34 financial or personal association that has the potential to bias or have the appearance of
 2.35 biasing a person's decisions in matters related to the board, ~~the advisory council,~~ or in the
 2.36 conduct of the board's ~~or council's~~ activities. A conflict of interest includes any instance in
 2.37 which a person, a person's immediate family member, including a spouse, parent, child, or

3.1 other legal dependent, or an in-law of any of the preceding individuals, has received or
3.2 could receive a direct or indirect financial benefit of any amount deriving from the result
3.3 or findings of a decision or determination of the board. For purposes of this section, a
3.4 financial benefit includes honoraria, fees, stock, the value of the member's, immediate family
3.5 member's, or in-law's stock holdings, and any direct financial benefit deriving from the
3.6 finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is
3.7 not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange
3.8 traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered
3.9 by an independent trustee.

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

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

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

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

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

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

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

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

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

4.1 (4) generic drugs for which the WAC:

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

4.3 (A) a 30-day supply;

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

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

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

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

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

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

4.24 Sec. 4. **REPEALER.**

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

4.26 **ARTICLE 3**

4.27 **NONDEPOSITORY INSTITUTIONS**

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

4.29 Subdivision 1. **General authority.** Pursuant to rules the commissioner of commerce
4.30 finds to be necessary and proper, if any, banks, savings banks, and savings associations
4.31 organized under the laws of this state or the United States, trust companies, trust companies

5.1 acting as fiduciaries, and other banking institutions subject to the supervision of the
5.2 commissioner of commerce, including residential mortgage originators and servicers under
5.3 chapter 58, and mortgagees or lenders approved or certified by the secretary of housing and
5.4 urban development or approved or certified by the administrator of veterans affairs, or
5.5 approved or certified by the administrator of the Farmers Home Administration or any
5.6 successor, or approved or certified by the Federal Home Loan Mortgage Corporation, or
5.7 approved or certified by the Federal National Mortgage Association, are authorized:

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

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

5.21 (3) to make, purchase, or participate in such loans and advances of credit; including
5.22 reverse mortgage loans, notwithstanding anything in subdivision 4b, sections 47.58 and
5.23 334.01, and chapter 56 or 58 to the contrary; as would be eligible for purchase, in whole or
5.24 in part, by the Federal National Mortgage Association or the Federal Home Loan Mortgage
5.25 Corporation, but without regard to any limitation placed upon the maximum principal amount
5.26 of an eligible loan; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7.9 (j) "Finance charge" has the meaning given in Code of Federal Regulations, title 12, part
7.10 226, except that the following will not in any event be considered a finance charge:

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

7.15 (2) an additional charge under subdivision 6;

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

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

7.21 (5) a commission, expense reimbursement, or other sum received by a financial institution
7.22 or a person described in subdivision 4 in connection with insurance described in subdivision
7.23 6.

7.24 (k) "Financial institution" means a state or federally chartered bank, a state or federally
7.25 chartered bank and trust, a trust company with banking powers, a state or federally chartered
7.26 saving bank, a state or federally chartered savings association, an industrial loan and thrift
7.27 company organized under chapter 53, a sales finance company organized under chapter
7.28 53C, a regulated lender organized under chapter 56, a mortgage originator or servicer
7.29 licensed under chapter 58, or an operating subsidiary of any such institution.

7.30 (l) "Loan" means:

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

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

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

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

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

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

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

8.16 (m) "Official fees" means:

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

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

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

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

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

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

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

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

9.4 (ii) prepaid finance charges.

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

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

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

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

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

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

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

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

10.5 (c) An agency or instrumentality of the United States government or a corporation
 10.6 otherwise created by an act of the United States Congress or a lender approved or certified
 10.7 by the secretary of housing and urban development, or approved or certified by the
 10.8 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
 10.9 Home Administration, or approved or certified by the Federal Home Loan Mortgage
 10.10 Corporation, or approved or certified by the Federal National Mortgage Association, that
 10.11 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
 10.12 direct collection of payments from or enforcement of rights against borrowers arising from
 10.13 mortgage loans, is not required to obtain a certificate of authorization under this chapter in
 10.14 order to purchase or take assignments of mortgage loans from persons holding a certificate
 10.15 of authorization under this chapter.

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

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

10.19 **53B.74 VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL**
 10.20 **REQUIREMENTS.**

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

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

10.29 (2) the virtual currency asset has a corresponding liability denominated in the virtual
 10.30 currency;

10.31 (3) the virtual currency is unencumbered; and

11.1 (4) the virtual currency assets that are not subtracted from total assets are limited to the
11.2 virtual currency assets that have a corresponding liability denominated in the same virtual
11.3 currency.

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

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

11.8 (i) the identity of the person;

11.9 (ii) the form of the transaction;

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

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

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

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

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

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

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

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

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

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

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

12.2 Subd. 4. **Other law may apply.** In lieu of this section and sections 53C.01, subdivisions
12.3 2, 4, and 13; 53C.08; 53C.10; and 53C.11, a retail seller or sales finance company may
12.4 proceed under section 47.59 ~~relating to credit sales made by a third party~~, subdivisions 4,
12.5 4a, and 6. In cases where the retail seller or sales finance company proceeds under section
12.6 47.59, the remaining provisions of sections 53C.01 to 53C.14 apply notwithstanding section
12.7 47.59.

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

12.9 **56.002 APPLICATION.**

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

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

12.20 **56.01 NECESSITY OF LICENSE.**

12.21 (a) Except as authorized by this chapter and without first obtaining a license from the
12.22 commissioner, no person shall engage in the business of making loans of money, credit,
12.23 goods, or things in action, in an amount or of a value not exceeding that specified in section
12.24 56.131, subdivision 1, and charge, contract for, or receive on the loan a greater rate of
12.25 interest, discount, or consideration than the lender would be permitted by law to charge if
12.26 not a licensee under this chapter. A person must obtain a license from the commissioner
12.27 under this chapter before arranging a consumer short-term loan under section 47.601.

12.28 (b) An agency or instrumentality of the United States government or a corporation
12.29 otherwise created by an act of the United States Congress or a lender approved or certified
12.30 by the secretary of housing and urban development, or approved or certified by the
12.31 administrator of veterans affairs, or approved or certified by the administrator of the Farmers
12.32 Home Administration, or approved or certified by the Federal Home Loan Mortgage
12.33 Corporation, or approved or certified by the Federal National Mortgage Association, that

13.1 engages in the business of purchasing or taking assignments of mortgage loans and undertakes
 13.2 direct collection of payments from or enforcement of rights against borrowers arising from
 13.3 mortgage loans, is not required to be licensed under this chapter in order to purchase or take
 13.4 assignments of mortgage loans from licensees under this chapter.

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

13.6 **56.05 LICENSE; TO BE POSTED.**

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

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

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

13.15 Subd. 2. **Application contents.** (a) The application must contain the name and complete
 13.16 business address or addresses of the license applicant. The license applicant must be a
 13.17 partnership, limited liability partnership, association, limited liability company, corporation,
 13.18 or other form of business organization, and the application must contain the names and
 13.19 complete business addresses of each partner, member, director, and principal officer. The
 13.20 application must also include a description of the activities of the license applicant, in the
 13.21 detail and for the periods the commissioner may require.

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

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

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

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

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

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

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

- 14.1 (v) complies with federal and state tax laws; and
- 14.2 (vi) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law;
- 14.3 (2) information as to the mortgage lending, servicing, or brokering experience of the
- 14.4 applicant and persons in control of the applicant;
- 14.5 (3) information as to criminal convictions, excluding traffic violations, of persons in
- 14.6 control of the license applicant;
- 14.7 (4) whether a court of competent jurisdiction has found that the applicant or persons in
- 14.8 control of the applicant have engaged in conduct evidencing gross negligence, fraud,
- 14.9 misrepresentation, or deceit in performing an act for which a license is required under this
- 14.10 chapter;
- 14.11 (5) whether the applicant or persons in control of the applicant have been the subject of:
- 14.12 an order of suspension or revocation, cease and desist order, or injunctive order, or order
- 14.13 barring involvement in an industry or profession issued by this or another state or federal
- 14.14 regulatory agency or by the Secretary of Housing and Urban Development within the ten-year
- 14.15 period immediately preceding submission of the application; and
- 14.16 (6) other information required by the commissioner.

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

14.18 **58B.051 REGISTRATION FOR LENDERS.**

14.19 (a) Beginning January 1, 2025, a lender must register with the commissioner as a lender

14.20 before providing services in Minnesota. A lender must not offer or make a student loan to

14.21 a resident of Minnesota without first registering with the commissioner as provided in this

14.22 section.

14.23 (b) A registration application must include:

14.24 (1) the lender's name;

14.25 (2) the lender's address;

14.26 (3) the names of all officers, directors, owners, or other persons in control of an applicant,

14.27 as defined in section 58B.02, subdivision 6; and

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

14.29 (c) Registration issued or renewed expires December 31 of each year. A lender must

14.30 renew the lender's registration on an annual basis.

15.1 (d) The commissioner may adopt and enforce:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.13 (10) any consumer reporting agency as defined in the federal Fair Credit Reporting Act,
 16.14 United States Code, title 15, sections 1681 to 1681t, as amended through December 31,
 16.15 1990.

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

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

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

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

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

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

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

16.28 (6) disclosure of:

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

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

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

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

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

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

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

17.18 ~~(9)~~ (8) any other information and material as the commissioner may require.

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

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

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

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

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

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

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

18.1 (5) disclosure of:

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

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

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

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

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

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

18.22 ~~(8)~~ (7) any other information and material as the commissioner may require.

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

18.25 Sec. 15. **REPEALER.**

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

19.1

ARTICLE 4

19.2

HEALTH PLAN REGULATORY ALIGNMENT19.3 Section 1. **[60A.071] SUBSTANTIAL ENROLLMENT GROWTH; NOTIFICATION.**

19.4 Subdivision 1. **Notice required.** (a) No later than April 15 each year, an insurance
19.5 company that issues health plans, as defined in section 62A.011, and is licensed under this
19.6 chapter to offer, sell, or issue a policy of accident and sickness insurance, as defined in
19.7 section 62A.01, subdivision 1, or that is a nonprofit health service plan corporation operating
19.8 under chapter 62C must notify the commissioner if, for an insurance company or nonprofit
19.9 health service plan corporation with at least 25,000 enrollees, the insurance company or
19.10 nonprofit health service plan corporation:

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

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

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

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

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

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

19.30 (3) the key assumptions impacting the projections and the sensitivity of the projections
19.31 to the assumptions; and

19.32 (4) a description of anticipated issues associated with the insurance company's or
19.33 nonprofit health service plan corporation's business, including but not limited to (i) assets,

20.1 (ii) anticipated business growth and associated surplus strain, (iii) significant change in risk
 20.2 profile, (iv) mix of business, and (v) reinsurance use, if any, in each case.

20.3 (b) If the information reported under paragraph (a) raises a concern with respect to an
 20.4 insurance company's or nonprofit health service plan corporation's business on a prospective
 20.5 basis due to anticipated business growth, including but not limited to anticipated business
 20.6 growth, strain on surplus, increased exposure to risk, or an imbalanced mix of business, the
 20.7 commissioner may issue a corrective order specifying corrective actions the commissioner
 20.8 determines are required. A corrective order issued under this paragraph is subject to review
 20.9 under chapter 14.

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

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

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

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

20.16 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

20.24 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce ~~for~~
 20.25 ~~insurers regulated by the commissioner of commerce, and means the commissioner of health~~
 20.26 ~~for insurers regulated by the commissioner of health.~~

20.27 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

21.6 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

21.13 (1) this state is the licensee's state of domicile, in the case of an insurer, or this state is
 21.14 the licensee's home state, in the case of a producer, as those terms are defined in chapter
 21.15 60K and the cybersecurity event has a reasonable likelihood of materially harming:

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

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

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

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

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

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

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

21.26 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

21.28 **60A.9854 POWER OF COMMISSIONER.**

21.29 (a) The commissioner of commerce ~~or commissioner of health, whichever commissioner~~
 21.30 ~~otherwise regulates the licensee, shall have~~ has power to examine and investigate into the

22.1 affairs of any licensee to determine whether the licensee has been or is engaged in any
 22.2 conduct in violation of sections 60A.985 to 60A.9857. This power is in addition to the
 22.3 powers which the commissioner has under section 60A.031. Any such investigation or
 22.4 examination shall be conducted pursuant to section 60A.031.

22.5 (b) Whenever the commissioner of commerce ~~or commissioner of health~~ has reason to
 22.6 believe that a licensee has been or is engaged in conduct in this state which violates sections
 22.7 60A.985 to 60A.9857, the commissioner of commerce ~~or commissioner of health~~ may take
 22.8 action that is necessary or appropriate to enforce those sections.

22.9 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

22.11 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce ~~of the~~
 22.12 ~~state of Minnesota~~ and, in that commissioner's absence or disability, a deputy or other person
 22.13 duly designated to act in that commissioner's place. ~~In the context of rehabilitation or~~
 22.14 ~~liquidation of a health maintenance organization, "commissioner" means the commissioner~~
 22.15 ~~of health of the state of Minnesota and, in that commissioner's absence or disability, a deputy~~
 22.16 ~~or other person duly designated to act in that commissioner's place.~~

22.17 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

22.19 Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce, ~~except~~
 22.20 ~~that "commissioner" means the commissioner of health for administrative supervision of~~
 22.21 ~~health maintenance organizations.~~

22.22 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

22.24 Subd. 4. **Department.** "Department" means the Department of Commerce, ~~except that~~
 22.25 ~~"department" means the Department of Health for administrative supervision of health~~
 22.26 ~~maintenance organizations.~~

22.27 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

22.29 Subd. 8. **Filing by health carriers for purposes of complying with the certification**
 22.30 **requirements of MNsure.** No qualified health plan shall be offered through MNsure until

23.1 its form and the premium rates pertaining to the form have been approved by the
23.2 commissioner of commerce ~~or health, as appropriate~~, and the health plan has been determined
23.3 to comply with the certification requirements of MNsure in accordance with an agreement
23.4 between the commissioners of commerce and health and MNsure.

23.5 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

23.7 Subdivision 1. **Loss ratio standards.** (a) Notwithstanding section 62A.02, subdivision
23.8 3, relating to loss ratios, and except as otherwise authorized by section 62A.02, subdivision
23.9 3a, for individual policies or certificates, health care policies or certificates shall not be
23.10 delivered or issued for delivery to an individual or to a small employer as defined in section
23.11 62L.02, unless the policies or certificates can be expected, as estimated for the entire period
23.12 for which rates are computed to provide coverage, to return to Minnesota policyholders and
23.13 certificate holders in the form of aggregate benefits not including anticipated refunds or
23.14 credits, provided under the policies or certificates, (1) at least 75 percent of the aggregate
23.15 amount of premiums earned in the case of policies issued in the small employer market, as
23.16 defined in section 62L.02, subdivision 27, calculated on an aggregate basis; and (2) at least
23.17 65 percent of the aggregate amount of premiums earned in the case of each policy form or
23.18 certificate form issued in the individual market; calculated on the basis of incurred claims
23.19 experience or incurred health care expenses where coverage is provided by a health
23.20 maintenance organization on a service rather than reimbursement basis and earned premiums
23.21 for the period and according to accepted actuarial principles and practices. Assessments by
23.22 the reinsurance association created in chapter 62L and all types of taxes, surcharges, or
23.23 assessments created by Laws 1992, chapter 549, or created on or after April 23, 1992, are
23.24 included in the calculation of incurred claims experience or incurred health care expenses.
23.25 The applicable percentage for policies and certificates issued in the small employer market,
23.26 as defined in section 62L.02, increases by one percentage point on July 1 of each year,
23.27 beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The
23.28 applicable percentage for policy forms and certificate forms issued in the individual market
23.29 increases by one percentage point on July 1 of each year, beginning on July 1, 1994, until
23.30 a 72 percent loss ratio is reached on July 1, 2000. A health carrier that enters a market after
23.31 July 1, 1993, does not start at the beginning of the phase-in schedule and must instead
23.32 comply with the loss ratio requirements applicable to other health carriers in that market
23.33 for each time period. Premiums earned and claims incurred in markets other than the small
23.34 employer and individual markets are not relevant for purposes of this section.

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

24.8 (c) A health carrier that issues health care policies and certificates to individuals or to
24.9 small employers, as defined in section 62L.02, in this state shall file annually its rates, rating
24.10 schedule, and supporting documentation including ratios of incurred losses to earned
24.11 premiums by policy form or certificate form duration for approval by the commissioner
24.12 according to the filing requirements and procedures prescribed by the commissioner. The
24.13 supporting documentation shall also demonstrate in accordance with actuarial standards of
24.14 practice using reasonable assumptions that the appropriate loss ratio standards can be
24.15 expected to be met over the entire period for which rates are computed. The demonstration
24.16 shall exclude active life reserves. If the data submitted does not confirm that the health
24.17 carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify
24.18 the health carrier in writing of the deficiency. The health carrier shall have 30 days from
24.19 the date of the commissioner's notice to file amended rates that comply with this section.
24.20 If the health carrier fails to file amended rates within the prescribed time, the commissioner
24.21 shall order that the health carrier's filed rates for the nonconforming policy form or certificate
24.22 form be reduced to an amount that would have resulted in a loss ratio that complied with
24.23 this section had it been in effect for the reporting period of the supplement. The health
24.24 carrier's failure to file amended rates within the specified time or the issuance of the
24.25 commissioner's order amending the rates does not preclude the health carrier from filing an
24.26 amendment of its rates at a later time. The commissioner shall annually make the submitted
24.27 data available to the public at a cost not to exceed the cost of copying. The data must be
24.28 compiled in a form useful for consumers who wish to compare premium charges and loss
24.29 ratios.

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

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

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

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

25.12 (g) Notwithstanding paragraphs (a) and (f), the loss ratio shall be 60 percent for a health
 25.13 plan as defined in section 62A.011, offered by an insurance company licensed under chapter
 25.14 60A that is assessed less than ten percent of the total annual amount assessed by the
 25.15 Minnesota Comprehensive Health Association. For purposes of the percentage calculation
 25.16 of the association's assessments, an insurance company's assessments include those of its
 25.17 affiliates.

25.18 (h) ~~The commissioners~~ commissioner of commerce and health ~~shall each~~ must annually
 25.19 issue a public report listing, by health plan company, the actual loss ratios experienced in
 25.20 the individual and small employer markets in this state ~~by the health plan companies that~~
 25.21 ~~the commissioners respectively regulate. The commissioners shall coordinate release of~~
 25.22 ~~these reports so as to release them as a joint report or as separate reports issued the same~~
 25.23 ~~day.~~ The report or reports shall be released no later than June 1 for loss ratios experienced
 25.24 for the preceding calendar year. Health plan companies shall provide to the ~~commissioners~~
 25.25 commissioner any information requested by the ~~commissioners~~ commissioner for purposes
 25.26 of this paragraph.

25.27 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

25.29 **62A.61 DISCLOSURE OF METHODS USED BY HEALTH CARRIERS TO**
 25.30 **DETERMINE USUAL AND CUSTOMARY FEES.**

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

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

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

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

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

26.8 (c) ~~The commissioner of health or the commissioner of commerce, as appropriate,~~ may
26.9 ~~use to enforce this section~~ any enforcement powers otherwise available to the commissioner
26.10 with respect to the health carrier to enforce this section. The commissioner of ~~health or~~
26.11 ~~commerce, as appropriate,~~ may require health carriers to provide the information required
26.12 under this section and may use any powers granted under other laws relating to the regulation
26.13 of health carriers to enforce compliance.

26.14 (d) For purposes of this section, "health carrier" has the meaning given in section
26.15 62A.011.

26.16 (e) "Usual and customary" means the normal charge, in the absence of insurance, of the
26.17 provider for a service or article, but not more than the prevailing charge in the area for like
26.18 service or article. A "like service" is the same nature and duration, requires the same skill,
26.19 and is performed by a provider of similar training and experience. A "like article" is one
26.20 that is identically or substantially equivalent. "Area" means the municipality or, in the case
26.21 of a large city, a subdivision of the city, in which the service or article is actually provided
26.22 or a greater area as is necessary to obtain a representative cross-section of charges for like
26.23 service or article.

26.24 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

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

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

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

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

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

27.32 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

28.2 Subd. 8. **Cessation of individual business.** Notwithstanding the provisions of
28.3 subdivisions 1 to 7, a health carrier may elect to cease doing business in the individual health
28.4 plan market in this state if it complies with the requirements of this subdivision. For purposes
28.5 of this section, "cease doing business" means to discontinue issuing new individual health
28.6 plans and to refuse to renew all of the health carrier's existing individual health plans issued
28.7 in this state whose terms permit refusal to renew under the circumstances specified in this
28.8 subdivision. This subdivision does not permit cancellation of an individual health plan,
28.9 unless the terms of the health plan permit cancellation under the circumstances specified in
28.10 this subdivision. A health carrier electing to cease doing business in the individual health
28.11 plan market in this state shall notify the commissioner 180 days prior to the effective date
28.12 of the cessation. Within 30 days after the termination, the health carrier shall submit to the
28.13 commissioner a complete list of policyholders that have been terminated. The cessation of
28.14 business does not include the failure of a health carrier to offer or issue new business in the
28.15 individual health plan market or continue an existing product line in that market, provided
28.16 that a health carrier does not terminate, cancel, or fail to renew its current individual health
28.17 plan business. A health carrier electing to cease doing business in the individual health plan
28.18 market shall provide 120 days' written notice to each policyholder covered by an individual
28.19 health plan issued by the health carrier. This notice must also inform each policyholder of
28.20 the existence of the Minnesota Comprehensive Health Association, the requirements for
28.21 being accepted, the procedures for applying for coverage, and the telephone numbers at the
28.22 ~~Department of Health and the~~ Department of Commerce for information about private
28.23 individual or family health coverage. A health carrier that ceases to write new business in
28.24 the individual health plan market shall continue to be governed by this section with respect
28.25 to continuing individual health plan business conducted by the health carrier. A health carrier
28.26 that ceases to do business in the individual health plan market after July 1, 1994, is prohibited
28.27 from writing new business in the individual health plan market in this state for a period of
28.28 five years from the date of notice to the commissioner. This subdivision applies to any
28.29 health maintenance organization that ceases to do business in the individual health plan
28.30 market in one service area with respect to that service area only. Nothing in this subdivision
28.31 prohibits an affiliated health maintenance organization from continuing to do business in
28.32 the individual health plan market in that same service area. The right to refuse to renew an
28.33 individual health plan under this subdivision does not apply to individual health plans issued
28.34 on a guaranteed renewable basis that does not permit refusal to renew under the circumstances
28.35 specified in this subdivision.

29.1 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

29.3 Subdivision 1. **Transfer and restructuring.** (a) The regulatory oversight with respect
 29.4 to health maintenance organizations transfers from the commissioner of health to the
 29.5 commissioner of commerce on July 1, 2027.

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

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

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

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

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

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

29.19 (4) if employed in a temporary unclassified position, the total length of time that the
 29.20 employee has served in the appointment includes all time served in the appointment at the
 29.21 transferring agency and the time served in the appointment at the department. An employee
 29.22 in a temporary unclassified position who was hired by a transferring agency through an
 29.23 open competitive selection process in accordance with a policy enacted by the commissioner
 29.24 of management and budget is considered to have been hired through an open competitive
 29.25 selection process after the transfer.

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

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

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

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

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

30.12 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

30.14 Subdivision 1. **Notice of changes.** A health maintenance organization shall, unless
 30.15 otherwise provided for by rules adopted by the commissioner of ~~health~~ commerce, file
 30.16 notice with the commissioner of ~~health~~ commerce ~~prior to any modification of~~ before
 30.17 modifying the operations or documents described in the information submitted under section
 30.18 62D.03, subdivision 4, clauses (a), (b), (e), (f), (g), (i), (j), (l), (m), (n), (o), (p), (q), (r), (s),
 30.19 and (t) of section 62D.03, subdivision 4. If the commissioner of ~~health~~ commerce does not
 30.20 disapprove of the filing within 60 days, it shall be deemed approved and may be implemented
 30.21 by the health maintenance organization.

30.22 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

30.24 Subd. 2. **Annual report required.** Every health maintenance organization shall annually,
 30.25 on or before April 1, file a verified report with the commissioner of ~~health~~ commerce
 30.26 covering the preceding calendar year. However, utilization data required under subdivision
 30.27 3, clause (c), shall be filed on or before July 1.

30.28 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

31.11 (b) the number of new enrollees enrolled during the year, the number of group enrollees
31.12 and the number of individual enrollees as of the end of the year and the number of enrollees
31.13 terminated during the year;

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

31.16 (d) a report of the names and addresses of all persons set forth in section 62D.03,
31.17 subdivision 4, clause (c), who were associated with the health maintenance organization or
31.18 the major participating entity during the preceding year, and the amount of wages, expense
31.19 reimbursements, or other payments to such individuals for services to the health maintenance
31.20 organization or the major participating entity, as those services relate to the health
31.21 maintenance organization, including a full disclosure of all financial arrangements during
31.22 the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause
31.23 (d);

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

31.27 (f) data on the number of complaints received and the category of each complaint as
31.28 defined by the commissioner. The categories must include access, communication and
31.29 behavior, health plan administration, facilities and environment, coordination of care, and
31.30 technical competence and appropriateness. The commissioner, in consultation with interested
31.31 stakeholders, shall define complaint categories to be used by each health maintenance
31.32 organization by July 1, 2017, and the categories must be used by each health maintenance
31.33 organization beginning calendar year 2018; and

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

32.4 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

32.17 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

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

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

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

33.10 Subd. 2. **Additional information.** (a) Upon receiving notice under subdivision 1, the
33.11 commissioner may request and the health maintenance organization must provide additional
33.12 information regarding the health maintenance organization's financial readiness to serve
33.13 the increased enrollment. The additional information requested may include but is not limited
33.14 to:

33.15 (1) the conditions contributing to the health maintenance organization's enrollment
33.16 growth;

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

33.19 (3) the key assumptions impacting the projections and the sensitivity of the projections
33.20 to the assumptions; and

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

33.25 (b) If the information reported under paragraph (a) raises a concern with respect to a
33.26 health maintenance organization's business on a prospective basis due to anticipated business
33.27 growth, including but not limited to anticipated business growth, strain on surplus, increased
33.28 exposure to risk, or an imbalanced mix of business, the commissioner may issue a corrective
33.29 order specifying corrective actions the commissioner determines are required. A corrective
33.30 order issued under this paragraph is subject to review under chapter 14.

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

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

34.10 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

34.12 Subd. 5. **Provider networks.** ~~The commissioner of health, the commissioner of~~
 34.13 ~~commerce, and the commissioner of human services shall merge reporting requirements~~
 34.14 ~~for health maintenance organizations and county-based purchasing plans related to Minnesota~~
 34.15 ~~Department of Health~~ Commerce oversight of network adequacy under this section and the
 34.16 provider network list reported to the Department of Human Services under Minnesota Rules,
 34.17 part 4685.2100. The commissioners shall work with health maintenance organizations and
 34.18 county-based purchasing plans to ensure that the report merger is done in a manner that
 34.19 simplifies health maintenance organization and county-based purchasing plan reporting
 34.20 processes.

34.21 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

34.23 **62D.21 FEES.**

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

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

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

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

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

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

35.1 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

35.3 **62D.211 RENEWAL FEE.**

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

35.8 **EFFECTIVE DATE.** This section is effective July 1, 2027.

35.9 Sec. 28. **[62D.212] HEALTH MAINTENANCE ORGANIZATION REGULATION**
35.10 **ACCOUNT.**

35.11 (a) A health maintenance organization regulation account is established as a separate
35.12 account in the special revenue fund in the state treasury. The commissioner of commerce
35.13 must credit to the account filing fees and renewal fees collected under sections 62D.21 and
35.14 62D.211, appropriations and transfers, and other revenue related to the activities identified
35.15 in paragraph (b). Earnings, including interest, dividends, other earnings arising from the
35.16 account's assets, and remaining money from fiscal years occurring before July 1, 2027, must
35.17 be credited to the account. The commissioner of commerce must manage the account.

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

35.20 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

35.22 Subdivision 1. **Insurance provisions applicable to health maintenance**
35.23 **organizations.** Health maintenance organizations are subject to sections 60A.135, 60A.136,
35.24 60A.137, 60A.16, 60A.161, 60D.17, 60D.18, and 60D.20 and must comply with the
35.25 provisions of these sections applicable to insurers. In applying these sections to health
35.26 maintenance organizations, "commissioner" means the commissioner of ~~health~~ commerce.
35.27 Health maintenance organizations are subject to Minnesota Rules, chapter 2720, as applicable
35.28 to sections 60D.17, 60D.18, and 60D.20, and must comply with the provisions of chapter
35.29 2720 applicable to insurers, unless the commissioner of ~~health~~ commerce adopts rules to
35.30 implement this subdivision.

35.31 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

36.2 Subd. 2. **Statement.** In addition to the conditions in section 60D.17, subdivision 1,
36.3 subjecting a health maintenance organization to filing requirements, no person other than
36.4 the issuer shall acquire all or substantially all of the assets of a domestic nonprofit health
36.5 maintenance organization through any means unless at the time the offer, request, or
36.6 invitation is made or the agreement is entered into the person has filed with the commissioner
36.7 and has sent to the health maintenance organization a statement containing the information
36.8 required in section 60D.17 and the offer, request, invitation, agreement, or acquisition has
36.9 been approved by the commissioner of health commerce in the manner prescribed in section
36.10 60D.17.

36.11 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

36.13 Subd. 9. **Special assessment upon termination of individual health coverage.** (a)
36.14 Each contributing member that terminates individual health coverage for reasons other than
36.15 ~~(a)~~ (1) nonpayment of premium; ~~(b)~~ (2) failure to make co-payments; ~~(c)~~ (3) enrollee moving
36.16 out of the area served; or ~~(d)~~ (4) a materially false statement or misrepresentation by the
36.17 enrollee in the application for membership; and does not provide or arrange for replacement
36.18 coverage that meets the requirements of section 62D.121; shall pay a special assessment to
36.19 the state plan based upon the number of terminated individuals who join the comprehensive
36.20 health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d),
36.21 and 6. Such a contributing member shall pay the association an amount equal to the average
36.22 cost of an enrollee in the state plan in the year in which the member terminated enrollees
36.23 multiplied by the total number of terminated enrollees who enroll in the state plan.

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

36.29 (c) In the event that the contributing member is terminating health coverage because of
36.30 a loss of health care providers, the commissioner may review whether or not the special
36.31 assessment established under this subdivision will have an adverse impact on the contributing
36.32 member or its enrollees or insureds, including but not limited to causing the contributing
36.33 member to fall below statutory net worth requirements. If the commissioner determines that
36.34 the special assessment would have an adverse impact on the contributing member or its

37.1 enrollees or insureds, the commissioner may adjust the amount of the special assessment,
 37.2 or establish alternative payment arrangements to the state plan. For health maintenance
 37.3 organizations regulated under chapter 62D, the commissioner of ~~health~~ commerce shall
 37.4 make the determination regarding any adjustment in the special assessment ~~and shall transmit~~
 37.5 ~~that determination to the commissioner of commerce.~~

37.6 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

37.14 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

37.16 **62J.40 COST CONTAINMENT DATA FROM STATE AGENCIES AND OTHER**
 37.17 **GOVERNMENTAL UNITS.**

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

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

37.31 (c) A state agency that purchases health care services, provides oversight over health
 37.32 insurance rates, collects health care taxes, or regulates health care entities must provide to

38.1 the commissioner nonpublic data the commissioner requests to satisfy statutory duties under
 38.2 sections 62J.301 to 62J.461, 62J.84, 62J.87, 62U.01 to 62U.10, 144.70, 145D.01, and
 38.3 145D.02, with respect to monitoring the health care market, including but not limited to
 38.4 consolidation, transaction, corporate structure, utilization, quality, spending growth, and
 38.5 prescription drug supply chains.

38.6 (d) The commissioner of commerce may request unique or custom data sets from a state
 38.7 agency in a request under paragraph (c). The state agency may charge the commissioner of
 38.8 commerce a fee to provide data sets under paragraph (c) at the same rate the state agency
 38.9 charges another public or private entity for the same data.

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

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

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

38.18 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

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

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

38.30 (5) if any health plan offered by the health carrier requires enrollees to pay cost-sharing
 38.31 on any covered prescription drugs including deductibles, co-payments, or coinsurance in

39.1 an amount that is greater than the amount the enrollee's health plan would pay for the drug
39.2 absent the applicable enrollee cost-sharing and after accounting for any rebate amount; and

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

39.7 (b) The commissioner of commerce must share reported data with the commissioner of
39.8 health and, in consultation with the commissioner of health, shall release a summary of the
39.9 information reported in paragraph (a) at the same time as the information required under
39.10 section 62A.02, subdivision 2, paragraph (c).

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

39.12 Subd. 8. **Commissioner.** "Commissioner" means the commissioner of commerce ~~for~~
39.13 ~~health carriers subject to the jurisdiction of the Department of Commerce or the commissioner~~
39.14 ~~of health for health carriers subject to the jurisdiction of the Department of Health, or the~~
39.15 ~~relevant commissioner's designated representative. For purposes of sections 62L.13 to~~
39.16 ~~62L.22, "commissioner" means the commissioner of commerce or that commissioner's~~
39.17 ~~designated representative.~~

39.18 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

39.25 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

39.27 Subd. 3. **Reentry prohibition.** (a) Except as otherwise provided in paragraph (b), a
39.28 health carrier that ceases to do business in the small employer market after July 1, 1993, is
39.29 prohibited from writing new business in the small employer market in this state for a period
39.30 of five years from the date of notice to the commissioner. This subdivision applies to any
39.31 health maintenance organization that ceases to do business in the small employer market

40.1 in one service area with respect to that service area only. Nothing in this subdivision prohibits
 40.2 an affiliated health maintenance organization from continuing to do business in the small
 40.3 employer market in that same service area.

40.4 (b) The commissioner of commerce ~~or the commissioner of health~~ may permit a health
 40.5 carrier that ceases to do business in the small employer market in this state after July 1,
 40.6 1993, to begin writing new business in the small employer market if:

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

40.10 (2) the commissioner deems it appropriate.

40.11 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

40.18 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

40.24 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

40.26 **62M.11 COMPLAINTS TO COMMERCE ~~OR HEALTH.~~**

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

40.30 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

41.2 Subd. 2. **Commissioner.** "Commissioner" means ~~the commissioner of health for purposes~~
 41.3 ~~of regulating health maintenance organizations, and community integrated service networks,~~
 41.4 ~~or the commissioner of commerce for purposes of regulating all other health plan companies.~~
 41.5 For all other purposes, "commissioner" means the commissioner of health.

41.6 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

41.8 **62Q.106 DISPUTE RESOLUTION BY COMMISSIONER.**

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

41.12 (b) In investigating a complaint filed against a health maintenance organization regarding
 41.13 a vulnerable adult, upon request, the commissioner of ~~health~~ commerce must interview at
 41.14 least one family member of the complainant or the subject of the complaint. If the
 41.15 complainant or the subject of the complaint does not want any family members to be
 41.16 interviewed, this information will be included in the investigative file.

41.17 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

41.19 Subd. 2. **Flexible benefits plan.** Notwithstanding any provision of this chapter, chapter
 41.20 363A, or any other law to the contrary, a health plan company may offer, sell, issue, and
 41.21 renew a health plan that is a flexible benefits plan under this section if the following
 41.22 requirements are satisfied:

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

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

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

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

42.5 (5) prior to the sale of the health plan, the purchaser must be given a written list of the
 42.6 coverages otherwise required by law that are modified or excluded in the health plan. The
 42.7 list must include a description of each coverage in the list and indicate whether the coverage
 42.8 is modified or excluded. If coverage is modified, the list must describe the modification.
 42.9 The list may, but is not required to, also list any or all coverages otherwise required by law
 42.10 that are included in the health plan and indicate that they are included. The health plan
 42.11 company must require that a copy of this written list be provided, prior to the effective date
 42.12 of the health plan, to each enrollee or employee who is eligible for health coverage under
 42.13 the plan.

42.14 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

42.18 (b) "Commissioner" means the commissioner of ~~health for purposes of regulating health~~
 42.19 ~~maintenance organizations and community integrated service networks, the commissioner~~
 42.20 ~~of commerce for purposes of regulating~~ health maintenance organizations and nonprofit
 42.21 health service plan corporations, or the commissioner of human services for the purpose of
 42.22 contracting with managed care organizations serving persons enrolled in programs under
 42.23 chapter 256B or 256L.

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

42.28 (d) "Nationally recognized independent organization" means (1) an organization that
 42.29 sets specific national standards governing health care quality assurance processes, utilization
 42.30 review, provider credentialing, marketing, and other topics covered by this chapter and
 42.31 other chapters and audits and provides accreditation to those health plan companies that
 42.32 meet those standards. The American Accreditation Health Care Commission (URAC), the
 42.33 National Committee for Quality Assurance (NCQA), the Joint Commission on Accreditation

43.1 of Healthcare Organizations (JCAHO), and the Accreditation Association for Ambulatory
43.2 Health Care (AAAHC) are, at a minimum, defined as nationally recognized independent
43.3 organizations; and (2) the Centers for Medicare and Medicaid Services for purposes of
43.4 reviews or audits conducted of health plan companies under Part C of Title XVIII of the
43.5 Social Security Act or under section 1876 of the Social Security Act.

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

43.13 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

43.15 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
43.16 **SERVICES.**

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

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

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

43.31 (d) A health plan company must not impose an NQTL with respect to mental health and
43.32 substance use disorders in any classification of benefits unless, under the terms of the health
43.33 plan as written and in operation, any processes, strategies, evidentiary standards, or other

44.1 factors used in applying the NQTL to mental health and substance use disorders in the
44.2 classification are comparable to, and are applied no more stringently than, the processes,
44.3 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
44.4 to medical and surgical benefits in the same classification.

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

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

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

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

44.25 (1) 99492;

44.26 (2) 99493;

44.27 (3) 99494;

44.28 (4) G2214; and

44.29 (5) G0512.

44.30 This paragraph does not apply to managed care plans or county-based purchasing plans
44.31 when the plan provides coverage to public health care program enrollees under chapter
44.32 256B or 256L.

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

45.4 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
45.5 behavioral health service delivery method described at Federal Register, volume 81, page
45.6 80230, which includes a formal collaborative arrangement among a primary care team
45.7 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
45.8 includes but is not limited to the following elements:

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

45.10 (2) structured care management;

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

45.12 (4) modification of treatment as appropriate.

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

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

45.20 (2) identify any enforcement actions taken by either commissioner during the preceding
45.21 12-month period regarding compliance with parity for mental health and substance use
45.22 disorders benefits under state and federal law, summarizing the results of any market conduct
45.23 examinations. The summary must include: (i) the number of formal enforcement actions
45.24 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
45.25 subject matter of each enforcement action, including quantitative and nonquantitative
45.26 treatment limitations;

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

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

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

46.5 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

46.7 Subd. 3. **Rate approval.** The premium rates and cost sharing requirements for each
46.8 option must be submitted to ~~the commissioner of health~~ or the commissioner of commerce
46.9 as required by law. A health plan that includes lower enrollee cost sharing for services
46.10 provided by network providers than for services provided by out-of-network providers, or
46.11 lower enrollee cost sharing for services provided with prior authorization or second opinion
46.12 than for services provided without prior authorization or second opinion, qualifies as a
46.13 point-of-service option.

46.14 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

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

46.25 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

47.5 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

47.7 Subd. 2. **Procedures for filing a complaint.** (a) A complainant may submit a complaint
47.8 to a health plan company either by telephone or in writing. If a complaint is submitted orally
47.9 and the resolution of the complaint, as determined by the complainant, is partially or wholly
47.10 adverse to the complainant, or the oral complaint is not resolved to the satisfaction of the
47.11 complainant, by the health plan company within ten days of receiving the complaint, the
47.12 health plan company must inform the complainant that the complaint may be submitted in
47.13 writing. The health plan company must also offer to provide the complainant with any
47.14 assistance needed to submit a written complaint, including an offer to complete the complaint
47.15 form for a complaint that was previously submitted orally and promptly mail the completed
47.16 form to the complainant for the complainant's signature. At the complainant's request, the
47.17 health plan company must provide the assistance requested by the complainant. The
47.18 complaint form must include the following information:

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

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

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

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

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

47.30 (c) Each health plan company must provide, in the member handbook, subscriber contract,
47.31 or certification of coverage, a clear and concise description of how to submit a complaint

48.1 and a statement that, upon request, assistance in submitting a written complaint is available
48.2 from the health plan company.

48.3 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

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

48.26 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

48.28 **62Q.71 NOTICE TO ENROLLEES.**

48.29 Each health plan company shall provide to enrollees a clear and concise description of
48.30 its complaint resolution procedure, if applicable under section 62Q.68, subdivision 1, and
48.31 the procedure used for utilization review as defined under chapter 62M as part of the member
48.32 handbook, subscriber contract, or certificate of coverage. If the health plan company does

49.1 not issue a member handbook, the health plan company may provide the description in
 49.2 another written document. The description must specifically inform enrollees:

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

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

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

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

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

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

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

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

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

49.24 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

49.26 Subd. 3. **Right to external review.** (a) Any enrollee or anyone acting on behalf of an
 49.27 enrollee who has received an adverse determination may submit a written request for an
 49.28 external review of the adverse determination, if applicable under section 62Q.68, subdivision
 49.29 1, or 62M.06, to the commissioner of health if the request involves a health plan company
 49.30 regulated by that commissioner or to the commissioner of commerce if the request involves
 49.31 a health plan company regulated by that commissioner. Notification of the enrollee's right
 49.32 to external review must accompany the denial issued by the insurer.

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

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

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

50.8 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

50.15 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

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

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

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

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

50.27 (3) offered for purchase to any individual.

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

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

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

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

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

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

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

51.21 **EFFECTIVE DATE.** This section is effective July 1, 2027.

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

51.23 Subd. 13. **Expanded access to and use of the all-payer claims data.** (a) The
51.24 commissioner or the commissioner's designee shall make the data submitted under
51.25 subdivisions 4, 5, 5a, and 5b, including data classified as private or nonpublic, available to:
51.26 (1) individuals and organizations engaged in research on, or efforts to effect transformation
51.27 in, health care outcomes, access, quality, disparities, or spending, provided the use of the
51.28 data serves a public benefit; and (2) the commissioner of commerce, subject to the data use
51.29 requirements under subdivision 11, paragraph (b), to perform health insurance oversight
51.30 duties.

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

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

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

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

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

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

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

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

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

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

52.26 Sec. 58. **REVISOR INSTRUCTION.**

52.27 (a) Except as otherwise provided in this act, the revisor of statutes shall substitute the
52.28 term "commissioner of commerce" for the term "commissioner of health" wherever the
52.29 term appears in (1) Minnesota Statutes, chapters 62D, except section 62D.02, subdivision
52.30 12; 62L; and 62Q, except sections 62Q.19 and 62Q.33; (2) Minnesota Statutes, sections
52.31 60B.15, 60B.191, 60B.20, 62K.09, 62K.10, 62K.105, 62K.12, 62K.13, 62K.14, 62W.05,
52.32 256B.69, and 256B.692; (3) Minnesota Rules, chapters 4685, 2740, 4688; and (4) Minnesota

53.1 Rules, part 9510.2020, subparts 3 and 8, item (C). The revisor shall also make any necessary
 53.2 grammatical changes to verbs or other words to conform with this substitution.

53.3 (b) The revisor of statutes shall remove the term "commissioner of health" wherever the
 53.4 term appears in Minnesota Rules, chapter 2730.

53.5 **EFFECTIVE DATE.** This section is effective July 1, 2027.

53.6 **ARTICLE 5**

53.7 **REINSURANCE**

53.8 Section 1. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

53.9 Subdivision 1. **Administration of plan.** (a) The association is Minnesota's reinsurance
 53.10 entity to administer the state-based reinsurance program referred to as the Minnesota premium
 53.11 security plan.

53.12 (b) The association may apply for any available federal funding for the plan. All funds
 53.13 received by or appropriated to the association shall be deposited in the premium security
 53.14 plan account in section 62E.25, subdivision 1. The association shall notify the chairs and
 53.15 ranking minority members of the legislative committees with jurisdiction over health and
 53.16 human services and insurance within ten days of receiving any federal funds.

53.17 (c) The association must collect or access data from an eligible health carrier that are
 53.18 necessary to determine reinsurance payments, according to the data requirements under
 53.19 subdivision 5, paragraph (c).

53.20 (d) The board must not use any funds allocated to the plan for staff retreats, promotional
 53.21 giveaways, excessive executive compensation, or promotion of federal or state legislative
 53.22 or regulatory changes. This paragraph does not prohibit the association from providing
 53.23 technical assistance or information regarding the association or the Minnesota premium
 53.24 security plan.

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

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

53.30 (g) By August 15 ~~of the year following the applicable benefit year, 2027, for benefit~~
 53.31 year 2026, the association must disburse all applicable reinsurance payments to an eligible
 53.32 health carrier. For benefit year 2027, the commissioner must transfer to the association the

54.1 total amount of money necessary for the association to pay all applicable reinsurance
 54.2 payments to each eligible health carrier by August 15, 2028.

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

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

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

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

54.12 (c) By June 30, 2028, the association must ~~notify each group health carrier of the carrier's~~
 54.13 ~~assessment amount under paragraph (a). The association must determine~~ propose each
 54.14 carrier's assessment amount, in consultation with the commissioner, based on the group
 54.15 health carrier's portion of the total premiums for group health plans written in Minnesota
 54.16 for benefit year 2027. The commissioner must approve the carrier's assessment amount.
 54.17 ~~The association must establish the~~ final assessment amount for each group health plan ~~so~~
 54.18 must ensure that the aggregate assessment amount collected from group health plans under
 54.19 this subdivision equals the amount necessary for the appropriations and transfers under
 54.20 section 62E.25, subdivision 1. By July 25, 2028, the association must notify each group
 54.21 health carrier of the carrier's proposed assessment amount under paragraph (a).

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

54.26 (e) A group health carrier may apply to the commissioner to defer all or part of the
 54.27 assessment imposed under paragraph (a). The application must be submitted to the
 54.28 commissioner by May 15, 2028. The commissioner may defer all or part of the assessment
 54.29 if the commissioner determines the payment of the assessment places the group health
 54.30 carrier in a financially impaired condition. The commissioner may deny an application for
 54.31 deferral under this paragraph. No later than June 15, 2028, the commissioner must notify
 54.32 the association and the group health carrier whether the assessment deferral is approved or
 54.33 denied. If the commissioner approves the deferral request, the notice must include the amount

55.1 of and due date for the deferred portion of the assessment. If all or part of the assessment
 55.2 is deferred, the association must include the amount deferred in the other group health
 55.3 carriers' assessments in a proportionate manner consistent with this subdivision. ~~The~~ A
 55.4 group health carrier that receives a deferral is liable to the ~~association~~ commissioner for the
 55.5 amount deferred and is prohibited from receiving or becoming entitled to a reinsurance
 55.6 payment under the Minnesota premium security plan until the group health carrier has paid
 55.7 the deferred assessment.

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

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

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

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

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

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

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

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

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

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

55.29 (7) ensure the premium security plan account created under section 62E.25, subdivision
 55.30 1, has sufficient money to ensure MNsure's stable operation after taking into account the
 55.31 Minnesota premium security plan's effect on MNsure's funding; and

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

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

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

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

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

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

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

56.22 Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028,
56.23 a taxpayer may claim a credit against the premiums tax imposed under this chapter equal
56.24 to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately
56.25 preceding calendar year. If the amount of the credit exceeds the liability for tax under this
56.26 chapter, the commissioner must refund the excess to the ~~insurance company~~ taxpayer. An
56.27 amount sufficient to pay the refunds under this section is appropriated to the commissioner
56.28 from the general fund. The credit under this subdivision does not affect the calculation of
56.29 fire state aid under section 477B.03 and police state aid under section 477C.03. The
56.30 commissioner of commerce must annually provide to the commissioner a list of assessments
56.31 paid by taxpayers under section 62E.23 by March 1 of the calendar year following the
56.32 assessment.

57.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
 57.2 31, 2028.

57.3 **ARTICLE 6**

57.4 **HEALTH INSURANCE**

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

57.6 Subdivision 1. **Definitions.** For purposes of this section, the following terms have the
 57.7 meanings given them:

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

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

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

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

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

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

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

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

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

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

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

58.28 (ii) the individual is no longer eligible to elect the plan because of a change in the
58.29 individual's place of residence or other change in circumstances specified by the secretary,
58.30 but not including termination of the individual's enrollment on the basis described in section
58.31 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section
58.32 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has
58.33 engaged in disruptive behavior as specified in standards under section 1856 of the federal

59.1 Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated
59.2 for all individuals within a residence area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

60.13 (6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a
60.14 Medicare Advantage plan under Medicare Part C, or with a PACE provider under section
60.15 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12
60.16 months after the effective date of enrollment;

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

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

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

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

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

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

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

61.14 (5) In the case of an individual described in paragraph (b), clause (7), the guaranteed
61.15 issue period begins on the date the individual receives notice pursuant to section
61.16 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the
61.17 60-day period immediately preceding the initial Part D enrollment period and ends on the
61.18 date that is 63 days after the effective date of the individual's coverage under Medicare Part
61.19 D.

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

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

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

61.31 (2) In the case of an individual described in paragraph (b), clause (6), or deemed to be
61.32 so described, pursuant to this paragraph, whose enrollment with a plan or in a program
61.33 described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months
61.34 of enrollment, and who, without an intervening enrollment, enrolls in another such plan or

62.1 program, the subsequent enrollment is deemed to be an initial enrollment described in
62.2 paragraph (b), clause (6).

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

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

62.9 (1) paragraph (b), clauses (1) to ~~(4)~~ (3), is any Medicare supplement policy that has a
62.10 benefit package consisting of the basic Medicare supplement plan described in section
62.11 62A.316, paragraph (a), plus any combination of the three optional riders described in
62.12 section 62A.316, paragraph (b), clauses (1) to (3), offered by any issuer;

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

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

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

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

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

63.1 prescription drugs, subject to the provision that the coverage be offered and available for
 63.2 issuance to new enrollees by the same issuer.

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

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

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

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

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

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

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

63.29 Subd. 2. **Long-term care policy.** (a) "Long-term care policy" means an individual or
 63.30 group policy, certificate, subscriber contract, or other evidence of coverage that provides
 63.31 benefits for prescribed long-term care, including nursing facility services or home care
 63.32 services, or both nursing facility services and home care services, pursuant to the

64.1 requirements of sections 62A.46 to 62A.56. Long-term care policy does not include
 64.2 short-term home health and nursing care insurance under section 62A.70.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

65.8 (2) physical therapy;

65.9 (3) speech therapy;

65.10 (4) respiratory therapy;

65.11 (5) occupational therapy;

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

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

65.14 (8) medical social services; and

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

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

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

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

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

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

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

66.1 (1) cognitive impairment; or

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

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

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

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

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

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

66.12 (2) fraud or misrepresentation by the insured;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

67.26 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
67.27 **SERVICES.**

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

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

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

68.12 (d) A health plan company must not impose an NQTL with respect to mental health and
68.13 substance use disorders in any classification of benefits unless, under the terms of the health
68.14 plan as written and in operation, any processes, strategies, evidentiary standards, or other
68.15 factors used in applying the NQTL to mental health and substance use disorders in the
68.16 classification are comparable to, and are applied no more stringently than, the processes,
68.17 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
68.18 to medical and surgical benefits in the same classification.

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

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

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

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

69.6 (1) 99492;

69.7 (2) 99493;

69.8 (3) 99494;

69.9 (4) G2214; and

69.10 (5) G0512.

69.11 This paragraph does not apply to managed care plans or county-based purchasing plans
69.12 when the plan provides coverage to public health care program enrollees under chapter
69.13 256B or 256L.

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

69.17 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
69.18 behavioral health service delivery method described at Federal Register, volume 81, page
69.19 80230, which includes a formal collaborative arrangement among a primary care team
69.20 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
69.21 includes but is not limited to the following elements:

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

69.23 (2) structured care management;

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

69.25 (4) modification of treatment as appropriate.

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

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

70.4 (2) identify any enforcement actions taken by either commissioner during the preceding
70.5 12-month period regarding compliance with parity for mental health and substance use
70.6 disorders benefits under state and federal law, summarizing the results of any market conduct
70.7 examinations. The summary must include: (i) the number of formal enforcement actions
70.8 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
70.9 subject matter of each enforcement action, including quantitative and nonquantitative
70.10 treatment limitations;

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

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

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

70.21 (1) Health plans must reimburse all alcoholism, mental health, and chemical dependency
70.22 services provided by clinical trainees, pursuant to section 245I.04, subdivision 6, at a rate
70.23 at least equal to 100 percent of the rate that would be paid to an independently licensed
70.24 mental health professional performing the same services. This paragraph does not apply if
70.25 the service provided by the clinical trainee:

70.26 (1) is not within the clinical trainee's scope of practice under section 245I.04, subdivision
70.27 7; or

70.28 (2) is not a covered service if performed by an independently licensed mental health
70.29 professional at the same clinic.

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

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

71.2 **62Q.545 COVERAGE OF HOME CARE NURSING.**

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

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

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

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

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

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

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

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

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

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

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

72.5 Subdivision 1. **Penalties.** Any company, corporation, association, society, or other
 72.6 insurer, or any officer or agent thereof, which or who solicits, issues or delivers to any
 72.7 person in this state any policy in violation of the provisions of sections 60A.06, subdivision
 72.8 3 ~~or~~, 62A.01 to 62A.10, or 62A.70 may be punished by a fine of not more than \$200 for
 72.9 each offense, and the commissioner may revoke the license of any company, corporation,
 72.10 association, society, or other insurer of another state or country, or of the agent thereof,
 72.11 which or who willfully violates any provision of sections 60A.06, subdivision 3 ~~or~~, 62A.01
 72.12 to 62A.10, or 62A.70.

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

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

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

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

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

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

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

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

73.1 (7) except for individuals described in clause (8), the monthly cost of the alternative
73.2 care services funded by the program for this person does not exceed 75 percent of the
73.3 monthly limit described under section 256S.18. This monthly limit does not prohibit the
73.4 alternative care client from payment for additional services, but in no case may the cost of
73.5 additional services purchased under this section exceed the difference between the client's
73.6 monthly service limit defined under section 256S.04, and the alternative care program
73.7 monthly service limit defined in this paragraph. If care-related supplies and equipment or
73.8 environmental modifications and adaptations are or will be purchased for an alternative
73.9 care services recipient, the costs may be prorated on a monthly basis for up to 12 consecutive
73.10 months beginning with the month of purchase. If the monthly cost of a recipient's other
73.11 alternative care services exceeds the monthly limit established in this paragraph, the annual
73.12 cost of the alternative care services shall be determined. In this event, the annual cost of
73.13 alternative care services shall not exceed 12 times the monthly limit described in this
73.14 paragraph;

73.15 (8) for individuals assigned a case mix classification A as described under section
73.16 256S.18, with (i) no dependencies in activities of daily living, or (ii) up to two dependencies
73.17 in bathing, dressing, grooming, walking, and eating when the dependency score in eating
73.18 is three or greater as determined by an assessment performed under section 256B.0911, the
73.19 monthly cost of alternative care services funded by the program cannot exceed \$593 per
73.20 month for all new participants enrolled in the program on or after July 1, 2011. This monthly
73.21 limit shall be applied to all other participants who meet this criteria at reassessment. This
73.22 monthly limit shall be increased annually as described in section 256S.18. This monthly
73.23 limit does not prohibit the alternative care client from payment for additional services, but
73.24 in no case may the cost of additional services purchased exceed the difference between the
73.25 client's monthly service limit defined in this clause and the limit described in clause (7) for
73.26 case mix classification A;

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

73.29 (i) the appointment of a representative payee;

73.30 (ii) automatic payment from a financial account;

73.31 (iii) the establishment of greater family involvement in the financial management of
73.32 payments; or

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

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

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

74.9 (c) Alternative care funding under this subdivision is not available for a person who is
74.10 a medical assistance recipient or who would be eligible for medical assistance without a
74.11 spenddown or waiver obligation. A person whose initial application for medical assistance
74.12 and the elderly waiver program is being processed may be served under the alternative care
74.13 program for a period up to 60 days. If the individual is found to be eligible for medical
74.14 assistance, medical assistance must be billed for services payable under the federally
74.15 approved elderly waiver plan and delivered from the date the individual was found eligible
74.16 for the federally approved elderly waiver plan. Notwithstanding this provision, alternative
74.17 care funds may not be used to pay for any service the cost of which: (i) is payable by medical
74.18 assistance; (ii) is used by a recipient to meet a waiver obligation; or (iii) is used to pay a
74.19 medical assistance income spenddown for a person who is eligible to participate in the
74.20 federally approved elderly waiver program under the special income standard provision.

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

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

ARTICLE 7

CONSUMER PROTECTION

75.1

75.2

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

75.5 Subd. 3. **Money deposited in the account.** ~~50~~ Fifty percent of all money recovered by
75.6 the attorney general in a consumer enforcement action that is payable to the state and not
75.7 designated as consumer enforcement public compensation or for another specific purpose
75.8 ~~up to the first \$5,000,000 each fiscal year~~ must be deposited into the account. The remaining
75.9 50 percent of money recovered by the attorney general in a consumer enforcement action
75.10 that is payable to the state and not designated as consumer enforcement public compensation
75.11 or for another specific purpose must be deposited into the general fund. For purposes of
75.12 this subdivision, the amount of money recovered in a consumer enforcement action that
75.13 must be deposited into the fund is determined at the time when the money otherwise would
75.14 have been deposited into the general fund.

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

75.17 Subd. 5. **Distributions to eligible consumers.** (a) Money in the account may be
75.18 distributed to any eligible consumer with an identified amount of unpaid consumer
75.19 enforcement public compensation. ~~If the amount of money in the account is insufficient to~~
75.20 ~~pay all distributions to eligible consumers with an identified amount of unpaid consumer~~
75.21 ~~enforcement public compensation,~~ the Money must be distributed first to consumers eligible
75.22 for unpaid consumer enforcement public compensation based on a consumer enforcement
75.23 action with a final order of the oldest date.

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

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

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

75.32 (2) 50 percent of the identified amount of unpaid consumer enforcement public
75.33 compensation over \$50,000, or \$50,000, whichever is less.

76.1 Sec. 3. **[45A.08] SUSPECTED FRAUD OR FINANCIAL EXPLOITATION;**
76.2 **TRUSTED CONTACT PROGRAM.**

76.3 **Subdivision 1. Definition.** For purposes of this section, "trusted contact" means a person
76.4 who has attained the age of 18 years and who a financial services provider customer
76.5 designates as a person a financial services provider may contact if (1) an emergency occurs,
76.6 (2) the financial services provider loses contact with the customer, or (3) the financial
76.7 services provider suspects third-party fraud or financial exploitation targeting the customer.

76.8 **Subd. 2. Fraudulent activity; financial exploitation; reporting.** Notwithstanding any
76.9 other law to the contrary, a financial services provider may report suspected fraudulent
76.10 activity or financial exploitation targeting a customer to a federal, state, county, or municipal
76.11 law enforcement agency or an appropriate public protective agency.

76.12 **Subd. 3. Trusted contact program.** (a) Notwithstanding any other law to the contrary,
76.13 a financial services provider may offer a trusted contact program to customers. A customer
76.14 may designate one or more trusted contacts for the financial services provider to contact in
76.15 the event (1) a customer is not responsive to financial services provider communications,
76.16 (2) the financial services provider is presented with an urgent matter or emergency involving
76.17 the customer and the financial services provider is unable to locate the customer, (3) the
76.18 financial services provider suspects fraudulent activity or financial exploitation targeting
76.19 the customer, or (4) the customer's account is deemed dormant and the financial services
76.20 provider is attempting to verify the customer's status and location. A financial services
76.21 provider may establish procedures, requirements, and forms the financial services provider
76.22 deems appropriate and necessary to implement a trusted contact program under this section.

76.23 (b) A customer may terminate a person's appointment as a trusted contact at any time.
76.24 A trusted contact may withdraw the person's status as a trusted contact at any time. The
76.25 financial services provider may require documentation or verification the financial services
76.26 provider determines is necessary to establish a trusted contact's termination or withdrawal.

76.27 **Subd. 4. Account security.** Notwithstanding any other law to the contrary, a financial
76.28 services provider may voluntarily offer customers an account with convenience and security
76.29 features that set transaction limits and permit limited access for one or more trusted contacts
76.30 to view account activity.

76.31 **Subd. 5. Certain liability limited.** (a) A financial services provider is not liable for a
76.32 trusted contact's actions. A financial services provider is not liable for declining to interact
76.33 with a trusted contact if the financial services provider, in good faith and exercising
76.34 reasonable care, determines a trusted contact is not acting in the customer's best interests.

77.1 (b) A financial services provider is not civilly liable for actions taken to report suspected
77.2 fraudulent activity or financial exploitation under subdivision 2.

77.3 (c) A financial services provider is not civilly liable for implementing or not
77.4 implementing, or for actions or omissions related to providing or administering, a trusted
77.5 contact program.

77.6 (d) A trusted contact who acts in good faith and exercises reasonable care is immune
77.7 from liability.

77.8 Sec. 4. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

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

77.16 Sec. 5. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**

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

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

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

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

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

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

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

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

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

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

78.15 Sec. 6. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

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

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

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

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

78.25 (i) proof of identification, including the identification number, if the seller is an individual;
78.26 or

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

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

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

79.4 (6) a statement signed by the seller, under penalty of perjury as provided in section
79.5 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
79.6 or encumbrances and the seller has the right to sell it;

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

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

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

79.14 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
79.15 2c; or

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

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

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

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

79.31 (e) The commissioner of public safety and law enforcement agencies in the jurisdiction
79.32 where a dealer is located may conduct inspections and audits as necessary to ensure

80.1 compliance, refer violations to the city or county attorney for criminal prosecution, and
80.2 notify the registrar of motor vehicles.

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

80.11 Sec. 7. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

80.12 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
80.13 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
80.14 person has a valid license issued by the commissioner under this subdivision.

80.15 (b) On the first Friday of the months of April and October of each calendar year, from
80.16 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
80.17 from individuals who do not have an approved license to sell scrap metal copper under this
80.18 subdivision. All other requirements of subdivision 1b apply and must be documented by
80.19 the scrap metal dealer on the dates specified in this paragraph.

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

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

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

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

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

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

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

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

81.1 ~~(e)~~ (g) Within 30 days of the date an application is received, the commissioner may
 81.2 require additional information or submissions from an applicant and may obtain any
 81.3 document or information that is reasonably necessary to verify the information contained
 81.4 in the application. Within 90 days after the date a completed application is received, the
 81.5 commissioner must review the application and issue a license if the applicant is deemed
 81.6 qualified under this section. The commissioner may issue a license subject to restrictions
 81.7 or limitations. If the commissioner determines the applicant is not qualified, the commissioner
 81.8 must notify the applicant and must specify the reason for the denial.

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

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

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

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

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

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

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

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

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

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

- 82.1 (1) the applicant engages in fraudulent activity that violates state or federal law;
- 82.2 (2) the commissioner receives consumer complaints that justify an action under this
- 82.3 subdivision to protect the safety and interests of consumers;
- 82.4 (3) the applicant fails to pay an application license or renewal fee; or
- 82.5 (4) the applicant fails to comply with a requirement established in this subdivision.

82.6 ~~(k)~~ (m) This subdivision does not apply to transfers by or to an auctioneer who is in

82.7 compliance with chapter 330 and acting in the person's official role as an auctioneer to

82.8 facilitate or conduct an auction of scrap metal.

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

82.10 **Sec. 8. [325E.91] PROHIBITION ON NUDIFICATION TECHNOLOGY.**

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

82.12 the meanings given.

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

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

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

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

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

82.18 (1) an image or video is altered or generated to depict an intimate part not depicted in

82.19 an original unaltered image or video of an identifiable individual; and

82.20 (2) the altered or generated image or video is so realistic that a reasonable person would

82.21 believe that the intimate part belongs to the identifiable individual.

82.22 (e) "Technical skill" means substantial application of individualized technological or

82.23 artistic skill and judgment by a human creator in directing, shaping, or controlling the output.

82.24 Subd. 2. **Nudification prohibited.** (a) A person who owns or controls a website,

82.25 application, software, program, or other service must not:

82.26 (1) allow a user to access, download, or use the website, application, software, program,

82.27 or other service to nudify an image or video; or

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

83.1 (b) A person must not advertise or promote a website, application, software, program,
83.2 or other service that performs the actions described in paragraph (a).

83.3 Subd. 3. **Exemption.** Subdivision 2 does not apply when the website, application,
83.4 software, program, or other service requires the technical skill of a user to nudyify an image
83.5 or video.

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

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

83.11 (2) punitive damages;

83.12 (3) injunctive relief;

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

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

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

83.19 (b) Notwithstanding any contrary provision in law, including but not limited to section
83.20 16A.151, a civil penalty recovered under this subdivision must be deposited into the general
83.21 fund. On July 1 each year, the accumulated balance of civil penalties collected in the previous
83.22 year is appropriated to the commissioner of public safety for the Office of Justice Programs
83.23 to provide grants to organizations to provide direct services and advocacy for victims of
83.24 sexual assault, general crime, domestic violence, and child abuse. Funding must support
83.25 the direct needs of organizations serving victims of crime by providing:

83.26 (1) direct client assistance to crime victims;

83.27 (2) competitive wages for direct service staff;

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

83.29 (4) culturally responsive programming;

83.30 (5) prevention programming, including domestic abuse transformation and restorative
83.31 justice programming; and

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

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

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

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

84.10 Subd. 7. **Immunity.** (a) This section does not alter or amend the liabilities and protections
84.11 granted by United States Code, title 47, section 230, and must be construed in a manner
84.12 consistent with federal law.

84.13 (b) This section does not impose liability on the provider of an information service or a
84.14 telecommunication service, both as defined in United States Code, title 47, section 153.

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

84.17 Sec. 9. **[325F.756] ONLINE SWEEPSTAKES.**

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

84.20 (b) "Dual-currency" means a system of payment that allows a person to play or participate
84.21 in a simulated gambling program for direct or indirect consideration, including consideration
84.22 associated with a related product, service, or activity, and for which the person playing the
84.23 simulated gambling program may become eligible for a prize, award, cash, cash equivalent,
84.24 or chance to win a prize, award, cash, or cash equivalent. Dual-currency system does not
84.25 include a contest for which no consideration is given, either directly or indirectly.

84.26 (c) "Online sweepstakes game" means a game, contest, or promotion that: (1) is available
84.27 on the Internet or accessible on a mobile device, computer terminal, or similar access device;
84.28 (2) utilizes a dual-currency system of payment allowing the player to exchange the currency
84.29 for a prize, award, cash, cash equivalent, or chance to win a prize, award, cash, or cash
84.30 equivalent; and (3) simulates casino-style or another form of gambling.

84.31 (d) "Prize" has the meaning given in section 325F.755, subdivision 1.

85.1 Subd. 2. **Prohibition of online sweepstakes games and revenue from illegal**
 85.2 **markets.** (a) A person or entity is prohibited from operating, conducting, or promoting an
 85.3 online sweepstakes game in Minnesota.

85.4 (b) An applicant, licensed entity, financial institution, payment processor, geolocation
 85.5 provider, gaming content supplier, platform provider, or media affiliate is prohibited from
 85.6 supporting the operation of, conducting, or promoting an online sweepstakes game in
 85.7 Minnesota.

85.8 Subd. 3. **Penalties and remedies.** The penalties and remedies provided under section
 85.9 325F.755, subdivision 7, apply to violations of this section. The commissioner of public
 85.10 safety may exercise all powers necessary to investigate and enforce this section and may
 85.11 issue notices of violation, impose civil fines, and bring enforcement actions consistent with
 85.12 section 325F.755, subdivision 7.

85.13 Sec. 10. **[325F.7845] PHARMACEUTICAL ADVERTISING.**

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

85.16 (b) "Prescription drug" has the meaning provided in section 151.441, subdivision 8,
 85.17 except that prescription drug only includes drugs covered by the medical assistance program,
 85.18 MinnesotaCare program, or state employees group insurance program.

85.19 (c) "Television advertisement" means a form of paid marketing communication designed
 85.20 to promote products, services, or brands through an over-the-air broadcast or an
 85.21 Internet-based, nonbroadcast stream of an over-the-air broadcast.

85.22 Subd. 2. **Prohibition.** Television advertisements for the sale of prescription drugs to
 85.23 consumers are prohibited.

85.24 Subd. 3. **Enforcement.** The attorney general may enforce this section under section
 85.25 8.31.

85.26 Sec. 11. Minnesota Statutes 2024, section 325F.79, is amended to read:

85.27 **325F.79 DEFINITIONS.**

85.28 For purposes of sections 325F.79 to 325F.792, the following definitions apply:

85.29 (a) "Advertisement" means an oral, written, graphic, or pictorial statement made in the
 85.30 course of soliciting business. Advertisement includes without limitation a statement or
 85.31 representation:

86.1 (1) made in a newspaper, magazine, or other public publication;

86.2 (2) contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter;

86.3 or

86.4 (3) made on radio, television, or the Internet.

86.5 ~~(a)~~ (b) "Animal" means a dog, wholly or in part of the species *Canis familiaris*, or a cat,
86.6 wholly or in part of the species *Felis domesticus*.

86.7 ~~(b)~~ (c) "Pet dealer" means any person, firm, partnership, corporation, or association,
86.8 including breeders, that is required to collect sales tax for the sale of animals to the public.
86.9 Pet dealer does not include humane societies, nonprofit organizations performing the
86.10 functions of humane societies, or animal control agencies.

86.11 ~~(c)~~ (d) "Breeder" means any person, firm, partnership, corporation, or association that
86.12 breeds animals for direct or indirect sale to the public.

86.13 ~~(d)~~ (e) "Broker" means a person, firm, partnership, corporation, or association that
86.14 purchases animals for resale to other brokers or pet dealers.

86.15 ~~(e)~~ (f) "Health problem" means any disease, illness, or congenital or hereditary condition
86.16 which would impair the health or function of the animal that is apparent at the time of sale,
86.17 or which should have been apparent to the seller from the veterinary history of the animal.

86.18 (g) "Pet shop" means a pet dealer that operates a physical retail store from which animals
86.19 are sold or offered for sale to the general public, whether through an appointment or
86.20 otherwise.

86.21 ~~(f)~~ (h) "Veterinarian" means a licensed veterinarian in the state of Minnesota.

86.22 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
86.23 committed on or after that date.

86.24 Sec. 12. Minnesota Statutes 2024, section 325F.791, subdivision 1, is amended to read:

86.25 Subdivision 1. **Disclosure.** (a) Every pet dealer shall deliver to each retail purchaser of
86.26 an animal written disclosure as follows:

86.27 ~~(a)~~ (1) the name, address, and USDA license number of the breeder and any broker who
86.28 has had possession of the animal; the date of the animal's birth; the date the pet dealer
86.29 received the animal; the breed, sex, color, and identifying marks of the animal; the individual
86.30 identifying tag, tattoo, or collar number; the name and registration number of the sire and

87.1 dam and the litter number; and a record of inoculations, worming treatments, and medication
87.2 received by the animal while in the possession of the pet dealer;

87.3 ~~(b)~~ (2) a statement signed by the pet dealer that the animal has no known health problem,
87.4 or a statement signed by the pet dealer disclosing any known health problem and a statement
87.5 signed by a veterinarian that recommends necessary treatment; and

87.6 (3) a copy of all available state or federal inspection reports for the animal's breeder for
87.7 all inspections that occurred during the three years preceding the date the animal was
87.8 purchased.

87.9 (b) The disclosure shall be made part of the statement of consumer rights set forth in
87.10 subdivision 10. The disclosure required in paragraph (a), clause (1), need not be made for
87.11 mixed breed animals if the information is not available and cannot be determined by the
87.12 pet dealer.

87.13 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
87.14 committed on or after that date.

87.15 Sec. 13. Minnesota Statutes 2024, section 325F.791, subdivision 5, is amended to read:

87.16 Subd. 5. **Responsibilities of purchaser.** (a) To obtain the remedies provided in
87.17 subdivision 6, the purchaser shall with respect to an animal with a health problem:

87.18 ~~(a)~~ (1) notify the pet dealer, within two business days, of the diagnosis by a veterinarian
87.19 of the purchaser's choosing of a health problem and provide the pet dealer with the name
87.20 and telephone number of the veterinarian and a copy of the veterinarian's report on the
87.21 animal; and

87.22 ~~(b)~~ (2) if the purchaser wishes to receive a full refund for the animal, return the animal
87.23 no later than two business days after receipt of a written statement from a veterinarian
87.24 indicating the animal is unfit due to a health problem.

87.25 (b) With respect to a dead animal the purchaser must provide the pet dealer a written
87.26 statement from a veterinarian, indicating the animal died from a health problem which
87.27 existed on or before the receipt of the animal by the purchaser.

87.28 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
87.29 committed on or after that date.

88.1 **Sec. 14. [325F.7915] SALE OF DOGS AND CATS PROHIBITED.**

88.2 **Subdivision 1. Prohibition.** A pet shop must not sell, offer to sell, barter, auction, or
88.3 otherwise transfer ownership of an animal.

88.4 **Subd. 2. Adoption of animals.** A pet shop may provide space to a nonprofit humane
88.5 society, animal control agency, or animal rescue and rehoming organization to offer animals
88.6 for adoption if the society, agency, or organization qualifies as a nonprofit organization
88.7 under section 501(c)(3) of the Internal Revenue Code.

88.8 **Subd. 3. Ownership interest and fees.** A pet shop is prohibited from having an ownership
88.9 interest in an animal offered for adoption under subdivision 2 or receiving a fee for providing
88.10 space for animal adoption.

88.11 **Subd. 4. Continued operation.** Notwithstanding subdivision 1, a pet shop that sold or
88.12 offered for sale an animal from the pet shop's physical premises for at least one year before
88.13 the effective date of this section may continue to operate as a pet shop and engage in the
88.14 sale or offer for sale of animals if:

88.15 (1) an animal sold or offered for sale by the pet shop on or after the effective date of this
88.16 section is obtained only from a state-licensed or USDA-licensed breeder; and

88.17 (2) the pet shop discloses the breeder's state or USDA license number on the animal's
88.18 display cage or enclosure.

88.19 **Subd. 5. Local authority.** Notwithstanding this section, a county, city, town, or township
88.20 may enact and enforce by ordinance stricter regulations regarding the transfer of ownership
88.21 of animals, including a prohibition on selling or offering for sale animals by a pet dealer or
88.22 other entity.

88.23 **Subd. 6. Violations.** A pet shop that operates as a pet shop pursuant to subdivision 4
88.24 that violates this section on three separate occasions is prohibited from selling, offering to
88.25 sell, bartering, auctioning, or otherwise transferring ownership of an animal.

88.26 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
88.27 committed on or after that date.

88.28 **Sec. 15.** Minnesota Statutes 2024, section 325F.792, subdivision 2, is amended to read:

88.29 **Subd. 2. Civil penalty.** (a) A pet dealer who:

88.30 (1) sells an animal without delivery of the disclosure required in section 325F.791,
88.31 subdivision 1;

- 89.1 (2) fails to maintain the records required by section 325F.791, subdivision 2;
- 89.2 (3) fails to provide registration papers as provided in section 325F.791, subdivision 3;
- 89.3 (4) fails to make or provide payment for the examinations required by section 325F.791,
- 89.4 subdivision 4;
- 89.5 (5) fails to post the notice required by section 325F.791, subdivision 9; or
- 89.6 (6) fails to provide the statement of consumer rights required by section 325F.791,
- 89.7 subdivision 10,
- 89.8 is subject to a civil fine of up to \$1,000 per violation.

89.9 (b) A pet shop that violates section 325F.7915 is subject to a civil fine of up to \$1,000

89.10 per violation. Each transfer of an animal's ownership in violation of section 325F.7915 is

89.11 a separate violation.

89.12 ~~(b)~~ (c) Civil fines collected under this subdivision shall be collected by the court and

89.13 turned over to the prosecuting attorney.

89.14 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts

89.15 committed on or after that date.

89.16 Sec. 16. **[325M.40] MINOR ACCESS TO CHATBOTS.**

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

89.18 the meanings given.

89.19 (b) "Artificial intelligence" or "AI" means a machine-based system that is capable of,

89.20 for explicit or implicit objectives, inferring from the input the system receives how to

89.21 generate outputs that influence physical or virtual environments.

89.22 (c) "AI companion" means artificial intelligence systems that are specifically designed,

89.23 marketed, or optimized to form ongoing social or emotional bonds with individuals, whether

89.24 or not the systems also provide information, complete tasks, or assist with specific functions.

89.25 AI companions seek to build or engage in an emotional relationship with the user by:

89.26 (1) expressing or inviting emotional attachment;

89.27 (2) reminding, prompting, or nudging the user to return for emotional support or

89.28 companionship;

89.29 (3) depicting nonverbal forms of emotional support;

90.1 (4) behaving in a way that a reasonable user would consider excessive praise designed
90.2 to foster emotional attachment; or

90.3 (5) enabling or purporting to enable increased intimacy based on engagement or pay.

90.4 AI companion does not include a consumer electronic device that incorporates a speaker
90.5 and voice command interface or text interface and acts as a voice- or text-activated virtual
90.6 assistant.

90.7 (d) "Chatbot" means an artificial intelligence system with a natural language interface
90.8 that provides adaptive, human-like responses to user inputs and is capable of meeting a
90.9 user's social needs, including by exhibiting anthropomorphic features and being able to
90.10 sustain a relationship across multiple interactions. Chatbot does not include:

90.11 (1) a chatbot that is used only for customer service, a business' operational purposes,
90.12 productivity and analysis related to source information, internal research, or technical
90.13 assistance;

90.14 (2) a chatbot that is a feature of a video game and is limited to replies related to the video
90.15 game that cannot discuss topics related to mental health, self-harm, sexually explicit conduct,
90.16 or maintain a dialogue on other topics unrelated to the video game; or

90.17 (3) a stand-alone consumer electronic device that functions as a speaker and voice
90.18 command interface, acts as a voice-activated virtual assistant, and does not sustain a
90.19 relationship across multiple interactions or generate outputs that are likely to elicit emotional
90.20 responses in the user.

90.21 (e) "Minor" means an individual under the age of 18.

90.22 Subd. 2. **Prohibition.** (a) A person must ensure that a chatbot operated or distributed
90.23 by the person does not make chatbots available to minors to use, interact with, purchase, or
90.24 converse with.

90.25 (b) A person operating artificial intelligence systems that primarily function as AI
90.26 companions must ensure that chatbots operated or distributed by the person are not available
90.27 to minors to use, interact with, purchase, or converse with.

90.28 Subd. 3. **Remedies; enforcement.** (a) An individual injured by a violation of this section
90.29 may bring a civil action for damages, statutory damages not to exceed \$1,000, injunctive
90.30 relief, and costs and reasonable attorney fees.

91.1 (b) The attorney general may enforce this section under section 8.31. In an action brought
 91.2 under this paragraph, the person who owns or controls a website, application, software, or
 91.3 program and violates this section is liable for a civil penalty not to exceed \$5,000,000.

91.4 **EFFECTIVE DATE.** This section is effective July 1, 2027.

91.5 Sec. 17. **TRANSITION PERIOD.**

91.6 A person who makes a chatbot available to minors must begin decreasing services in a
 91.7 manner that does not harm minors who use chatbots before services end on July 1, 2027.

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

91.9 Sec. 18. **REPEALER.**

91.10 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

91.11 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
 91.12 subdivision 4, are repealed.

91.13 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
 91.14 January 17, 2027.

91.15 **ARTICLE 8**

91.16 **SECURITIES**

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

91.18 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
 91.19 **CORPORATE OFFERING REGISTRATION.**

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

91.21 (1) **Required filing of records.** With respect to a federal covered security, as defined
 91.22 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not
 91.23 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued
 91.24 under this chapter may require the filing of any or all of the following records:

91.25 (A) before the initial offer of a federal covered security in this state, all records that are
 91.26 part of a federal registration statement filed with the Securities and Exchange Commission
 91.27 under the Securities Act of 1933 and a consent to service of process complying with section
 91.28 80A.88 signed by the issuer;

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

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

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

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

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

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

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

92.31 (2) **Availability.** Registration under this section is available only to the issuer of securities
92.32 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
92.33 The issuer must be organized under the laws of one of the states or possessions of the United

93.1 States. The securities offered must be exempt from registration under the Securities Act of
93.2 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

93.7 (B) an investment company;

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

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

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

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

93.22 (iii) is currently subject to a state administrative enforcement order or judgment entered
93.23 by a state securities administrator or the Securities and Exchange Commission within five
93.24 years before the filing of the small corporate offering registration application, or is subject
93.25 to a federal or state administrative enforcement order or judgment in which fraud or deceit,
93.26 including, but not limited to, making untrue statements of material facts or omitting to state
93.27 material facts, was found and the order or judgment was entered within five years before
93.28 the filing of the small corporate offering registration application;

93.29 (iv) is currently subject to an order, judgment, or decree of a court of competent
93.30 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or
93.31 decree of a court of competent jurisdiction permanently restraining or enjoining the party
93.32 from engaging in or continuing any conduct or practice in connection with the purchase or
93.33 sale of any security or involving the making of a false filing with a state or with the Securities

94.1 and Exchange Commission entered within five years before the filing of the small corporate
94.2 offering registration application; or

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

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

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

94.15 (4) **Filing and effectiveness of registration statement.** A small corporate offering
94.16 registration statement must be filed with the administrator. If no stop order is in effect and
94.17 no proceeding is pending under section 80A.54, such registration statement shall become
94.18 effective automatically at the close of business on the 20th day after filing of the registration
94.19 statement or the last amendment of the registration statement or at such earlier time as the
94.20 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
94.21 other than by an affiliate of the issuer, all outstanding securities of the same class identified
94.22 in the small corporate offering registration statement as a security registered under this
94.23 chapter are considered to be registered while the small corporate offering registration
94.24 statement is effective. A small corporate offering registration statement is effective for one
94.25 year after its effective date or for any longer period designated in an order under this chapter.
94.26 A small corporate offering registration statement may be withdrawn only with the approval
94.27 of the administrator.

94.28 (5) **Contents of registration statement.** A small corporate offering registration statement
94.29 under this section shall be on Form U-7, including exhibits required by the instructions
94.30 thereto, as adopted by the North American Securities Administrators Association, or such
94.31 alternative form as may be designated by the administrator by rule or order and must include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

96.21 If the issuer's principal place of business is in Minnesota, the initial filing must be submitted
 96.22 with the administrator when the issuer makes the issuer's initial Form C filing concerning
 96.23 the offering with the Securities and Exchange Commission. If the issuer's principal place
 96.24 of business is not in Minnesota but Minnesota residents have purchased at least 50 percent
 96.25 of the aggregate amount of the offering, the filing must be submitted when the issuer becomes
 96.26 aware that the aggregate purchases made by Minnesota residents meets the threshold, but
 96.27 no later than 30 days after the date the offering is complete. The initial notice filing is
 96.28 effective for a 12-month period beginning on the date the initial filing is submitted to the
 96.29 administrator.

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

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

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

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

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

97.8 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

97.9 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
 97.10 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
 97.11 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
 97.12 minimum financial requirements for broker-dealers registered or required to be registered
 97.13 under this chapter and investment advisers registered or required to be registered under this
 97.14 chapter.

97.15 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
 97.16 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
 97.17 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
 97.18 chapter and an investment adviser registered or required to be registered under this chapter
 97.19 shall file such financial reports as are required by a rule adopted or order issued under this
 97.20 chapter. If the information contained in a record filed under this subsection is or becomes
 97.21 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
 97.22 amendment.

97.23 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
 97.24 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
 97.25 U.S.C. Section 80b-22):

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

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

98.1 (3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures
 98.2 that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter
 98.3 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures
 98.4 established under this clause. The procedures must designate by name or title a number of
 98.5 supervisory employees that is reasonable relative to the number of the broker-dealer's
 98.6 registered agents, offices, and transactions in Minnesota. A copy of the written procedures
 98.7 and the system to apply the procedures must be kept and maintained at each branch office
 98.8 affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance
 98.9 with the Financial Industry Regulatory Authority Rule 3110.11, or any successor federal
 98.10 law, to satisfy the obligations under this paragraph; and

98.11 ~~(3)~~(4) investment adviser records required to be maintained under paragraph (d)(1) may
 98.12 be maintained in any form of data storage required by rule adopted or order issued under
 98.13 this chapter.

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

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

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

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

98.26 (A) the amount of assets under management;

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

98.29 (C) counterparty credit risk exposure;

98.30 (D) trading and investment positions;

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

98.32 (F) types of assets held;

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

99.3 (H) trading practices; and

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

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

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

99.22 (f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
99.23 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
99.24 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
99.25 under this chapter may require a broker-dealer or investment adviser that has custody of or
99.26 discretionary authority over funds or securities of a customer or client to obtain insurance
99.27 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
99.28 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
99.29 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
99.30 of security may not be required of a broker-dealer registered under this chapter whose net
99.31 capital exceeds, or of an investment adviser registered under this chapter whose minimum
99.32 financial requirements exceed, the amounts required by rule or order under this chapter.
99.33 The insurance, bond, or other satisfactory form of security must permit an action by a person

100.1 to enforce any liability on the insurance, bond, or other satisfactory form of security if
100.2 instituted within the time limitations in section 80A.76(j)(2).

100.3 **(g) Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
100.4 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
100.5 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
100.6 customer except under the supervision of a broker-dealer and an investment adviser
100.7 representative may not have custody of funds or securities of a client except under the
100.8 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
100.9 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
100.10 regarding custody of funds or securities of a customer and on an investment adviser regarding
100.11 custody of securities or funds of a client.

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

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

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

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

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

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

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

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

101.5 **(k) Physical security and cybersecurity policies and procedures.** An investment
 101.6 adviser registered or required to be registered under this chapter must establish, implement,
 101.7 update, and enforce written physical security and cybersecurity policies and procedures that
 101.8 are designed to ensure the confidentiality, integrity, and availability of physical and electronic
 101.9 records and information. The policies and procedures must be tailored to the investment
 101.10 adviser's business model and must take into account the investment advisor's business size,
 101.11 type of service provided, and number of locations.

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

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

101.15 (B) ensure that the investment adviser protects confidential client records and information;
 101.16 and

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

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

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

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

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

101.25 (D) actions to take when a information security event is detected; and

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

101.28 (3) At the time a client engages an investment adviser and on an annual basis thereafter,
 101.29 an investment adviser must deliver to the client a privacy policy that is reasonably designed
 101.30 to assist the client understand how the investment adviser collects and shares, to the extent
 101.31 permitted by state and federal law, nonpublic personal information. If information in the

102.1 policy becomes materially inaccurate, the investment adviser must promptly update and
102.2 deliver an amended privacy policy to the client.

102.3 (l) **Written confirmation.** A broker-dealer must promptly provide to the customer a
102.4 written confirmation at or before completing a transaction in accordance with the Financial
102.5 Industry Regulatory Authority Rule 2232, or any successor federal law. The confirmation
102.6 must:

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

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

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

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

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

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

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

102.27 (n) **Principal office; employment.** A broker-dealer whose principal office is located in
102.28 Minnesota must have at least one registered person employed on a full-time basis at the
102.29 principal office located in Minnesota. This paragraph does not apply to a broker-dealer
102.30 engaged solely in offering and selling:

102.31 (1) interests in a direct participation program; or

103.1 (2) securities issued by open-end investment companies, face amount certificate
103.2 companies, or unit investment trusts registered under the Investment Company Act of 1940,
103.3 United States Code, title 15, sections 80a-1 to 80a-64.

103.4 **Sec. 3. [80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL**
103.5 **BUSINESS PRACTICES.**

103.6 Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe
103.7 high standards of commercial honor and just and equitable principles of trade when
103.8 conducting the broker-dealer's business. An act or practice that is contrary to the standards
103.9 constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's
103.10 registration or to take other action authorized by statute. For purposes of this subdivision,
103.11 an act or practice that is contrary to the standards includes:

103.12 (1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i)
103.13 delivering securities purchased by a customer; or (ii) upon request, paying free credit balances
103.14 reflecting a customer's completed transactions;

103.15 (2) inducing trading in a customer's account that is excessive in size or frequency
103.16 considering the account's financial resources and character;

103.17 (3) recommending that a customer purchase, sell, or exchange a security without
103.18 reasonable grounds to believe the transaction or recommendation is suitable for the customer,
103.19 based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial
103.20 situation, and needs; and (ii) other relevant information known by the broker-dealer;

103.21 (4) recommending a security transaction or investment strategy involving securities,
103.22 including account recommendations, to a retail customer if the recommendation does not
103.23 comply with the obligations set forth in Code of Federal Regulations, title 17, section
103.24 240.151-1;

103.25 (5) executing a transaction on behalf of a customer without the customer's authorization;

103.26 (6) exercising discretionary power to effect a transaction for a customer's account without
103.27 first obtaining written discretionary authority from the customer, unless the discretionary
103.28 power relates solely to the time the order is executed or the order's price;

103.29 (7) executing a transaction in a margin account without securing from the customer a
103.30 properly executed written margin agreement promptly after the account's initial transaction;

103.31 (8) failing to segregate customers' free securities or securities held in safekeeping;

104.1 (9) hypothecating a customer's securities without having a lien on the customer's
104.2 securities, unless the broker-dealer secures the customer's properly executed written consent
104.3 promptly after the initial transaction, except as permitted by Securities and Exchange
104.4 Commission regulations;

104.5 (10) entering into a transaction with or for a customer at a price that is not reasonably
104.6 related to the security's current market price, or receiving an unreasonable commission or
104.7 profit;

104.8 (11) failing to furnish to a customer purchasing securities in an offering, no later than
104.9 the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary
104.10 prospectus and an additional document that, when combined with the preliminary prospectus,
104.11 includes all of the information included in the final prospectus;

104.12 (12) charging an unreasonable or inequitable fee for services performed, including: (i)
104.13 miscellaneous services that include but are not limited to collecting money due for principal,
104.14 dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or
104.15 maintaining custody of securities; and (ii) other services related to the broker-dealer's
104.16 securities business;

104.17 (13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared
104.18 to purchase or sell at the stated price and under the stated conditions at the time the offer
104.19 to buy or sell is made;

104.20 (14) representing that a security is being offered to a customer "at the market" or at a
104.21 price relevant to the market price, unless the broker-dealer knows or has reasonable grounds
104.22 to believe a market for the security exists other than the market made, created, or controlled
104.23 by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom
104.24 the broker-dealer is associated with respect to the security's distribution; or (iii) a person
104.25 controlled by, controlling, or under common control with the broker-dealer;

104.26 (15) effecting a transaction in, or inducing the purchase or sale of, a security using a
104.27 manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance,
104.28 which includes but is not limited to:

104.29 (i) effecting a transaction in a security that involves no change in the security's beneficial
104.30 ownership;

104.31 (ii) entering an order to purchase or sell a security with the knowledge that at least one
104.32 other order for the same security that is substantially the same size, entered at substantially
104.33 the same time, and for substantially the same price as the order has been or will be entered

105.1 by or for the same or a different party to create (A) a false or misleading appearance of
105.2 active trading in the security, or (B) a false or misleading appearance with respect to the
105.3 market for the security. This item does not prohibit a broker-dealer from entering bona fide
105.4 agency cross transactions for the broker-dealer's customers; or

105.5 (iii) effecting, alone or with another person, a series of transactions in a security that
105.6 creates actual or apparent active trading in the security, or raises or reduces the price of the
105.7 security, to induce others to purchase or sell the security;

105.8 (16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer
105.9 carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a
105.10 securities transaction effected by the broker-dealer with or for the customer;

105.11 (17) publishing or circulating, or causing to be published or circulated, a notice, circular,
105.12 advertisement, newspaper article, investment service, or communication of any kind that
105.13 purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer
105.14 believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote
105.15 the bid price or asked price for a security, unless the broker-dealer believes the quote
105.16 represents a bona fide bid for or offer of the security;

105.17 (18) using an advertising or sales presentation in a manner that is deceptive or misleading,
105.18 including but not limited to distributing: (i) nonfactual data, material, or a presentation based
105.19 on conjecture, unfounded or unrealistic claims; or (ii) assertions in a brochure, flyer, or
105.20 display using words, pictures, graphs, or other representations that are designed to
105.21 supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

105.22 (19) failing to disclose to a customer, before entering into a contract with or for a customer
105.23 to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated
105.24 with, or under common control with the security's issuer. If a disclosure under this clause
105.25 is not made in writing, the disclosure must be supplemented by giving or sending written
105.26 disclosure before or at the time the transaction is completed;

105.27 (20) failing to make a bona fide public offering of all of the securities allotted to a
105.28 broker-dealer for distribution, whether the securities are acquired as an underwriter, a selling
105.29 group member, or from a member participating in the distribution as an underwriter or
105.30 selling group member;

105.31 (21) failing or refusing to: (i) furnish a customer, upon reasonable request, information
105.32 the customer is entitled to; or (ii) respond to a formal written request or complaint;

106.1 (22) failing to pay and fully satisfy a final judgment or arbitration award resulting from
106.2 an arbitration or court proceeding relating to an investment and initiated by the customer,
106.3 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
106.4 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
106.5 with the terms of the alternative payment arrangement;

106.6 (23) attempting to avoid paying a final judgment or arbitration award resulting from an
106.7 arbitration or court proceeding relating to an investment and initiated by the customer,
106.8 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
106.9 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
106.10 with the terms of the alternative payment arrangement;

106.11 (24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of
106.12 disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or
106.13 broker-dealer's agent by the Securities and Exchange Commission, a state or provincial
106.14 securities or other financial services regulator, or a self-regulatory organization;

106.15 (25) accessing a client's account by using the client's unique identifying information,
106.16 including but not limited to the client's username and password;

106.17 (26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ
106.18 security, failing to promptly provide the most current prospectus or the most recently filed
106.19 periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States
106.20 Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a
106.21 customer;

106.22 (27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

106.23 (28) for each month in which activity has occurred in a customer's account and no less
106.24 frequently than once every three months regardless of whether customer account activity
106.25 has occurred, failing to provide the customer with an account statement that, with respect
106.26 to all over-the-counter non-NASDAQ equity securities in the account, contains a value for
106.27 each security based on the closing market bid on a date certain. This clause applies only if
106.28 the broker-dealer has been a market maker in the security at any time during the month in
106.29 which the monthly or quarterly statement is issued; or

106.30 (29) failing to comply with an applicable provision of the Financial Industry Regulatory
106.31 Authority conduct rules or an applicable fair practice or ethical standard promulgated by
106.32 the Securities and Exchange Commission or a self-regulatory organization approved by the
106.33 Securities and Exchange Commission.

107.1 Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent
107.2 must observe high standards of commercial honor and just and equitable principles of trade
107.3 when conducting the broker-dealer's agent's business. An act or practice that is contrary to
107.4 the standards constitutes grounds for the administrator to deny, suspend, or revoke the
107.5 broker-dealer's agent's registration or to take other action authorized by statute. For purposes
107.6 of this subdivision, an act or practice that is contrary to the standards includes:

107.7 (1) lending to or borrowing from a customer money or securities, or acting as a custodian
107.8 for a customer's money, securities, or executed stock power, unless otherwise permissible
107.9 under the Financial Industry Regulatory Authority Rule 3240, or any successor federal law;

107.10 (2) effecting securities transactions that are not recorded on the regular books or records
107.11 maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions
107.12 are authorized in writing by the broker-dealer before executing the transaction or exempt
107.13 as subscription-way transactions under Code of Federal Regulations, title 17, section
107.14 240.17a-3, or any successor federal law;

107.15 (3) establishing or maintaining an account that contains fictitious information in order
107.16 to execute transactions that are otherwise prohibited;

107.17 (4) sharing directly or indirectly in profits or losses in a customer account without the
107.18 written authorization from the customer and the broker-dealer the broker-dealer's agent
107.19 represents;

107.20 (5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or
107.21 other compensation from purchasing or selling securities with a person who is not also
107.22 registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under
107.23 direct or indirect common control or unless otherwise allowed under the Security Exchange
107.24 Act of 1934 rules, guidance, or authorization; or

107.25 (6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6),
107.26 (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

107.27 Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under
107.28 subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages
107.29 in other conduct, including but not limited to forgery, embezzlement, nondisclosure,
107.30 incomplete disclosure or misstatement of material facts, or manipulative or deceptive
107.31 practices, is also subject to denial, suspension, or revocation of registration.

108.1 Sec. 4. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

108.2 Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing,
108.3 may issue a cease and desist order and may issue an order denying, suspending or revoking
108.4 any registration, amendment or exemption on finding any of the following:

108.5 ~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or
108.6 employee thereof or any other person has violated or failed to comply with any provision
108.7 of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

108.8 ~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation
108.9 to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon
108.10 purchasers or would so operate;

108.11 ~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or
108.12 employee thereof or any other person is engaging or about to engage in false, fraudulent or
108.13 deceptive practices in connection with the offer and sale of a franchise;

108.14 ~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted
108.15 of an offense or held liable in a civil action by final judgment described in section 80C.04,
108.16 subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described
108.17 in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order, ~~or has~~
108.18 had a civil judgment entered against the person as described in section 80C.04, clause (5),
108.19 described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the
108.20 involvement of the person in the business of the applicant or franchisor creates a substantial
108.21 risk to prospective franchisees;

108.22 ~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely
108.23 affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

108.24 ~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include
108.25 activities which are illegal where performed; or

108.26 ~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation
108.27 of the business of the franchisor or any term or condition of the franchise agreement or any
108.28 practice of the franchisor is or would be unfair or inequitable to franchisees.

109.1

ARTICLE 9

109.2

TELECOMMUNICATIONS

109.3 Section 1. Minnesota Statutes 2024, section 237.035, is amended to read:

109.4

237.035 TELECOMMUNICATIONS CARRIER EXEMPTION.

109.5

109.6

(a) Telecommunications carriers are subject to regulation under this chapter only to the extent required under paragraphs (b) to (e).

109.7

(b) Telecommunications carriers shall comply with sections 237.121 and 237.74.

109.8

109.9

(c) Telecommunications carriers shall comply with section 237.16, ~~subdivisions~~
subdivision 8 and 9.

109.10

109.11

(d) To the extent a telecommunications carrier offers local service, it shall obtain a certificate under section 237.16 for that local service.

109.12

109.13

(e) In addition, a telecommunications carrier's local service is subject to this chapter except that:

109.14

109.15

(1) a telecommunications carrier is not subject to rate-of-return or earnings investigations under section 237.075 or 237.081; and

109.16

(2) a telecommunications carrier is not subject to section 237.22.

109.17

Sec. 2. Minnesota Statutes 2024, section 237.036, is amended to read:

109.18

237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.

109.19

~~(a) Neither commission approval nor a commission certificate is required to:~~

109.20

~~(1) site a coin-operated or public pay telephone in the state; or~~

109.21

109.22

109.23

~~(2) implement changes in service, services offered, rates, or location regarding a coin-operated or public pay telephone. Registration under section 237.64 is required to own or operate a coin-operated or public pay telephone in the state.~~

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~~(b) This section does not change the authority of other state or local government entities to regulate aspects of coin-operated or public pay telephone ownership, location, or operation; however, an entity may not regulate aspects of these services that it did not regulate prior to May 26, 1999. The commission shall retain the authority delegated to it under federal and state law to protect the public interest with regard to coin-operated or public pay telephones.~~

110.1 ~~(e) Owners and operators of coin-operated or public pay telephones are exempt from~~
 110.2 ~~sections 237.06, 237.07, 237.075, 237.09, 237.23, and 237.295, and the annual reporting~~
 110.3 ~~requirement of section 237.11.~~

110.4 ~~(d) Owners of coin-operated or public pay telephones shall:~~

110.5 ~~(1) provide immediate coin-free access, to the extent technically feasible, to 911~~
 110.6 ~~emergency service or to another approved emergency service; and~~

110.7 ~~(2) provide free access to the telecommunications relay service for people with~~
 110.8 ~~communication disabilities.~~

110.9 ~~(e) Owners of coin-operated or public pay telephones must post at each coin-operated~~
 110.10 ~~or public pay telephone location:~~

110.11 ~~(1) customer service and complaint information, including the name, address, and~~
 110.12 ~~telephone number of the owner of the coin-operated or public pay telephone and the operator~~
 110.13 ~~service handling calls from the coin-operated or public pay telephone; a toll-free number~~
 110.14 ~~of the appropriate telephone company for the resolution of complaints; and the toll-free~~
 110.15 ~~number of the public utilities commission; and~~

110.16 ~~(2) a toll-free number at which consumers can obtain pricing information regarding~~
 110.17 ~~rates, charges, terms, and conditions of local and long-distance calls.~~

110.18 Sec. 3. Minnesota Statutes 2024, section 237.069, is amended to read:

110.19 **237.069 TRACER; HARASSING TELEPHONE CALL; RULES.**

110.20 ~~The commission shall adopt rules to govern how telephone companies respond to requests~~
 110.21 ~~for tracers made by persons who allege receiving harassing telephone calls. The rules must~~
 110.22 ~~address when a request for a tracer may be denied or delayed. A telecommunications carrier~~
 110.23 ~~operating in Minnesota must ensure the telecommunications carrier's equipment, facilities,~~
 110.24 ~~and services are capable of enabling authorized law enforcement agencies to conduct lawful~~
 110.25 ~~interception and access call-identifying information in a manner consistent with United~~
 110.26 ~~States Code, title 47, sections 1001 to 1010.~~

110.27 Sec. 4. Minnesota Statutes 2024, section 237.07, subdivision 1, is amended to read:

110.28 Subdivision 1. **Filing of charges.** Every telephone company shall keep on file with the
 110.29 department a specific rate, toll, or charge for every kind of noncompetitive service and a
 110.30 price list for every kind of service subject to emerging competition, together with all rules
 110.31 and classifications used by it in the conduct of the telephone business, including limitations

111.1 on liability. The filings are governed by chapter 13. When a company sells services subject
 111.2 to emerging competition on an individually priced basis, it shall file a statement of the
 111.3 charges to its customers with the commission and the department. ~~The department shall~~
 111.4 ~~require each telephone company to keep open for public inspection, at designated offices,~~
 111.5 ~~so much of these rates, price lists, and rules as it deems necessary for the public information.~~

111.6 Sec. 5. Minnesota Statutes 2024, section 237.11, is amended to read:

111.7 **237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.**

111.8 (a) Every telephone company subject to the provisions of this chapter, wherever
 111.9 organized, shall ~~keep an office in this state, and~~ make such reports to the department as it
 111.10 shall from time to time require. All books, records, and files, ~~whether they relate to~~
 111.11 ~~competitive or noncompetitive services,~~ and all of its property shall be at all times subject
 111.12 to inspection by the commission and the department. It shall close its accounts and take
 111.13 therefrom a balance sheet on December 31 of each year, and on or before May 1 following,
 111.14 such balance sheet, together with such other information as the department shall require,
 111.15 verified by an officer of the telephone company, shall be filed with the commission and the
 111.16 department, except that a local exchange carrier or a competitive local exchange carrier, as
 111.17 defined in Minnesota Rules, chapter 7811, is only required to file an annual report that
 111.18 includes the company's name, contact person, annual revenue, and status of its 911 update
 111.19 plan.

111.20 (b) In the event that any telephone company shall fail to file its annual report, as provided
 111.21 by this section, the department is authorized to make such an examination of the books,
 111.22 records, and vouchers of the company as is necessary to procure the necessary data for the
 111.23 annual report and cause the same to be prepared. The expense of procuring this data and
 111.24 preparing this report shall be paid by the telephone company failing to report, and the amount
 111.25 paid shall be credited by the commissioner of management and budget to funds appropriated
 111.26 for the expense of the department.

111.27 (c) The department is authorized to force collection of such sum by an action at law in
 111.28 the name of the department.

111.29 Sec. 6. Minnesota Statutes 2024, section 237.164, is amended to read:

111.30 **237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

111.31 ~~The commission shall establish intrastate service discounts for schools and libraries by~~
 111.32 ~~order to the extent necessary to enable schools and libraries to receive federally supported~~
 111.33 ~~discounts.~~ A school, school district, or library is eligible to receive telecommunications

112.1 service at discounted rates, consistent with the E-Rate program administered by the Universal
 112.2 Service Administrative Company under United States Code, title 47, section 254, and Code
 112.3 of Federal Regulations, title 47, part 54.

112.4 Sec. 7. Minnesota Statutes 2024, section 237.626, subdivision 1, is amended to read:

112.5 Subdivision 1. **Promotions.** A telephone company or telecommunications carrier may
 112.6 promote the use of its services by offering a waiver of part or all of a recurring or a
 112.7 nonrecurring charge, a redemption coupon, or a premium with the purchase of a service.
 112.8 Section 237.09 does not apply to promotions under this section, but the customer group to
 112.9 which the promotion is available must be based on reasonable distinctions among customers.
 112.10 The service being promoted must have a price that is above the incremental cost of the
 112.11 service, including amortized cost of the promotion. ~~A promotion may take effect the day~~
 112.12 ~~after the notice is filed with the commission. The notice must identify customers to whom~~
 112.13 ~~the promotion is available.~~

112.14 Sec. 8. Minnesota Statutes 2024, section 237.626, subdivision 3, is amended to read:

112.15 Subd. 3. **Promotions available for resale.** Any promotional offering ~~lasting more than~~
 112.16 ~~90 days and filed with the commission under subdivision 1 must be~~ does not need to be
 112.17 made available to qualifying carriers for resale. ~~A~~ If a telephone company or
 112.18 telecommunications carrier makes a promotional offering available to a qualifying carrier
 112.19 for resale, the qualifying carrier must hold a certificate of authority from the commission
 112.20 and must have an approved interconnection agreement with the company offering the
 112.21 promotion, the terms of which include language governing the resale of services.

112.22 Sec. 9. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to
 112.23 read:

112.24 Subd. 4. **Notice; local residential customers.** A telephone company must notify a
 112.25 residential customer regarding the price for all service options available to the customer. A
 112.26 notice must be provided:

112.27 (1) at the time the customer initially requests service;

112.28 (2) when the customer requests a service change; and

112.29 (3) at any time upon the customer's request.

113.1 Sec. 10. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to
113.2 read:

113.3 Subd. 5. **Customer notice; prior authorization.** A telephone company may provide
113.4 the notice under subdivision 4 to a customer using paper billing, electronic billing, or other
113.5 electronic communication methods if:

113.6 (1) the customer affirmatively opts in to electronic billing or electronic communication;

113.7 (2) the information in the notice is provided clearly and accessibly; and

113.8 (3) the customer is allowed to request a paper copy of service option pricing at any time
113.9 and at no charge to the customer.

113.10 Sec. 11. Minnesota Statutes 2024, section 237.70, subdivision 7, is amended to read:

113.11 Subd. 7. **Application, notice, financial administration, complaint investigation.** The
113.12 telephone assistance plan must be administered jointly by the commission, the Department
113.13 of Commerce, and the local service providers in accordance with the following guidelines:

113.14 (a) The commission and the Department of Commerce shall develop an application form
113.15 that must be completed by the subscriber for the purpose of certifying eligibility for telephone
113.16 assistance plan credits to the local service provider. The application must contain the
113.17 applicant's Social Security number. Applicants who refuse to provide a Social Security
113.18 number will be denied telephone assistance plan credits. The application form must also
113.19 include a statement that the applicant household is currently eligible for one of the programs
113.20 that confers eligibility for the federal Lifeline Program. The application must be signed by
113.21 the applicant, certifying, under penalty of perjury, that the information provided by the
113.22 applicant is true.

113.23 (b) Each local service provider shall annually mail a notice of the availability of the
113.24 telephone assistance plan to each residential subscriber in a regular billing and shall mail
113.25 the application form to customers when requested.

113.26 The notice must state the following:

113.27 YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE
113.28 BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE
113.29 PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE
113.30 CONTACT

113.31 (c) An application may be made by the subscriber, the subscriber's spouse, or a person
113.32 authorized by the subscriber to act on the subscriber's behalf. On completing the application

114.1 certifying that the statutory criteria for eligibility are satisfied, the applicant must return the
 114.2 application to the subscriber's local service provider. On receiving a completed application
 114.3 from an applicant, the subscriber's local service provider shall provide telephone assistance
 114.4 plan credits against monthly charges in the earliest possible month following receipt of the
 114.5 application. The applicant must receive telephone assistance plan credits until the earliest
 114.6 possible month following the service provider's receipt of information that the applicant is
 114.7 ineligible.

114.8 If the telephone assistance plan credit is not itemized on the subscriber's monthly charges
 114.9 bill for local telephone service, the local service provider must notify the subscriber of the
 114.10 approval for the telephone assistance plan credit.

114.11 (d) The commission shall serve as the coordinator of the telephone assistance plan and
 114.12 be reimbursed for its administrative expenses from the surcharge revenue pool. As the
 114.13 coordinator, the commission shall:

114.14 (1) establish a uniform statewide surcharge in accordance with subdivision 6;

114.15 ~~(2) establish a uniform statewide level of telephone assistance plan credit that each local~~
 114.16 ~~service provider shall extend to each eligible household in its service area;~~

114.17 ~~(3)~~ (2) require each local service provider to account to the commission on a periodic
 114.18 basis for surcharge revenues collected by the provider, expenses incurred by the provider,
 114.19 not to include expenses of collecting surcharges, and credits extended by the provider under
 114.20 the telephone assistance plan;

114.21 ~~(4)~~ (3) require each local service provider to remit surcharge revenues to the Department
 114.22 of Public Safety for deposit in the fund; and

114.23 ~~(5)~~ (4) remit to each local service provider from the surcharge revenue pool the amount
 114.24 necessary to compensate the provider for expenses, not including expenses of collecting
 114.25 the surcharges, and telephone assistance plan credits. When it appears that the revenue
 114.26 generated by the maximum surcharge permitted under subdivision 6 will be inadequate to
 114.27 fund any particular established level of telephone assistance plan credits, the commission
 114.28 shall reduce the credits to a level that can be adequately funded by the maximum surcharge.
 114.29 Similarly, the commission may increase the level of the telephone assistance plan credit
 114.30 that is available or reduce the surcharge to a level and for a period of time that will prevent
 114.31 an unreasonable overcollection of surcharge revenues.

114.32 (e) Each local service provider shall maintain adequate records of surcharge revenues,
 114.33 expenses, and credits related to the telephone assistance plan and shall, as part of its annual

115.1 report or separately, provide the commission and the Department of Commerce with a
 115.2 financial report of its experience under the telephone assistance plan for the previous year.
 115.3 That report must also be adequate to satisfy the reporting requirements of the federal matching
 115.4 plan.

115.5 (f) The Department of Commerce shall investigate complaints against local service
 115.6 providers with regard to the telephone assistance plan and shall report the results of its
 115.7 investigation to the commission.

115.8 Sec. 12. Minnesota Statutes 2024, section 237.762, subdivision 5, is amended to read:

115.9 Subd. 5. **Income-neutral change.** Other than as authorized in this subdivision, an initial
 115.10 alternative regulation plan must not permit income-neutral rate changes for price-regulated
 115.11 services during the plan except as is necessary to implement extended area service or any
 115.12 successor to that service. Any plan must provide that after the rules issued pursuant to section
 115.13 237.16 are adopted, rates for price-regulated services may be increased, as approved by the
 115.14 commission, to the extent necessary to carry out the purpose of those rules. ~~However, rate~~
 115.15 ~~increases, if any, for those services must be incorporated with a universal service fund so~~
 115.16 ~~that the effective rate for the customers of those services does not increase during the first~~
 115.17 ~~three years of the plan.~~

115.18 Sec. 13. **REPEALER.**

115.19 Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075,
 115.20 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 237.14; 237.15; 237.16, subdivision 9;
 115.21 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, and 10; 237.66, subdivisions
 115.22 1, 1a, 1c, 1d, 2, 2a, and 3; 237.75; 237.766; 237.768; 237.772; and 237.775, are repealed.

115.23 **ARTICLE 10**

115.24 **INSURANCE AND FINANCIAL PRODUCTS**

115.25 Section 1. **[48.741] VIRTUAL-CURRENCY CUSTODY SERVICES.**

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

115.28 (b) "Control of virtual currency" has the meaning given in section 53B.69, subdivision
 115.29 2.

115.30 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

116.1 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing
116.2 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf
116.3 of another person.

116.4 Subd. 2. **Authority.** A banking institution may provide virtual-currency custody services
116.5 in a fiduciary or nonfiduciary capacity, subject to this section and applicable state and federal
116.6 law.

116.7 Subd. 3. **Safety and soundness.** A banking institution that engages in virtual-currency
116.8 custody services must conduct the activity in a safe and sound manner and must maintain
116.9 written policies and procedures governing risk management, internal controls, cybersecurity,
116.10 business continuity, and compliance.

116.11 Subd. 4. **Notice to commissioner.** A banking institution must provide written notice to
116.12 the commissioner at least 60 days before commencing virtual-currency custody services.
116.13 The notice must describe the nature of the services and the banking institution's risk
116.14 management framework.

116.15 Subd. 5. **Fiduciary capacity.** (a) A banking institution may provide virtual-currency
116.16 custody services in a fiduciary or custodial capacity, including as agent, bailee, or trustee
116.17 for the limited purpose of safekeeping or administration of virtual currency, to the same
116.18 extent the banking institution may lawfully hold or safeguard other assets for customers.

116.19 (b) The commissioner may limit or condition the authority to provide virtual-currency
116.20 custody services under paragraph (a) only if the commissioner determines the activity is
116.21 conducted in an unsafe or unsound manner.

116.22 Subd. 6. **Segregation of assets.** A banking institution must structure virtual-currency
116.23 custody services to ensure that customer virtual currency and associated control mechanisms
116.24 are legally and operationally segregated from the banking institution's assets and are not
116.25 treated as the banking institution's property, consistent with the segregation of assets held
116.26 in other custodial or fiduciary capacities and the concept of control of controllable electronic
116.27 records under sections 336.12-101 to 336.12-107.

116.28 Subd. 7. **Third-party service providers.** A banking institution may engage one or more
116.29 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
116.30 services, provided the banking institution retains oversight responsibility and ensures
116.31 compliance with this section.

117.1 Subd. 8. **Supervision and examination.** A banking institution's virtual-currency custody
117.2 services are subject to examination by the commissioner as part of the regular supervisory
117.3 process.

117.4 Subd. 9. **Construction.** This section does not (1) authorize a banking institution to
117.5 engage in activities otherwise prohibited by law, or (2) alter the legal characterization of
117.6 virtual currency under state or federal law.

117.7 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
117.8 virtual-currency custody services commenced on or after that date.

117.9 Sec. 2. Minnesota Statutes 2024, section 52.063, subdivision 3, is amended to read:

117.10 Subd. 3. **Appointment of National Credit Union Administration Board as**
117.11 **receiver.** Upon a request by the commissioner of commerce, the court may appoint the
117.12 National Credit Union Administration Board, created by section 3 of the Federal Credit
117.13 Union Act, as amended, or a share insurance provider approved by the commissioner as
117.14 receiver of a credit union, without bond, when the deposits of the credit union are to any
117.15 extent insured by the National Credit Union Administration Board or approved share
117.16 insurance provider, and the credit union has had its operations suspended or has executed
117.17 a consent cease and desist order with the commissioner in lieu of a suspension under section
117.18 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may,
117.19 in the event of the suspension or consent cease and desist order, tender to the National Credit
117.20 Union Administration Board or approved share insurance provider the proposed appointment
117.21 as receiver of the credit union. If the National Credit Union Administration Board or approved
117.22 share insurance provider accepts the proposed appointment and the court appoints the
117.23 National Credit Union Administration Board or approved share insurance provider as receiver
117.24 upon a request by the commissioner, the National Credit Union Administration Board or
117.25 approved shared insurance provider shall have and possess all the powers and privileges
117.26 provided by the laws of this state and section 207 of the Federal Credit Union Act, as
117.27 amended, with respect to a receiver of a credit union, the board of directors of the credit
117.28 union, and its members.

117.29 Sec. 3. Minnesota Statutes 2024, section 52.24, subdivision 1, is amended to read:

117.30 Subdivision 1. **Insurance accounts.** Every credit union under the supervision of the
117.31 commissioner of commerce shall at all times maintain in effect insurance of member share
117.32 and deposit accounts under the provisions of title II of the National Credit Union Act or
117.33 through a credit union share guaranty corporation that is approved by the commissioner. A

118.1 credit union ~~which~~ that fails to meet this requirement for insurance of its share and deposit
118.2 accounts shall either dissolve or merge with another credit union ~~which~~ that is insured under
118.3 title II of the National Credit Union Act or through a credit union share guaranty corporation
118.4 that is approved by the commissioner.

118.5 Sec. 4. Minnesota Statutes 2024, section 52.24, is amended by adding a subdivision to
118.6 read:

118.7 Subd. 1a. **Credit union share guaranty corporation; accounts insured.** (a) A credit
118.8 union share account of an individual member or a nonmember of a participating credit union
118.9 must be guaranteed in an amount established from time to time by the credit union share
118.10 guaranty corporation. The primary guaranteed amount must be at least the amount of the
118.11 credit union share account but must not exceed \$250,000 or the primary guaranteed amount
118.12 insured by the National Credit Union Administration, whichever is greater.

118.13 (b) The commissioner may examine a credit union share guaranty corporation that insures
118.14 the member accounts of a credit union that is subject to this section. The commissioner may
118.15 assess the credit union share guaranty corporation examined for reasonable costs incurred
118.16 to conduct an examination under this section. Money received from an assessment under
118.17 this paragraph must be deposited in the financial institutions account in the special revenue
118.18 fund.

118.19 (c) A credit union is prohibited from voluntarily terminating the credit union's insurance
118.20 with the National Credit Union Administration Share Insurance Program or a credit union
118.21 share guaranty corporation without receiving approval from the commissioner.

118.22 Sec. 5. Minnesota Statutes 2024, section 52.24, subdivision 2, is amended to read:

118.23 Subd. 2. **Certificate of approval.** No credit union shall be granted a certificate of
118.24 approval by the commissioner of commerce unless the credit union has obtained a
118.25 commitment for insurance of its member share and deposit accounts under the provisions
118.26 of title II of the National Credit Union Act or from an approved credit union share guaranty
118.27 corporation.

118.28 Sec. 6. [52.25] **VIRTUAL-CURRENCY CUSTODY SERVICES.**

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

118.31 (b) "Control of virtual currency" or "control" has the meaning given in section 53B.69,
118.32 subdivision 2.

119.1 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

119.2 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing
119.3 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf
119.4 of another person.

119.5 Subd. 2. **Authority.** A credit union may provide virtual-currency custody services to
119.6 the credit union's members in a fiduciary or nonfiduciary capacity, subject to this section
119.7 and applicable state and federal law.

119.8 Subd. 3. **Safety and soundness.** A credit union that engages in virtual-currency custody
119.9 services must conduct the activity in a safe and sound manner and must maintain written
119.10 policies and procedures governing risk management, internal controls, cybersecurity, business
119.11 continuity, and compliance.

119.12 Subd. 4. **Notice to commissioner.** A credit union must provide written notice to the
119.13 commissioner at least 60 days before commencing virtual-currency custody services. The
119.14 notice must describe the nature of the services and the credit union's risk management
119.15 framework.

119.16 Subd. 5. **Fiduciary capacity.** (a) A credit union may provide virtual-currency custody
119.17 services in a fiduciary or custodial capacity, including as agent, bailee, or trustee for the
119.18 limited purpose of safekeeping or administration of virtual currency, to the same extent the
119.19 credit union may lawfully hold or safeguard other assets for members or customers.

119.20 (b) The commissioner may limit or condition the authority to provide virtual-currency
119.21 custody services under paragraph (a) only if the commissioner determines the activity is
119.22 conducted in an unsafe or unsound manner.

119.23 Subd. 6. **Segregation of assets.** A credit union must structure virtual-currency custody
119.24 services to ensure that customer virtual currency and associated control mechanisms are
119.25 legally and operationally segregated from the credit union's assets and are not treated as the
119.26 credit union's property, consistent with the segregation of assets held in other custodial or
119.27 fiduciary capacities and the concept of control of controllable electronic records under
119.28 sections 336.12-101 to 336.12-107.

119.29 Subd. 7. **Third-party service providers.** A credit union may engage one or more
119.30 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
119.31 services, provided the credit union retains oversight responsibility and ensures compliance
119.32 with this section.

120.1 Subd. 8. **Supervision and examination.** A credit union's virtual-currency custody
120.2 services are subject to examination by the commissioner as part of the regular supervisory
120.3 process.

120.4 Subd. 9. **Construction.** This section does not (1) authorize a credit union to engage in
120.5 activities otherwise prohibited by law, or (2) alter the legal characterization of virtual
120.6 currency under state or federal law.

120.7 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
120.8 virtual-currency custody services commenced on or after that date.

120.9 **Sec. 7. [58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

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

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

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

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

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

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

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

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

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

121.7 (1) other applicable sections of this chapter;

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

121.10 (3) applicable sections of RESPA;

121.11 (4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section
 121.12 501, et seq.; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

122.33 (b) At least annually or upon the borrower's request, a servicer must inform the borrower
122.34 in writing regarding the amount of reserve required in an escrow account. The notice must

123.1 advise the borrower of any fees the borrower incurs (1) for not maintaining the reserve
123.2 amount, or (2) if the servicer advances escrow amounts on the borrower's behalf and
123.3 subsequently collects the escrow amounts from the borrower.

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

123.9 (d) A servicer must notify the borrower within ten business days of the date a change is
123.10 made to the escrow account that modifies the borrower's escrow payment amount. A change
123.11 requiring notification includes but is not limited to hazard insurance premiums, a reduction
123.12 in the required reserve amount for the account, or a change in the property's tax assessment.
123.13 A change resulting from a borrower's regularly scheduled payment is not a change requiring
123.14 notification.

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

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

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

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

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

123.32 (2) the current balance due on the residential mortgage loan, including the principal due;
123.33 the amount of money, if any, held in a suspense account; the amount of the escrow balance

124.1 known to the servicer, if any; and whether any escrow deficiencies or shortages are known
124.2 to the servicer;

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

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

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

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

124.13 (e) In addition to the statement described under paragraph (a), clause (2), a borrower
124.14 may request more detailed information from a servicer. A servicer that receives a request
124.15 under this paragraph must provide the information to the borrower within 30 business days
124.16 of the date a written request from the borrower is received. A borrower's request must
124.17 include the borrower's name and account number, if any, a statement that the account is or
124.18 may be in error, and sufficient detail to the servicer regarding information sought by the
124.19 borrower. If requested by the borrower, a statement provided under this paragraph must
124.20 also include:

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

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

124.29 (f) For purposes of a borrower request made under paragraph (e) the account history
124.30 period must cover, at a minimum, the two-year period before the date the request for
124.31 information is received. If the servicer has not serviced the residential mortgage loan for
124.32 the entire two-year period, the servicer must provide the information back to the date on
124.33 which the servicer began servicing the residential mortgage loan and must identify the

125.1 previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed
125.2 on the residential mortgage loan prior to the two-year period or the period during which the
125.3 servicer has serviced the residential mortgage loan, the servicer must provide an account
125.4 history beginning with the month that the servicer claims any outstanding sums are owed
125.5 on the residential mortgage loan up to the date the request for the information is received.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

127.12 Sec. 8. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

127.13 Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person
127.14 must investigate and attempt to resolve complaints made regarding acts or practices subject
127.15 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions
127.16 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
127.17 a file containing all materials relating to the complaint and subsequent investigation for a
127.18 period of 60 months.

127.19 Sec. 9. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

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

127.24 Sec. 10. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

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

128.1 Sec. 11. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
128.2 read:

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

128.5 (1) record a telephone conversation with a borrower and a borrower's representatives;
128.6 and

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

128.9 Sec. 12. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

128.10 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
128.11 by a federal or state chartered bank, savings bank, or credit union, unless the residential
128.12 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union
128.13 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
128.14 20.

128.15 Sec. 13. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
128.16 read:

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

128.24 Sec. 14. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
128.25 to read:

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

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

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

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

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

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

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

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

129.10 Sec. 15. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
129.11 read:

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

129.18 Sec. 16. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

131.1 Sec. 17. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

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

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

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

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

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

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

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

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

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

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

131.26 Sec. 18. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

131.27 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
131.28 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
131.29 must: protect the borrower from negative consequences resulting from the sale, assignment,
131.30 transfer, system conversion, or payment the borrower makes to the original loan servicer
131.31 consistent with the original student loan servicer's policy. For purposes of this paragraph,
131.32 "negative consequences" includes but is not limited to: (1) negative credit reporting; (2)

132.1 imposing late fees that are not required by the promissory note; or (3) eligibility loss or
 132.2 denial for a benefit or protection established under federal law or included in the loan
 132.3 contract.

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

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

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

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

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

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

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

132.23 (2) the name, address, website, and toll-free telephone number for the original student
 132.24 loan servicer's designated point of contact for the borrower to contact in order to obtain
 132.25 answers to servicing inquiries;

132.26 (3) the name, address, website, and toll-free telephone number for the new student loan
 132.27 servicer's designated point of contact for the borrower to contact in order to obtain answers
 132.28 to servicing inquiries;

132.29 (4) the date the original student loan servicer stops accepting payments on the borrower's
 132.30 student loan;

132.31 (5) the date the new student loan servicer begins accepting payments on the borrower's
 132.32 student loan;

133.1 (6) information that indicates whether the borrower's authorization for recurring electronic
 133.2 funds transfers, if applicable, is transferred to the new servicer. If a recurring electronic
 133.3 funds transfer is not transferred, the transferee must provide information that explains how
 133.4 the borrower may establish a new recurring electronic funds transfer with the new servicer;
 133.5 and

133.6 (7) a statement that indicates the current loan balance, including the current unpaid
 133.7 amount of principal, interest, and fees.

133.8 (c) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
 133.9 transfer of the servicing, the original student loan servicer must ensure all necessary
 133.10 information regarding a borrower, a borrower's account, and a borrower's student loan
 133.11 accompanies a loan when the loan is transferred to a new student loan servicer. The transfer
 133.12 of necessary information must occur within 45 calendar days of the sale, assignment, or
 133.13 transfer's effective date. For purposes of this subdivision, "necessary information" includes
 133.14 but is not limited to:

133.15 (1) a schedule of all transactions credited or debited to the student loan account;

133.16 (2) a copy of the promissory note for the student loan;

133.17 (3) notes created by the student loan servicer's personnel that reflect communications
 133.18 with the borrower regarding the student loan account;

133.19 (4) a report of the data fields relating to the borrower's student loan account created by
 133.20 the student loan servicer's electronic systems in connection with servicing practices;

133.21 (5) copies or electronic records of information or documents the borrower provided to
 133.22 the student loan servicer;

133.23 (6) if applicable, usable data fields that contain information necessary to assess the
 133.24 borrower's eligibility for forgiveness, including public service loan forgiveness; and

133.25 (7) information necessary to compile a payment history.

133.26 (d) A new student loan servicer must adopt and implement policies and procedures to
 133.27 verify that the original student loan servicer meets the requirements of paragraph (c).

133.28 Sec. 19. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

133.29 Subd. 6. **Records.** A student loan servicer must maintain ~~adequate~~ complete and accurate
 133.30 records, including of all written communication and telephone recordings, for each student
 133.31 loan. The records must be maintained for ~~not less than~~ at least two years following the final
 133.32 payment on the student loan or the sale, assignment, or transfer of the servicing.

134.1 Sec. 20. [59E.01] SHORT TITLE.

134.2 This chapter shall be known and cited as the "Rental Home Marketplace Guarantees
134.3 Act."

134.4 Sec. 21. [59E.02] DEFINITIONS.

134.5 (a) For purposes of this chapter, the following terms have the meanings given.

134.6 (b) "Commissioner" means the commissioner of commerce.

134.7 (c) "Person" means an individual or an entity, excluding a state or local governmental
134.8 entity.

134.9 (d) "Platform contract holder" means a platform user who is the beneficiary or holder
134.10 of a rental home marketplace guarantee.

134.11 (e) "Provider" means:

134.12 (1) a rental home marketplace; or

134.13 (2) a rental home marketplace affiliate or representative who issues or offers as well as
134.14 administers, either directly or through a third party, a rental home marketplace guarantee.

134.15 (f) "Reimbursement insurance policy" means an insurance policy issued to a provider,
134.16 pursuant to which the insurer agrees, for the benefit of a platform contract holder, to discharge
134.17 the provider's obligations and liabilities under the terms of the rental home marketplace
134.18 guarantee in the event of the provider's default or nonperformance under the rental home
134.19 marketplace guarantee.

134.20 (g) "Rental home marketplace" means a person that:

134.21 (1) provides an online application, software, website, system, or other medium that:

134.22 (i) is used to advertise or offer available property to the public; and

134.23 (ii) connects and enables platform users' property;

134.24 (2) provides, directly or indirectly, or maintains an online platform by:

134.25 (i) transmitting or otherwise communicating the offer or acceptance of a transaction
134.26 between two platform users; or

134.27 (ii) owning or operating the electronic infrastructure or technology that connects two or
134.28 more platform users; and

135.1 (3) if the person offers rental home marketplace guarantees, offers rental home
135.2 marketplace guarantees only in a manner that is ancillary to the conduct of the person's
135.3 primary legitimate business or activity.

135.4 (h) "Rental home marketplace guarantee" means a contract or agreement issued in
135.5 connection with a rental home marketplace, whether or not the contract or agreement includes
135.6 a separate consideration, to reimburse a user sharing property for damages the renter is
135.7 responsible for under the rental home marketplace's terms of service, with or without
135.8 additional provision for incidental payment of indemnity.

135.9 **Sec. 22. [59E.03] REQUIREMENTS FOR DOING BUSINESS.**

135.10 (a) A provider is prohibited from issuing or offering a rental home marketplace guarantee
135.11 unless the provider has made the rental home marketplace guarantee terms available on the
135.12 provider's website and complied with this chapter.

135.13 (b) A provider that offers rental home marketplace guarantees must file a registration
135.14 with the commissioner on a form prescribed by the commissioner.

135.15 (c) To ensure the faithful performance of a provider's obligations to the provider's
135.16 platform contract holders, each provider who is obligated to a platform contract holder must
135.17 insure all rental home marketplace guarantees under a reimbursement insurance policy
135.18 issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to
135.19 sections 60A.195 to 60A.2095.

135.20 (d) Each person handling rental home marketplace guarantee losses on behalf of a
135.21 provider must be trained in property damage and loss assessment and interpretation of the
135.22 rental home marketplace guarantee terms before handling losses. The training must be
135.23 adequate for each person handling rental home marketplace guarantee losses to provide
135.24 knowledgeable, fair, and objective service. Providers must maintain records demonstrating
135.25 completion of the training under this paragraph by each person handling rental home
135.26 marketplace guarantee losses.

135.27 **Sec. 23. [59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT**
135.28 **INSURANCE.**

135.29 A rental home marketplace guarantee does not constitute insurance and is not required
135.30 to comply with other Minnesota insurance laws if the provider complies with this chapter.

136.1 Sec. 24. **[59E.05] REIMBURSEMENT INSURANCE POLICY.**

136.2 (a) A reimbursement insurance policy insuring rental home marketplace guarantees must
136.3 clearly state that upon the provider's default or nonperformance under the rental home
136.4 marketplace guarantee, the insurer that issued the policy must pay on behalf of the provider
136.5 any amount the provider is obligated to pay according to the rental home marketplace
136.6 guarantee.

136.7 (b) A reimbursement insurance policy is subject to the laws and regulations governing
136.8 termination and nonrenewal of insurance policies in Minnesota. The termination of a
136.9 reimbursement insurance policy does not reduce the issuer's responsibility for rental home
136.10 marketplace guarantees issued by providers before the termination's effective date.

136.11 (c) A provider is the agent of the insurer that issued the reimbursement insurance policy.
136.12 The insurer retains the right to seek indemnification or subrogation from the provider if the
136.13 insurer pays or is obligated to pay the platform contract holder the amount the provider was
136.14 obligated to pay under the rental home marketplace guarantee. This chapter does not prevent
136.15 or limit the insurer's right in this regard.

136.16 Sec. 25. **[59E.06] CONSUMER PROTECTION AND DISCLOSURES.**

136.17 (a) A rental home marketplace guarantee must include a statement in substantially the
136.18 following form: "This rental home marketplace guarantee is not an insurance contract."

136.19 (b) A rental home marketplace guarantee must contain a statement in substantially the
136.20 following form: "The provider's obligations are backed by a reimbursement insurance policy.
136.21 If the provider is unable or fails to perform on the provider's contractual obligation under
136.22 a rental home marketplace guarantee within 90 days after the date proof of loss is filed, a
136.23 platform user is entitled to make a claim directly against the insurance company subject to
136.24 the terms of the policy."

136.25 (c) A rental home marketplace guarantee must be written in clear, understandable
136.26 language and must specify the terms, limitations, exceptions, conditions, or exclusions,
136.27 including conditions governing transferability or termination.

136.28 (d) A provider is prohibited from making, permitting, or causing to be made a false or
136.29 misleading statement, or deliberately omitting a material statement whose omission is
136.30 considered misleading, in connection with offering or advertising a rental home marketplace
136.31 guarantee.

137.1 Sec. 26. **[59E.07] ENFORCEMENT.**

137.2 The commissioner must ensure rental home marketplace guarantees comply with this
137.3 chapter pursuant to the commissioner's powers under chapter 45. The commissioner must
137.4 ensure reimbursement insurance policies insuring rental home marketplace guarantees
137.5 comply with applicable law pursuant to the commissioner's powers under chapters 45 and
137.6 60A.

137.7 Sec. 27. Minnesota Statutes 2024, section 60A.07, is amended by adding a subdivision to
137.8 read:

137.9 Subd. 12. **Social Security number and individual taxpayer identification number.** (a)
137.10 If an insurance company requires a new customer to provide a Social Security number on
137.11 an application for insurance coverage, the insurance company must accept an individual
137.12 taxpayer identification number in lieu of a Social Security number.

137.13 (b) This subdivision does not prohibit an insurance company from using the insurance
137.14 company's applicable underwriting criteria in determining the eligibility, classification, or
137.15 rating of any applicant for insurance.

137.16 (c) This subdivision does not require an insurer to alter the insurer's existing applications
137.17 for insurance.

137.18 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to insurance
137.19 coverage offered, issued, or renewed on or after that date.

137.20 Sec. 28. Minnesota Statutes 2024, section 60A.085, is amended to read:

137.21 **60A.085 CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO**
137.22 **COVERED PERSONS.**

137.23 (a) No cancellation of any group life, group accidental death and dismemberment, group
137.24 disability income, or group medical expense policy, plan, or contract regulated under chapter
137.25 62A or 62C is effective unless the insurer has made a good faith effort to notify all covered
137.26 persons of the cancellation at least 30 days before the effective cancellation date. For purposes
137.27 of this section, an insurer has made a good faith effort to notify all covered persons if the
137.28 insurer has notified all the persons included on the list required by paragraph (b) at the home
137.29 address given and only if the list has been updated within the last 12 months.

137.30 (b) At the time of the application for coverage subject to paragraph (a), the insurer shall
137.31 obtain an accurate list of the names and home addresses of all persons to be covered.

138.1 (c) Paragraph (a) does not apply if the group policy, plan, or contract is replaced, or if
 138.2 the insurer has reasonable evidence to indicate that it will be replaced, by a substantially
 138.3 similar policy, plan, or contract.

138.4 (d) In no event shall this section extend coverage under a group policy, plan, or contract
 138.5 more than 120 days beyond the date coverage would otherwise cancel based on the terms
 138.6 of the group policy, plan, or contract.

138.7 (e) If coverage under the group policy, plan, or contract is extended by this section, then
 138.8 the time period during which affected members may exercise any conversion privilege
 138.9 provided for in the group policy, plan, or contract is extended for the same length of time,
 138.10 plus 30 days.

138.11 (f) In the case of a group life, group accidental death and dismemberment, or group
 138.12 disability income policy, the insurer and group policyholder may agree that the group
 138.13 policyholder assumes responsibility for notifying all covered persons in the event of a
 138.14 cancellation under paragraphs (a) and (c). As part of the agreement, the group policyholder
 138.15 must certify to the insurer that the notification required under this section has taken place.
 138.16 If the employer assumes responsibility for the notification, paragraphs (b), (d), and (e) do
 138.17 not apply.

138.18 Sec. 29. Minnesota Statutes 2024, section 60K.383, is amended to read:

138.19 **60K.383 TRAVEL INSURANCE.**

138.20 Subdivision 1. **Definitions.** (a) As used in this section, the terms in paragraphs (b) to
 138.21 ~~(d)~~ (e) have the meanings given.

138.22 (b) "Limited lines travel insurance producer" means a licensed managing general agent
 138.23 or third-party administrator; licensed insurance producer, including a limited lines producer;
 138.24 or travel administrator, as defined in section 65C.02, subdivision 13.

138.25 (c) "Offer and disseminate" means providing general information, including a description
 138.26 of coverage and price, as well as processing an application and collecting premiums.

138.27 ~~(b)~~ (d) "Travel insurance" means insurance coverage for personal risks incident to planned
 138.28 travel, including; but not limited to:

138.29 (1) interruption or cancellation of trip or event;

138.30 (2) loss of baggage or personal effects;

138.31 (3) damages to accommodations or rental vehicles; ~~or~~

- 139.1 (4) sickness, accident, disability, or death occurring during travel;
 139.2 (5) emergency evacuation;
 139.3 (6) repatriation of remains; or
 139.4 (7) a contractual obligation to indemnify or pay a specified amount of money to the
 139.5 traveler upon determinable contingencies related to travel, as approved by the commissioner.

139.6 Travel insurance does not include major medical plans, which provide comprehensive
 139.7 medical protection for travelers with trips lasting six months or longer, including those
 139.8 working overseas as an expatriate or military personnel being deployed, or a product that
 139.9 requires a specific insurance producer license.

139.10 ~~(e) "Travel insurance producer" means an insurer designee, such as a managing general~~
 139.11 ~~underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

139.12 ~~(d)~~ (e) "Travel retailer" means a business entity that ~~offers and disseminates:~~

139.13 (1) makes, arranges, or offers planned travel; and

139.14 (2) may offer and disseminate travel insurance as a service to the travel retailer's
 139.15 customers on behalf of and under the direction of a limited lines travel insurance producer.

139.16 Subd. 2. ~~Travel retailer license~~ **Licensing and registration.** (a) The commissioner
 139.17 may issue a limited lines travel insurance producer license to an individual or business entity
 139.18 that has filed with the commissioner a limited lines travel insurance producer license
 139.19 application in a form and manner prescribed by the commissioner. A limited lines travel
 139.20 insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a
 139.21 licensed insurer. A person is prohibited from acting as a limited lines travel insurance
 139.22 producer or travel insurance retailer unless the person is licensed or registered.

139.23 (b) A travel retailer may offer and disseminate travel insurance on behalf of and under
 139.24 a limited lines travel insurance producer business entity license only if the travel insurance
 139.25 producer holds a business entity license, and:

139.26 ~~(1) the licensed business entity is clearly identified as the licensed producer on marketing~~
 139.27 ~~materials and fulfillment packages distributed by travel retailers to customers; identification~~
 139.28 ~~shall include the entity's name and contact information;~~

139.29 (1) the limited lines travel insurance producer or travel retailer provides to travel insurance
 139.30 purchasers:

139.31 (i) a description of the material terms or the actual material terms of the insurance
 139.32 coverage;

- 140.1 (ii) a description of the process to file a claim;
- 140.2 (iii) a description of the process to review or cancel the travel insurance policy; and
- 140.3 (iv) the identity and contact information of the insurer and limited lines travel insurance
- 140.4 producer;
- 140.5 (2) the ~~licensed business entity~~ limited lines travel insurance producer keeps a register,
- 140.6 on a form prescribed by the commissioner, of each travel retailer that offers travel insurance
- 140.7 on the licensed business entity's behalf. The register must be maintained and updated by
- 140.8 the limited lines travel insurance producer and must include (i) the name, address, and
- 140.9 contact information of the travel retailer and an officer or person who directs or controls
- 140.10 the travel retailer's operations, and (ii) the travel retailer's federal Employer tax identification
- 140.11 number. The licensed business entity shall limited lines travel insurance producer must also
- 140.12 certify that the travel retailer registered complies with United States Code, title 18, section
- 140.13 1033. The licensed business entity shall limited lines travel insurance producer must submit
- 140.14 the register within 30 days upon request by the commissioner. Section 60K.43, subdivisions
- 140.15 1, 3, and 4, apply to limited lines travel insurance producers and travel retailers;
- 140.16 (3) the ~~licensed business entity~~ limited lines travel insurance producer has designated
- 140.17 one of its employees as who is a licensed individual producer; as a "designated responsible
- 140.18 producer" or "DRP;" responsible for the business entity's compliance with Minnesota
- 140.19 insurance laws and rules;
- 140.20 (4) the DRP, president, secretary, treasurer, and any other officer or person who directs
- 140.21 or controls the ~~licensed business entity's~~ limited lines travel insurance producer's insurance
- 140.22 operations ~~comply~~ complies with the fingerprinting requirements applicable to insurance
- 140.23 producers in the resident state of the ~~business entity~~ limited lines travel insurance producer;
- 140.24 (5) the ~~licensed business entity~~ limited lines travel insurance producer has paid all
- 140.25 applicable insurance producer licensing fees as set forth in Minnesota state law; and
- 140.26 (6) the ~~licensed business entity~~ limited lines travel insurance producer requires each
- 140.27 employee and authorized representative of the travel retailer whose duties include offering
- 140.28 and disseminating travel insurance to receive a program of instruction or training, which
- 140.29 may be subject to review by the commissioner. The training materials must, at a minimum,
- 140.30 contain adequate instruction regarding the types of insurance offered, ethical sales practices,
- 140.31 and required disclosures provided to prospective customers.

141.1 (c) A travel retailer offering or disseminating travel insurance must make available to
 141.2 prospective purchasers a brochure or other written materials that have been approved by
 141.3 the travel insurer. The materials must include information that, at a minimum:

141.4 (1) provides the identity and contact information of the insurer and the limited lines
 141.5 travel insurance producer;

141.6 (2) explains that a person is not required to purchase travel insurance in order to purchase
 141.7 any other product or service from the travel retailer; and

141.8 (3) explains that an unlicensed travel retailer is permitted to provide only general
 141.9 information about the insurance offered by the travel retailer, including a description of the
 141.10 coverage and price, but is not qualified or authorized to (i) answer technical questions about
 141.11 the terms and conditions of the insurance offered by the travel retailer, or (ii) evaluate the
 141.12 adequacy of the customer's existing insurance coverage.

141.13 (d) A travel retailer employee or authorized representative who is not licensed as an
 141.14 insurance producer is prohibited from:

141.15 (1) evaluating or interpreting the technical terms, benefits, and conditions contained in
 141.16 the offered travel insurance coverage;

141.17 (2) evaluating or providing advice concerning a prospective purchaser's existing insurance
 141.18 coverage; or

141.19 (3) representing that the travel retailer employee or authorized representative is a licensed
 141.20 insurer, licensed producer, or insurance expert.

141.21 **Subd. 3. Offer and dissemination of travel insurance; compensation.** Notwithstanding
 141.22 any other law, a travel retailer whose insurance-related activities, and those of its employees
 141.23 and authorized representatives, are limited to offering and disseminating travel insurance
 141.24 on behalf of and under the direction of a licensed business entity limited lines travel insurance
 141.25 producer meeting the conditions stated in this section, is authorized to do so and receive
 141.26 related compensation, upon registration by the licensed business entity. For purposes of this
 141.27 section, "offering and disseminating" means providing general information, including a
 141.28 description of the coverage and price, as well as processing the application, collecting
 141.29 premiums, and performing other nonlicensable activities permitted by the state limited lines
 141.30 travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

141.31 **Subd. 4. Insurer designee.** As the insurer insurer's designee, the limited lines travel
 141.32 insurance producer is responsible for the acts of the travel retailer and must use reasonable
 141.33 means to ensure compliance by the travel retailer with this section and chapter 65C.

142.1 Subd. 5. Producers of major lines of insurance. A person licensed in a major line of
142.2 authority as an insurance producer is authorized to sell, solicit, and negotiate travel insurance.
142.3 A property and casualty insurance producer is not required to be appointed by an insurer in
142.4 order to sell, solicit, or negotiate travel insurance.

142.5 EFFECTIVE DATE. This section is effective 90 days following the date of final
142.6 enactment.

142.7 Sec. 30. Minnesota Statutes 2024, section 65A.27, subdivision 1, is amended to read:

142.8 Subdivision 1. **Scope.** For purposes of sections 65A.27 to ~~65A.302~~ 65A.304, the following
142.9 terms have the meanings given.

142.10 EFFECTIVE DATE. This section is effective 90 days following the date of final
142.11 enactment.

142.12 Sec. 31. **[65A.304] DAMAGE BY PEACE OFFICERS; MITIGATION.**

142.13 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
142.14 the meanings given.

142.15 (b) "Industrial hygienist" means an individual who has:

142.16 (1) a certified industrial hygienist credential from the Board for Global EHS
142.17 Credentialing; or

142.18 (2) an equivalent certification from a nationally or internationally recognized accrediting
142.19 body demonstrating competency in the anticipation, recognition, evaluation, and control of
142.20 occupational and environmental health hazards.

142.21 (c) "Just compensation" has the meaning given in section 626.74, subdivision 1, clause
142.22 (1).

142.23 (d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph
142.24 (c).

142.25 Subd. 2. Exclusion prohibited. (a) A policy of homeowner's insurance must not exclude
142.26 coverage for property damage if the homeowner is an innocent third party entitled to just
142.27 compensation under section 626.74 and the damage results from a peace officer's use of
142.28 chemical irritants, smoke screens, or diversionary devices.

142.29 (b) This section does not affect a local government's duty to pay just compensation under
142.30 section 626.74.

143.1 (c) Paragraph (a) does not prohibit a civil authority exclusion or other policy provision
143.2 as long as the coverage for just compensation is not excluded.

143.3 Subd. 3. **Mitigation.** (a) Under a policy of homeowner's insurance, an insurer must allow
143.4 a homeowner to choose a mitigation contractor and, if necessary, an industrial hygienist to
143.5 assess and remediate damage due to a peace officer's use of chemical irritants, smoke screens,
143.6 or diversionary devices, when the homeowner is owed just compensation under section
143.7 626.74.

143.8 (b) The work performed by a mitigation contractor or industrial hygienist under this
143.9 subdivision must follow recognized industry standards and, if applicable, chemical
143.10 manufacturer guidelines.

143.11 Subd. 4. **Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to
143.12 or on behalf of a homeowner for damage described in this section, the insurer is subrogated
143.13 as a matter of law to the homeowner's right to recover just compensation from the responsible
143.14 local government unit.

143.15 (b) Payment made by an insurer under a policy of homeowner's insurance for damage
143.16 described in this section, if made in good faith and after reasonable investigation, is presumed
143.17 reasonable and necessary and must be reimbursed by the responsible local government unit.
143.18 Reimbursement may be denied only upon proof that the payment was obtained by fraud or
143.19 that the insurer acted in bad faith. If reimbursement is not made as required by this
143.20 subdivision, the insurer may bring an action to recover the amount paid and is entitled to
143.21 reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811,
143.22 subdivision 2, paragraph (a).

143.23 (c) If an insurer is reimbursed by a local government unit pursuant to this section, the
143.24 insurer must remit to the homeowner an amount equal to any deductible the homeowner
143.25 has paid toward the damage.

143.26 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
143.27 enactment.

143.28 Sec. 32. **[65C.01] SCOPE AND PURPOSES.**

143.29 Subdivision 1. **Purpose.** The purpose of this chapter is to promote the public welfare
143.30 by creating a comprehensive legal framework within which travel insurance may be sold
143.31 in Minnesota.

143.32 Subd. 2. **Application.** (a) This chapter applies to:

144.1 (1) travel insurance that covers any Minnesota resident and is sold, solicited, negotiated,
144.2 or offered in Minnesota; and

144.3 (2) policies and certificates that are delivered or issued for delivery in Minnesota.

144.4 (b) This chapter does not apply to cancellation fee waivers or travel assistance services,
144.5 except as expressly provided in this chapter.

144.6 Subd. 3. **Applicability of other law.** All other applicable provisions of Minnesota
144.7 insurance law apply to travel insurance, except that this chapter supersedes any general
144.8 provisions of law that would otherwise apply to travel insurance.

144.9 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
144.10 enactment.

144.11 Sec. 33. **[65C.02] DEFINITIONS.**

144.12 Subdivision 1. **Application.** For purposes of this chapter, the following terms have the
144.13 meanings given.

144.14 Subd. 2. **Aggregator site.** "Aggregator site" means a website that provides access to
144.15 information, including product and insurer information, regarding insurance products from
144.16 more than one insurer for use in comparison shopping.

144.17 Subd. 3. **Blanket travel insurance.** "Blanket travel insurance" means a travel insurance
144.18 policy issued to an eligible group providing coverage for specific classes of persons defined
144.19 in the policy, with coverage provided to all members of the eligible group without a separate
144.20 charge to individual members of the eligible group.

144.21 Subd. 4. **Cancellation fee waiver.** "Cancellation fee waiver" means a contractual
144.22 agreement between a travel services supplier and the travel services supplier's customer to
144.23 wave some or all of the nonrefundable cancellation fee provisions contained in the supplier's
144.24 underlying travel contract, with or without regard to the reason for the cancellation or form
144.25 of reimbursement. A cancellation fee waiver is not insurance.

144.26 Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

144.27 Subd. 6. **Eligible group.** "Eligible group" means two or more persons who are engaged
144.28 in a common enterprise or have an economic, educational, or social affinity or relationship,
144.29 including but not limited to:

144.30 (1) an entity engaged in the business of providing travel or travel services, including but
144.31 not limited to:

- 145.1 (i) a tour operator, lodging provider, vacation property owner, hotel, resort, travel club,
145.2 travel agency, property manager, cultural exchange program, and common carrier; or
- 145.3 (ii) the operator, owner, or lessor of a means of transporting passengers, including but
145.4 not limited to an airline, cruise line, railroad, steamship company, and public bus carrier,
145.5 if all group members or customers have a common exposure to the risk attendant to the
145.6 particular type of travel;
- 145.7 (2) a college, school, or other institution of learning covering students, teachers,
145.8 employees, or volunteers;
- 145.9 (3) an employer covering a group of employees, volunteers, contractors, board of
145.10 directors, dependents, or guests;
- 145.11 (4) a sports team, camp, or sports team or camp sponsor covering participants, members,
145.12 campers, employees, officials, supervisors, or volunteers;
- 145.13 (5) a religious, charitable, recreational, educational, or civic organization, or branch of
145.14 a religious, charitable, recreational, educational, or civic organization, covering any group
145.15 of members, participants, or volunteers;
- 145.16 (6) a financial institution, financial institution vendor, parent holding company, trustee,
145.17 or agent or designee of one or more financial institutions or financial institution vendors,
145.18 including account holders, credit card holders, debtors, guarantors, or purchasers;
- 145.19 (7) an incorporated or unincorporated association, including a labor union, that (i) has
145.20 a common interest, constitution, and bylaws, and (ii) is organized and maintained in good
145.21 faith for purposes other than obtaining insurance for members or participants of the
145.22 association covering the association's members;
- 145.23 (8) a trust or the trustees of a fund established, created, or maintained for the benefit of
145.24 and to cover members, employees, or customers, subject to the commissioner authorizing
145.25 the use of a trust by one or more associations meeting the requirements under clause (7);
- 145.26 (9) an entertainment production company covering a group of participants, volunteers,
145.27 audience members, contestants, or workers;
- 145.28 (10) a volunteer fire department, ambulance, rescue, police, court, first aid, civil defense,
145.29 or other volunteer group;
- 145.30 (11) a preschool, day care institution for children or adults, or senior citizen club;
- 145.31 (12) an automobile or truck rental or leasing company covering a group of individuals
145.32 who may become renters, lessees, or passengers as defined by the group of individuals'

146.1 travel status on the rented or leased vehicles. The common carrier, operator, owner or lessor
146.2 of a means of transportation, or automobile or truck rental or leasing company is the
146.3 policyholder under a policy governed by this section; or

146.4 (13) any other group the commissioner determines (i) is engaged in a common enterprise
146.5 or has an economic, educational, or social affinity or relationship, and (ii) for which policy
146.6 issuance is not contrary to the public interest.

146.7 Subd. 7. **Fulfillment materials.** "Fulfillment materials" means documentation sent to
146.8 a person who purchases a travel protection plan that confirms the purchase and provides
146.9 the travel protection plan's coverage and assistance details.

146.10 Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance
146.11 issued to an eligible group.

146.12 Subd. 9. **Limited lines travel insurance producer.** "Limited lines travel insurance
146.13 producer" has the meaning given in section 60K.383, subdivision 1, paragraph (b).

146.14 Subd. 10. **Offer and disseminate.** "Offer and disseminate" has the meaning given in
146.15 section 60K.383, subdivision 1, paragraph (c).

146.16 Subd. 11. **Primary certificate holder.** "Primary certificate holder" means an individual
146.17 who elects and purchases travel insurance under a group policy.

146.18 Subd. 12. **Primary policyholder** "Primary policyholder" means an individual who elects
146.19 and purchases individual travel insurance.

146.20 Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly
146.21 or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles
146.22 claims on residents of Minnesota in connection with travel insurance. A person is not a
146.23 travel administrator if the person's only actions that otherwise indicate the person is a travel
146.24 administrator are:

146.25 (1) a person works for a travel administrator, to the extent that the person's activities are
146.26 subject to the travel administrator's supervision and control;

146.27 (2) an insurance producer sells insurance or engages in administrative and claims-related
146.28 activities within the scope of the producer's license;

146.29 (3) a travel retailer (i) offers and disseminates travel insurance, and (ii) is registered
146.30 under the license of a limited lines travel insurance producer under this chapter;

147.1 (4) an individual who (i) adjusts or settles claims in the normal course of the individual's
147.2 practice or employment as an attorney, and (ii) does not collect charges or premiums in
147.3 connection with insurance coverage; or

147.4 (5) a business entity is affiliated with a licensed insurer while acting as a travel
147.5 administrator for the direct and assumed insurance business of an affiliated insurer.

147.6 **Subd. 14. Travel assistance services.** "Travel assistance services" means noninsurance
147.7 services (1) for which the consumer is not indemnified based on a fortuitous event, and (2)
147.8 where providing the service does not result in transfer or shifting of risk that would constitute
147.9 the business of insurance. Travel assistance services include but are not limited to: security
147.10 advisories; destination information; vaccination and immunization information services;
147.11 travel reservation services; entertainment; activity and event planning; translation assistance;
147.12 emergency messaging; international legal and medical referrals; medical case monitoring;
147.13 coordination of transportation arrangements; emergency cash transfer assistance; medical
147.14 prescription replacement assistance; passport and travel document replacement assistance;
147.15 lost luggage assistance; concierge services; and any other service that is furnished in
147.16 connection with planned travel. Travel assistance services are not insurance and are not
147.17 related to insurance.

147.18 **Subd. 15. Travel insurance.** "Travel insurance" has the meaning given in section
147.19 60K.383, subdivision 1, paragraph (d).

147.20 **Subd. 16. Travel protection plan.** "Travel protection plan" means a plan that provides
147.21 one or more of the following:

147.22 (1) travel insurance;

147.23 (2) travel assistance services; or

147.24 (3) cancellation fee waivers.

147.25 **Subd. 17. Travel retailer.** "Travel retailer" has the meaning given in section 60K.383,
147.26 subdivision 1, paragraph (e).

147.27 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
147.28 enactment.

147.29 **Sec. 34. [65C.04] TRAVEL PROTECTION PLANS.**

147.30 A travel protection plan may be offered at one price for the combined features that the
147.31 travel protection plan offers in Minnesota if:

147.32 (1) the travel protection plan:

148.1 (i) clearly discloses to the consumer, at or before the time the travel protection plan is
148.2 purchased, that the travel protection plan includes travel insurance, travel assistance services,
148.3 and cancellation fee waivers, as applicable; and

148.4 (ii) provides information and an opportunity, at or prior to the time the travel protection
148.5 plan is purchased, for the consumer to obtain additional information regarding the features
148.6 and pricing of the travel insurance, travel assistance services, and cancellation fee waivers;
148.7 and

148.8 (2) the fulfillment materials:

148.9 (i) describe and delineate the travel insurance, travel assistance services, and cancellation
148.10 fee waivers in the travel protection plan; and

148.11 (ii) include the travel insurance disclosures and the contact information for the persons
148.12 providing travel assistance services and cancellation fee waivers, as applicable.

148.13 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
148.14 enactment.

148.15 Sec. 35. **[65C.05] SALES PRACTICES.**

148.16 Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a
148.17 person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to
148.18 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing
148.19 of travel insurance and travel protection plans, this chapter prevails.

148.20 Subd. 2. **Illusory travel insurance.** A person that offers or sells a travel insurance policy
148.21 that could never result in payment of claims for an insured individual under the policy is
148.22 engaging in an unfair trade practice under sections 72A.17 to 72A.32.

148.23 Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel
148.24 insurance, including but not limited to sales materials, advertising materials, and marketing
148.25 materials, must be consistent with the travel insurance policy, including but not limited to
148.26 forms, endorsements, policies, rate filings, and certificates of insurance.

148.27 (b) A person that offers travel insurance policies or certificates that contain preexisting
148.28 condition exclusions must, before the insurance is purchased, provide a consumer with
148.29 information and an opportunity to learn more about the preexisting condition exclusions.
148.30 The information about preexisting condition exclusions must be included in the insurance
148.31 policy's coverage fulfillment materials.

149.1 (c) The fulfillment materials and the information described in section 60K.383,
149.2 subdivision 2, paragraph (b), clause (1), must be provided to a policyholder or certificate
149.3 holder as soon as practicable after a travel protection plan is purchased. Unless the insured
149.4 individual has started a covered trip or filed a claim under the travel insurance coverage, a
149.5 policyholder or certificate holder may cancel a policy or certificate for a full refund of the
149.6 travel protection plan price from the date a travel protection plan is purchased until at least:

149.7 (1) 15 days after the date the travel protection plan's fulfillment materials are delivered
149.8 by mail; or

149.9 (2) ten days after the date the travel protection plan's fulfillment materials are delivered
149.10 by means other than mail.

149.11 (d) For purposes of this section, "delivery" means (1) handing fulfillment materials to
149.12 the policyholder or certificate holder, or (2) sending fulfillment materials by mail or electronic
149.13 means to the policyholder or certificate holder.

149.14 (e) The company must disclose in the policy documentation and fulfillment materials
149.15 whether the travel insurance is primary or secondary to other applicable coverage.

149.16 (f) Travel insurance that is marketed directly to a consumer through an insurer's website
149.17 or by others through an aggregator site is not an unfair trade practice or other violation of
149.18 law if an accurate summary or short description of coverage is provided on the web page,
149.19 provided the consumer has access to the policy's full provisions by electronic means.

149.20 Subd. 4. **Opt out.** A person that offers, solicits, or negotiates travel insurance or travel
149.21 protection plans on an individual or group basis is prohibited from offering, soliciting, or
149.22 negotiating travel insurance or travel protection plans by using negative option or opting
149.23 out that requires a consumer to take an affirmative action to deselect coverage, including
149.24 by unchecking a box on an electronic form, when the consumer purchases a trip.

149.25 Subd. 5. **Other prohibitions.** A person that markets blanket travel insurance coverage
149.26 as free of cost is engaging in an unfair trade practice.

149.27 Subd. 6. **Coverage required by other jurisdictions.** If a consumer's destination
149.28 jurisdiction requires insurance coverage, a person does not engage in an unfair trade practice
149.29 if the person requires a consumer to choose between the following options as a condition
149.30 of purchasing a trip or travel package:

149.31 (1) purchasing the coverage required by the destination jurisdiction through the travel
149.32 retailer or limited lines travel insurance producer supplying the trip or travel package; or

150.1 (2) agreeing to obtain and provide proof of coverage that meets the destination
150.2 jurisdiction's requirements prior to departure.

150.3 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
150.4 enactment.

150.5 Sec. 36. **[65C.06] TRAVEL ADMINISTRATORS.**

150.6 (a) Notwithstanding chapters 59A to 79A, a person is prohibited from acting as or
150.7 representing that the person is a travel administrator for travel insurance in Minnesota unless
150.8 the person:

150.9 (1) is a licensed property and casualty insurance producer in Minnesota for activities
150.10 permitted under the property and casualty insurance producer license;

150.11 (2) holds a valid managing general agent license in Minnesota; or

150.12 (3) holds a valid third-party administrator license in Minnesota.

150.13 (b) A travel administrator and the travel administrator's employees are exempt from the
150.14 licensing requirements of chapter 72B for travel insurance the travel administrator
150.15 administers.

150.16 (c) An insurer is responsible for:

150.17 (1) the acts of a travel administrator administering travel insurance underwritten by the
150.18 insurer; and

150.19 (2) ensuring the travel administrator maintains all books and records relevant to the
150.20 insurer that the travel administrator must make available to the commissioner upon request.

150.21 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
150.22 enactment.

150.23 Sec. 37. **[65C.07] POLICY.**

150.24 (a) Notwithstanding chapters 59A to 79A, travel insurance is classified and filed for
150.25 purposes of rates and forms under an inland marine line of insurance. Notwithstanding this
150.26 paragraph, travel insurance that provides coverage for illness, accident, disability, or death
150.27 occurring during travel, either exclusively or in conjunction with related emergency
150.28 evacuation or repatriation of remains coverage, or incidental limited property and casualty
150.29 benefits, including baggage or trip cancellation, may be filed under either an accident and
150.30 health line of insurance or an inland marine line of insurance.

151.1 (b) Travel insurance may be offered and issued in the form of an individual, group, or
 151.2 blanket policy.

151.3 (c) Eligibility and underwriting standards for travel insurance may be developed and
 151.4 provided based on travel protection plans designed for individual or identified marketing
 151.5 or distribution channels, provided the standards also meet the underwriting standards for
 151.6 an inland marine line of insurance under Minnesota law.

151.7 **EFFECTIVE DATE.** This section is effective 90 days following the date of final
 151.8 enactment.

151.9 Sec. 38. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

151.10 Subd. 2. **Person.** "Person" means any individual, corporation, association, partnership,
 151.11 reciprocal exchange, interinsurer, Lloyds insurer, fraternal benefit society, or any other legal
 151.12 entity, engaged in the business of insurance, including an agent, a solicitor, ~~or~~ an adjuster
 151.13 ~~and~~, or an insurance lead generator. For the purposes of sections 72A.31 and 72A.32 "person"
 151.14 shall in addition mean any person, firm or corporation even though not engaged in the
 151.15 business of insurance.

151.16 Sec. 39. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
 151.17 read:

151.18 Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person that
 151.19 uses a lead-generating device to:

151.20 (1) publicize the availability of what is or what purports to be an insurance product or
 151.21 service that the person is not licensed to sell directly to a customer;

151.22 (2) identify a customer who may be interested in learning more about an insurance
 151.23 product; or

151.24 (3) sell or transmit customer information to an insurer or producer for the purposes of
 151.25 subsequent contact or sales activity.

151.26 (b) For purposes of sections 72A.17 to 72A.32, insurance lead generator does not include
 151.27 an insurer, as defined under section 72A.201, subdivision 3, clause (9), or an insurance
 151.28 producer, as defined under section 60K.31, subdivision 6.

152.1 Sec. 40. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
152.2 read:

152.3 **Subd. 4. Lead-generating device.** "Lead-generating device" means communication
152.4 directed to the public that, regardless of the communication's form, content, or stated purpose,
152.5 is intended to result in compiling or qualifying a list containing names and other personal
152.6 information to solicit Minnesota residents to purchase what is or what purports to be an
152.7 insurance product or service.

152.8 Sec. 41. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
152.9 read:

152.10 **Subd. 5. Recording.** "Recording" means documenting a sale or verifying a call, including
152.11 a virtual technology call, to market an insurance product or service.

152.12 Sec. 42. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

152.13 **Subd. 2. False information and advertising generally.** Making, publishing,
152.14 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
152.15 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
152.16 magazine, email, Internet advertisement or posting, or other publication, or in the form of
152.17 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
152.18 radio station, or using the Internet or other electronic means, or in any other way, an
152.19 advertisement, announcement, or statement, containing any assertion, representation, or
152.20 statement with respect to the business of insurance, or with respect to any person in the
152.21 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
152.22 constitute an unfair method of competition and an unfair and deceptive act or practice.

152.23 Sec. 43. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
152.24 read:

152.25 **Subd. 2a. Failure to maintain certain records.** A person must maintain books, records,
152.26 documents, and other business records in a manner that ensures data regarding complaints
152.27 and marketing are accessible and retrievable for examination by the insurance commissioner.
152.28 A person must maintain data under this subdivision for at least the current calendar year
152.29 and the two preceding years.

153.1 Sec. 44. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

153.2 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
153.3 transaction conducted:

153.4 (1) by a dealer ~~that is incorporated, registered, domiciled, or otherwise~~ located in
153.5 Minnesota;

153.6 (2) by a dealer representative at a location in Minnesota;

153.7 (3) between a dealer and a consumer ~~who lives~~ in Minnesota; or

153.8 (4) between a dealer and a Minnesota consumer when the transaction involves:

153.9 (i) delivering or shipping a bullion product to an address in Minnesota; or

153.10 ~~(ii) delivering to or shipping from a precious metal depository on behalf of a Minnesota~~
153.11 ~~resident; or~~

153.12 ~~(iii)~~ (ii) making payment to a consumer or receiving a payment from a consumer at an
153.13 address in Minnesota, unless the transaction occurs when the consumer is ~~at a business~~
153.14 ~~location~~ outside of Minnesota.

153.15 Sec. 45. **[82B.081] NOTICE TO COMMISSIONER.**

153.16 Subdivision 1. **Change of application information.** A licensee must provide notice to
153.17 the commissioner if the information in the license application filed with the commissioner
153.18 changes. The notice must be provided in writing or another format prescribed by the
153.19 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
153.20 an information change requiring notice includes but is not limited to a change with respect
153.21 to the licensee's personal name, trade name, address, or business location.

153.22 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
153.23 decision or court order, whether or not the decision or order is appealed, resulting from a
153.24 proceeding in which the licensee was named as a defendant and the final adverse decision
153.25 relates to fraud or misrepresentation. The notice must be provided in writing or another
153.26 format prescribed by the commissioner within ten days of the date the final adverse decision
153.27 or court order is issued.

153.28 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
153.29 action involving the licensee, including but not limited to a suspension or revocation of the
153.30 licensee's real property appraiser license or another occupational license issued by Minnesota
153.31 or another jurisdiction. The notice must be provided in writing or another format prescribed
153.32 by the commissioner within ten days of the date the disciplinary action occurs.

154.1 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
154.2 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
154.3 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
154.4 similar violation of a real property appraiser licensing law. The notice must be provided in
154.5 writing or another format prescribed by the commissioner within ten days of the date the
154.6 charge, judgment, or plea occurs.

154.7 Sec. 46. **[82C.031] NOTICE TO COMMISSIONER.**

154.8 Subdivision 1. **Change of application information.** A licensee must provide notice to
154.9 the commissioner if the information in the license application filed with the commissioner
154.10 changes. The notice must be provided in writing or another format prescribed by the
154.11 commissioner within ten days of the date the change occurs. For purposes of this subdivision,
154.12 an information change requiring notice includes but is not limited to a change with respect
154.13 to the licensee's personal name, trade name, address, or business location.

154.14 Subd. 2. **Civil judgment.** The licensee must notify the commissioner of a final adverse
154.15 decision or court order, whether or not the decision or order is appealed, resulting from a
154.16 proceeding in which the licensee was named as a defendant and the final adverse decision
154.17 relates to fraud or misrepresentation. The notice must be provided in writing or another
154.18 format prescribed by the commissioner within ten days of the date the final adverse decision
154.19 or court order is issued.

154.20 Subd. 3. **Disciplinary action.** The licensee must notify the commissioner of a disciplinary
154.21 action involving the licensee, including but not limited to a suspension or revocation of the
154.22 licensee's real property appraisal management company license issued by another jurisdiction.
154.23 The notice must be provided in writing or another format prescribed by the commissioner
154.24 within ten days of the date the disciplinary action occurs.

154.25 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
154.26 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
154.27 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
154.28 similar violation of a real property appraisal management company licensing law. The notice
154.29 must be provided in writing or another format prescribed by the commissioner within ten
154.30 days of the date the charge, judgment, or plea occurs.

155.1 Sec. 47. Minnesota Statutes 2024, section 332.32, is amended to read:

155.2 **332.32 EXCLUSIONS.**

155.3 (a) The term "collection agency" does not include banks when collecting accounts owed
 155.4 to the banks and when the bank will sustain any loss arising from uncollectible accounts,
 155.5 abstract companies doing an escrow business, real estate brokers, public officers, persons
 155.6 acting under order of a court, lawyers, trust companies, insurance companies, credit unions,
 155.7 savings associations, loan or finance companies unless they are engaged in asserting,
 155.8 enforcing or prosecuting unsecured claims which have been purchased from any person,
 155.9 firm, or association when there is recourse to the seller for all or part of the claim if the
 155.10 claim is not collected.

155.11 (b) The term "collection agency" ~~shall~~ does not include a trade association performing
 155.12 services authorized by section 604.15, subdivision 4a, but the trade association in performing
 155.13 the services may not engage in any conduct that would be prohibited for a collection agency
 155.14 under section 332.37.

155.15 (c) The term "collection agency" does not include a residential mortgage servicer licensed
 155.16 under chapter 58 or a student loan servicer licensed under chapter 58B if the residential
 155.17 mortgage servicer or student loan servicer is engaging in activities subject to licensure under
 155.18 chapter 58 or 58B, as applicable.

155.19 **ARTICLE 11**

155.20 **UNCLAIMED PROPERTY**

155.21 Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision
 155.22 to read:

155.23 Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value
 155.24 used as a medium of exchange, unit of account, or store of value that does not have legal
 155.25 tender status recognized by the United States. Virtual currency does not include:

155.26 (1) software or protocols governing the transfer of the digital representation of value;

155.27 (2) game-related digital content; or

155.28 (3) a loyalty card or gift card.

156.1 Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL**
156.2 **RELATED EXPENSES.**

156.3 Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related
156.4 expenses are presumed abandoned at the earliest of:

156.5 (1) three years after the date of death of the beneficiary;

156.6 (2) one year after the date the beneficiary has attained, or would have attained if living,
156.7 the age of 105, if the holder does not know whether the beneficiary is deceased; or

156.8 (3) 30 years after the contract for prepayment was executed.

156.9 Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN**
156.10 **TAX-DEFERRED ACCOUNTS.**

156.11 Property held in a plan described in section 529 or 529A of the Internal Revenue Code,
156.12 as amended, are exempt from the requirements of sections 345.31 to 345.60.

156.13 Sec. 4. **[345.384] VIRTUAL CURRENCY.**

156.14 (a) Virtual currency is presumed abandoned three years after the apparent owner's latest
156.15 indication of interest in the virtual currency.

156.16 (b) For purposes of this section, an indication of an apparent owner's interest in virtual
156.17 currency includes:

156.18 (1) a record communicated by the apparent owner to the holder or agent of the holder
156.19 concerning the property or the account in which the property is held;

156.20 (2) an oral communication by the apparent owner to the holder or agent of the holder
156.21 concerning the property or the account in which the property is held, if the holder or the
156.22 holder's agent contemporaneously makes and preserves a record of the fact of the apparent
156.23 owner's communication;

156.24 (3) a distribution, or evidence of receipt of a distribution made by electronic or similar
156.25 means; or

156.26 (4) activity directed by an apparent owner in the account in which the property is held,
156.27 including accessing the account or information concerning the account, or a direction by
156.28 the apparent owner to increase, decrease, or otherwise change the amount or type of virtual
156.29 currency held in the account.

157.1 (c) An action by an agent or other representative of an apparent owner, other than the
157.2 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
157.3 apparent owner.

157.4 (d) A communication with an apparent owner by a person other than the holder or the
157.5 holder's representative is not an indication of interest in the property by the apparent owner
157.6 unless a record of the communication evidences the apparent owner's knowledge of a right
157.7 to the property.

157.8 Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to
157.9 read:

157.10 Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual
157.11 currency, the holder must liquidate the virtual currency and remit the proceeds to the
157.12 commissioner.

157.13 (b) The liquidation must occur anytime within 30 days before filing the report under
157.14 section 345A.26. The owner does not have recourse against the holder or the commissioner
157.15 to recover any gain in value that occurs after the liquidation of the virtual currency under
157.16 this subdivision.

157.17 (c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual
157.18 currency to be liquidated, the holder must promptly notify the commissioner in writing and
157.19 explain the reasons why the virtual currency cannot be liquidated. The commissioner has
157.20 absolute and sole discretion to direct the holder to:

157.21 (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the
157.22 commissioner; or

157.23 (2) continue to hold the virtual currency until the commissioner or the holder determines
157.24 that the virtual currency can be liquidated pursuant to this chapter.

157.25

ARTICLE 12

157.26

MISCELLANEOUS

157.27 Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended
157.28 to read:

157.29 Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this
157.30 subdivision have the meanings given them.

158.1 (a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products,
158.2 including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other
158.3 renewable resources, including residue and waste generated from the production, processing,
158.4 and marketing of agricultural products, forest products, and other renewable resources, that:

158.5 (1) meets all of the specifications in ASTM specification ~~D4806-21a~~ D4806; and

158.6 (2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

158.7 (b) "Ethanol plant" means a plant at which ethanol is produced.

158.8 (c) "Commissioner" means the commissioner of agriculture.

158.9 (d) "Rural economic infrastructure" means the development of activities that will enhance
158.10 the value of agricultural crop or livestock commodities or by-products or waste from farming
158.11 operations through new and improved value-added conversion processes and technologies,
158.12 the development of more timely and efficient infrastructure delivery systems, and the
158.13 enhancement of marketing opportunities. "Rural economic infrastructure" also means land,
158.14 buildings, structures, fixtures, and improvements located or to be located in Minnesota and
158.15 used or operated primarily for the processing or the support of production of marketable
158.16 products from agricultural commodities or wind energy produced in Minnesota.

158.17 Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

158.18 Subdivision 1. **Issuance and conditions.** An application for a bank charter must be
158.19 granted if (1) the applicants are of good moral character and financial integrity, (2) there is
158.20 a reasonable public demand for this bank in this location, (3) the probable volume of business
158.21 in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and
158.22 the solvency of the then existing bank or banks in the locality without endangering the safety
158.23 of any bank in the locality as a place of deposit of public and private money, (4) the
158.24 commissioner of commerce is satisfied that the proposed bank will be properly and safely
158.25 managed, and (5) the commissioner is satisfied that the capital funds required pursuant to
158.26 section 48.02 are available and the commissioner may accept any reasonable demonstration
158.27 including subscription agreements supported by current financial statements. If the application
158.28 does not satisfy the requirements of this subdivision, it must be denied. In case of the denial
158.29 of the application, the commissioner of commerce shall specify the grounds for the denial.
158.30 A person aggrieved may obtain judicial review of the determination in accordance with
158.31 chapter 14.

159.1 Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

159.2 **48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.**

159.3 Notwithstanding any law to the contrary, a bank, savings bank, savings association, or
159.4 credit union organized under the laws of this state, or a national bank or federally chartered
159.5 savings bank, savings association, or credit union, doing business in this state, may charge
159.6 on any loan or discount made or upon any note, bill or other evidence of debt, except an
159.7 extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2
159.8 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial
159.9 paper in effect at the Board of Governors of the Federal Reserve Bank located in the Ninth
159.10 Federal Reserve District System.

159.11 Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

159.12 **49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION**
159.13 **OR MERGER.**

159.14 (a) Either before or after the consolidation or merger agreement has been approved by
159.15 the commissioner of commerce, it must be submitted to the stockholders of each corporation
159.16 at a meeting thereof called, and it does not become binding upon the corporation until it has
159.17 been approved at each of the meetings required by this section by the vote or ballot of the
159.18 stockholders, holding at least a majority of the amount of stock of the respective corporations,
159.19 or a higher percentage as may be required by the certificate of incorporation of the
159.20 corporations. Proof of the holding of these meetings and the results thereof must be submitted
159.21 to the commissioner of commerce.

159.22 (b) After the agreement called for by sections 49.33 to 49.41 has been approved by the
159.23 stockholders of the respective corporations and by the commissioner of commerce, the ~~latter~~
159.24 shall commissioner of commerce must issue a certificate reciting that the corporations have
159.25 complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or
159.26 merger of these corporations and the name of the consolidated or surviving corporation, the
159.27 amount of capital stock thereof, the names of the first board of directors, and the place of
159.28 business of the consolidated or surviving corporation, which must be within the city where
159.29 any of the constituent corporations have been previously authorized to have their places of
159.30 business.

159.31 (c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the~~
159.32 ~~Secretary of State~~, the incorporation is deemed to be complete in the case of the consolidation,
159.33 and the assets of the constituent corporations merged into the survivor in the case of a

160.1 merger, and the consolidated or surviving corporation shall, from the date of this certificate,
160.2 have the term of corporate existence as may be specified in it, not exceeding the longest
160.3 unexpired term of any constituent corporation. The certificate of the commissioner of
160.4 commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have
160.5 been complied with, and is conclusive evidence of the existence of the consolidated or
160.6 surviving corporation.

160.7 Sec. 5. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

160.8 Subdivision 1. **Annual statements required.** Every insurance company, including
160.9 fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file
160.10 with the commissioner, ~~annually, on or before March 1,~~ the appropriate verified National
160.11 Association of Insurance Commissioners' annual statement blank, on or before April 30 for
160.12 all lines of insurance except health, which must be filed on or before May 31. The National
160.13 Association of Insurance Commissioners' annual statement blank must be prepared in
160.14 accordance with the association's instructions handbook and following those accounting
160.15 procedures and practices prescribed by the association's accounting practices and procedures
160.16 manual, unless the commissioner requires or finds another method of valuation reasonable
160.17 under the circumstances. Another method of valuation permitted by the commissioner must
160.18 be at least as conservative as those prescribed in the association's manual. All companies
160.19 required to file an annual statement under this subdivision may also be required to file with
160.20 the commissioner and the National Association of Insurance Commissioners a copy of their
160.21 annual statement in an electronic form prescribed by the commissioner. All Minnesota
160.22 domestic insurers required to file annual statements under this subdivision must also file
160.23 quarterly statements with the commissioner for the first, second, and third calendar quarter
160.24 on or before 45 days after the end of the applicable quarter, prepared in accordance with
160.25 the association's instruction handbook. All companies required to file quarterly statements
160.26 under this subdivision may also be required to file the quarterly statements with the
160.27 commissioner and the National Association of Insurance Commissioners in an electronic
160.28 form prescribed by the commissioner. In addition, the commissioner may require the filing
160.29 of any other information determined to be reasonably necessary for the continual enforcement
160.30 of these laws. The statement may be limited to the insurer's business and condition in the
160.31 United States unless the commissioner finds that the business conducted outside the United
160.32 States may detrimentally affect the interests of policyholders in this state. The statements
160.33 shall also contain a verified schedule showing all details required by law for assessment
160.34 and taxation. The statement or schedules shall be in the form and shall contain all matters

161.1 the commissioner may prescribe, and it may be varied as to different types of insurers so
 161.2 as to elicit a true exhibit of the condition of each insurer.

161.3 Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

161.4 Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~
 161.5 A company shall transact is prohibited from transacting any new business in this state after
 161.6 ~~May~~ August 31 in any year unless ~~it shall have~~ the company previously transmitted its
 161.7 annual statement to the commissioner and filed a copy of its statement with the National
 161.8 Association of Insurance Commissioners. The commissioner may by order annually require
 161.9 that each insurer pay the required fee to the National Association of Insurance Commissioners
 161.10 for the filing of annual statements, but the fee shall not be more than 50 percent greater than
 161.11 the fee set by the National Association of Insurance Commissioners. Failure to file the
 161.12 annual statement with the commissioner or the National Association of Insurance
 161.13 Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on
 161.14 the relative premium volume of each insurer.

161.15 Sec. 7. Minnesota Statutes 2024, section 62J.96, is amended by adding a subdivision to
 161.16 read:

161.17 Subd. 4. **Violation as deceptive practice.** A violation of this section is an unfair or
 161.18 deceptive trade practice under section 8.31, subdivision 1, and is enforceable by the attorney
 161.19 general.

161.20 Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

161.21 Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline
 161.22 or requirement specified by this section, ~~on receiving, not less than ten days if the~~
 161.23 commissioner receives a written request for an extension from the company before the date
 161.24 of default, ~~satisfactory evidence of imminent hardship to the company.~~

161.25 Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended
 161.26 to read:

161.27 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
 161.28 with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814.
 161.29 Gasoline that is not blended with biofuel must also comply with the volatility requirements
 161.30 in Code of Federal Regulations, title 40, part 1090.

162.1 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
162.2 a person responsible for the product:

162.3 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
162.4 4;

162.5 (2) shall not blend the gasoline with any oxygenate other than biofuel;

162.6 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
162.7 biofuel;

162.8 (4) shall not blend the gasoline with products commonly and commercially known as
162.9 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
162.10 gasoline; and

162.11 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
162.12 designed to replace tetra-ethyl lead, that is registered by the EPA.

162.13 Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended
162.14 to read:

162.15 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
162.16 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
162.17 5.

162.18 (b) A gasoline-ethanol blend must:

162.19 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
162.20 1090;

162.21 (2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from
162.22 which a gasoline-ethanol blend was produced must comply with ASTM specification
162.23 ~~D4814-24a~~ D4814; and

162.24 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
162.25 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
162.26 or otherwise removed from a refinery or terminal.

162.27 Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended
162.28 to read:

162.29 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must
162.30 be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806.

163.1 This includes the requirement that ethanol may be denatured only as specified in Code of
163.2 Federal Regulations, title 27, parts 20 and 21.

163.3 Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended
163.4 to read:

163.5 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for
163.6 the product shall comply with the following requirements:

163.7 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total,
163.8 of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any
163.9 time in this state; and

163.10 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
163.11 paragraph (b) must not be sold or offered for sale in this state.

163.12 (b) The oxygenates prohibited under paragraph (a) are:

163.13 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

163.14 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

163.15 (3) tertiary amyl methyl ether.

163.16 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
163.17 specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline
163.18 after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

163.19 Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

163.20 Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification
163.21 ~~D396-12~~ D396.

163.22 Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

163.23 Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must
163.24 comply with ASTM specification ~~D975-12a~~ D975.

163.25 (b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel
163.26 component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel
163.27 component must comply with ASTM specification ~~D6751-11b~~ D6751.

163.28 Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

163.29 Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

164.1 Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

164.2 Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification
164.3 ~~D910-11~~ D910.

164.4 Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

164.5 Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply
164.6 with ASTM specification ~~D1655-12~~ D1655.

164.7 Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

164.8 Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must
164.9 comply with ASTM specification ~~D2880-03~~ D2880.

164.10 Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

164.11 Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent
164.12 ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section
164.13 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

164.14 Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

164.15 Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol
164.16 and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel
164.17 vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification
164.18 ~~D5797-07~~ D5797.

164.19 Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

164.20 Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable,
164.21 mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal
164.22 fats and that meets American Society for Testing and Materials (ASTM) specification
164.23 ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

164.24 Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

164.25 Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline
164.26 must comply with ASTM specification ~~D6227-12~~ D6227.

165.1 Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

165.2 Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel
165.3 and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled
165.4 vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

165.5 (b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible
165.6 liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets
165.7 American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel
165.8 Fuel (B100) Blend Stock for Distillate Fuels.

165.9 (c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section,
165.10 unless the palm oil is contained within waste oil and grease collected within the United
165.11 States or Canada.

165.12 Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

165.13 Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to
165.14 produce or generate power for propelling internal combustion engine aircraft.

165.15 Aviation gasoline includes any gasoline:

165.16 (1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor
165.17 or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation
165.18 gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other
165.19 ASTM specification as gasoline appropriate for use in producing or generating power for
165.20 propelling internal combustion engine aircraft; or

165.21 (2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an
165.22 aircraft.

165.23 Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

165.24 Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean
165.25 blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic
165.26 hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications
165.27 in ASTM specification ~~D1655-12~~ D1655.

165.28 Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

165.29 Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of
165.30 petroleum distillate and residual fuels that is intended for use as a motor fuel in internal
165.31 combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

166.1 Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

166.2 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived
166.3 denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent
166.4 ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by
166.5 volume. For the purposes of this chapter, the energy content of E85 will be considered to
166.6 be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
166.7 as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

166.8 Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended
166.9 to read:

166.10 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
166.11 with gasoline, has been agriculturally derived, and complies with ASTM specification
166.12 ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as
166.13 specified in Code of Federal Regulations, title 27, parts 20 and 21.

166.14 Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

166.15 Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures
166.16 of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign
166.17 matter, intended for use in nonaviation gas turbine engines, and that meets the specifications
166.18 in ASTM specification ~~D2880-03~~ D2880.

166.19 Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended
166.20 to read:

166.21 Subd. 23. **Gasoline.** (a) "Gasoline" means:

166.22 (1) all products commonly or commercially known or sold as gasoline regardless of
166.23 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
166.24 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
166.25 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
166.26 removed from a refinery or terminal; and

166.27 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
166.28 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
166.29 tested by the Weights and Measures Division meets the specifications in ASTM specification
166.30 ~~D4814-24a~~ D4814.

167.1 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
167.2 other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and
167.3 the volatility requirements in Code of Federal Regulations, title 40, part 1090.

167.4 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
167.5 a person responsible for the product:

167.6 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
167.7 24;

167.8 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
167.9 derived ethanol;

167.10 (3) must not blend the gasoline with other petroleum products that are not gasoline or
167.11 denatured, agriculturally derived ethanol;

167.12 (4) must not blend the gasoline with products commonly and commercially known as
167.13 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
167.14 gasoline; and

167.15 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
167.16 designed to replace tetra-ethyl lead, that is registered by the EPA.

167.17 Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended
167.18 to read:

167.19 Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with
167.20 nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or
167.21 ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that
167.22 complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured
167.23 ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or
167.24 otherwise removed from a refinery or terminal.

167.25 Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

167.26 Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of
167.27 petroleum distillates and residuals, or petroleum residual heating fuel that meets the
167.28 specifications in ASTM specification ~~D396-12~~ D396.

167.29 Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

167.30 Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a
167.31 homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic

168.1 compounds, and excessive amounts of particulate contaminants and that meets the
168.2 specifications in ASTM specification ~~D3699-08~~ D3699.

168.3 Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

168.4 Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol
168.5 and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol
168.6 by volume. For the purposes of this chapter, the energy content of M85 will be considered
168.7 to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel
168.8 vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~
168.9 D5797.

168.10 Sec. 35. Minnesota Statutes 2024, section 349.211, subdivision 2b, is amended to read:

168.11 Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize ~~which~~ that may be awarded
168.12 for a paddle ticket is \$70. The maximum value of a merchandise prize that may be awarded
168.13 for a paddle ticket must not exceed a fair market value of \$200. An organization may not
168.14 sell any paddle ticket for more than ~~\$2~~ \$5.

168.15 (b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

168.16 Sec. 36. **REPEALER.**

168.17 Minnesota Statutes 2024, sections 48.158; and 62J.96, subdivision 3, are repealed.

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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.

53B.69 DEFINITIONS.

Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for less than 72 hours. After a 72-hour period has elapsed from the day of first signing up as a customer with a virtual currency kiosk operator, the customer will be considered an existing customer and no longer subject to the new customer transaction limit described in section 53B.75, subdivision 5, paragraph (a).

Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more than a 72-hour period. A new customer will automatically convert to an existing customer after the 72-hour period of first becoming a new customer. An existing customer is subject to the transaction limits described in section 53B.75, subdivision 5, paragraph (b).

53B.75 VIRTUAL CURRENCY KIOSKS.

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in a clear, conspicuous, and easily readable manner all material risks generally associated with virtual currency. The disclosures must be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of the disclosures. The disclosures must include at least the following information:

(1) virtual currency is not legal tender, backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections;

(2) some virtual currency transactions are deemed to be made when recorded on a public ledger, which may not be the date or time when the person initiates the transaction;

(3) virtual currency's value may be derived from market participants' continued willingness to exchange fiat currency for virtual currency, which may result in the permanent and total loss of a particular virtual currency's value if the market for virtual currency disappears;

(4) a person who accepts a virtual currency as payment today is not required to accept and might not accept virtual currency in the future;

(5) the volatility and unpredictability of the price of virtual currency relative to fiat currency may result in a significant loss over a short period;

(6) the nature of virtual currency means that any technological difficulties experienced by virtual currency kiosk operators may prevent access to or use of a person's virtual currency; and

(7) any bond maintained by the virtual currency kiosk operator for the benefit of a person may not cover all losses a person incurs.

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must make the disclosures in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

(1) the person's liability for unauthorized virtual currency transactions;

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- (2) the person's right to:
 - (i) stop payment of a virtual currency transfer and the procedure to stop payment;
 - (ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of the transaction; and
 - (iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;
 - (3) under what circumstances the virtual currency kiosk operator, without a court or government order, discloses a person's account information to third parties; and
 - (4) other disclosures that are customarily provided in connection with opening a person's account.
- (b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:
- (1) the amount of the transaction;
 - (2) any fees, expenses, and charges, including applicable exchange rates;
 - (3) the type and nature of the transaction;
 - (4) a warning that once completed, the transaction may not be reversed;
 - (5) a daily virtual currency transaction limit of no more than \$2,000;
 - (6) the difference in the virtual currency's sale price compared to the current market price; and
 - (7) other disclosures that are customarily given in connection with a virtual currency transaction.

Subd. 3. Acknowledgment of disclosures. Before completing a transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures required under this section via confirmation of consent. Additionally, upon a transaction's completion, the virtual currency kiosk operator must provide a person with a physical receipt, or a virtual receipt sent to the person's email address or SMS number, containing the following information:

- (1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;
- (2) the type, value, date, and precise time of the transaction, transaction hash, and each virtual currency address;
- (3) the fees charged;
- (4) the exchange rate;
- (5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;
- (6) a statement of the virtual currency kiosk operator's refund policy; and
- (7) any additional information the commissioner of commerce may require.

Subd. 4. Refunds for new customers. A virtual currency kiosk operator must issue a refund to a new customer for the full amount of all transactions made within the 72-hour new customer time period, as described in section 53B.69, subdivision 3b, upon request of the customer. In order to receive a refund under this subdivision, a customer must:

- (1) have been fraudulently induced to engage in the virtual currency transactions; and
- (2) within 14 days of the last transaction to occur during the 72-hour new customer time period, contact the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.

Subd. 5. Transaction limits. (a) There is an established maximum daily transaction limit of \$2,000 for each new customer of a virtual currency kiosk.

(b) The maximum daily transaction limit of an existing customer shall be decided by each virtual currency kiosk operator in compliance with federal law.

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.

Subd. 6. **Exemption.** Notwithstanding section 15.059, the advisory council shall not expire.

62J.96 ACCESS TO 340B DRUGS.

Subd. 3. **Expiration.** This section expires July 1, 2027.

237.065 RATE FOR SCHOOL OR PURCHASING COOPERATIVE.

Subdivision 1. **Basic service; flat rate.** Each telephone company that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to 12th grade shall provide, upon request, additional service to the school that is sufficient to ensure access to basic telephone service from each classroom and other areas within the school, as determined by the school board. Each company shall set a flat rate for this additional service that is less than the company's flat rate for an access line for a business and the same as or greater than the company's flat rate for an access line for a residence in the same local telephone service exchange. When a company's flat rates for businesses and residences are the same, the company shall use the residential rate for service to schools under this section. The rate required under this section is available only for a school that installs additional service that includes access to basic telephone service from each classroom and other areas within the school, as determined by the school board.

Subd. 2. **Basic and advanced telecommunication service; reduced rate.** (a) Notwithstanding the provisions of sections 237.09, 237.14, 237.60, subdivision 3, and 237.74, each telephone company and telecommunications carrier that provides local telephone service in a service area that includes a school that has classes within the range from kindergarten to grade 12, a public library, or a telecommunication services purchasing cooperative may provide, upon request, basic and advanced telecommunication services at reduced or no cost to that school, library, or may provide, upon request, advanced telecommunication services at reduced wholesale rates to the members of a telecommunication services purchasing cooperative. For purposes of this section, a "telecommunication services purchasing cooperative" means a cooperative organized under section 308A.210. A school or library receiving telecommunications services at reduced or no cost may not resell or sublease the discounted services. No members of a telecommunication services purchasing cooperative may resell or sublease the discounted services. A purchasing cooperative is not required to negotiate or provide a uniform rate for its members. Telecommunications services shall be provided in accordance with Public Law 104-104, and the regulations of the Federal Communications Commission adopted under the act.

(b) An agent that provides telecommunications services to a school or library may request the favorable rate on behalf of and for the exclusive benefit of the school or library. The school or library must authorize the agent to make the request of the local telephone company or telecommunications carrier. The telephone company or telecommunications carrier is not required to offer the same price discount to the agent that it would offer to the school district or library. An agent that receives a price discount for telecommunications services on behalf of a school or library may only resell or sublease the discounted services to that school or library.

(c) For the purposes of this subdivision, "school" includes a public school as defined in section 120A.05, nonpublic, and church or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 120A.41.

237.066 STATE GOVERNMENT PRICING PLANS.

Subdivision 1. **Purpose.** A state government or Tribal government telecommunications pricing plan is authorized and found to be in the public interest as it will:

(1) provide and ensure availability of high-quality, technologically advanced telecommunications services at a reasonable cost to the state or Tribal government; and

(2) further the state telecommunications goals as set forth in section 237.011.

Subd. 2. **Program participation.** A state government or Tribal government telecommunications pricing plan may be available to serve individually or collectively: state agencies; Tribal governments; educational institutions, including public schools and Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonpublic schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public corporations; and political subdivisions of the state or a Tribal Nation. Plans shall be available to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18 and shall also be available to those entities not using the commissioner for contracting for telecommunications services.

Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or 237.74, a telephone company or a telecommunications carrier may, individually or in cooperation with other telephone companies or telecommunications carriers, develop and offer basic or advanced telecommunications services at discounted or reduced rates as a state government or Tribal government telecommunications pricing plan. Any telecommunications services provided under any state government or Tribal government telecommunications pricing plan shall be used exclusively

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by the entities described in subdivision 2 subject to the plan solely for the entities' own use and shall not be made available to any other entities by resale, sublease, or in any other way.

Subd. 4. **Applicability to other customers.** A telephone company or telecommunications carrier providing telecommunications services under a state government or Tribal government telecommunications pricing plan is not required to provide any other person or entity those services at the rates made available to the state or Tribal government.

Subd. 5. **Commission review.** (a) The terms and conditions of any state government or Tribal government telecommunications pricing plan must be submitted to the commission for review and approval within 90 days before implementation to:

(1) ensure that the terms and conditions benefit the state or Tribal Nation and not any private entity;

(2) ensure that the rates for any telecommunications service in any state government or Tribal government telecommunications pricing plan are at or below any applicable tariffed rates; and

(3) ensure that the state telecommunications or Tribal government pricing plan meets the requirements of this section and is in the public interest.

(b) The commission shall reject any state government or Tribal government telecommunications pricing plan that does not meet the criteria in paragraph (a).

237.067 ESTABLISHMENT EXEMPT FROM REGULATION.

Subdivision 1. **Definition.** For purposes of this section, "establishment" means an individual hotel, motel, restaurant, lodging house, boarding house, resort, or place of refreshment licensed under chapter 157.

Subd. 2. **Exemption; conditions.** An establishment that provides telephone service to patrons on the premises of the establishment is not subject to regulation under this chapter, except that the establishment:

(1) shall comply with the requirement of section 237.06 that rates charged must be fair and reasonable;

(2) shall provide notice of charges and service providers to patrons as required in section 325F.99; and

(3) is subject to the complaint and investigation procedures of section 237.081.

237.071 SPECIAL PRICING.

Except as prohibited by section 237.60, subdivision 3, prices unique to a particular customer or group of customers may be allowed for noncompetitive services and for services subject to emerging competition when differences in the cost of providing a service or a service element justifies a different price for a particular customer or group of customers. Individual pricing for services subject to emerging competition may be allowed when a uniform price should not be required because of market conditions. Unique or individual prices for services or service elements in effect before July 1, 1989, are deemed to have been approved under this section.

237.072 LIMITATION ON RATE CHANGE.

(a) After December 15, 1997, the commission, notwithstanding any provision to the contrary, shall not allow an incumbent telephone company with more than 1,000,000 access lines in Minnesota to change its retail rates for telecommunications services without a determination of its revenue requirement pursuant to section 237.075 unless the incumbent telephone company is regulated pursuant to sections 237.76 to 237.773.

(b) If, prior to December 15, 1997, the incumbent telephone company petitions the commission to become subject to an alternative regulation plan under sections 237.76 to 237.773, paragraph (a) shall not apply to the petitioning company until 270 days after the date of the filing of the petition.

237.075 RATE CHANGE.

Subdivision 1. **Notice.** Unless the commission otherwise orders, no telephone company shall change a rate which has been duly established under this chapter, except upon 60 days' notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect. The filing

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telephone company shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

Subd. 2. Suspension of proposed rate; hearing; final determination defined. (a) Whenever there is filed with the commission as provided in subdivision 1 a schedule modifying or resulting in a change in any rate then in force, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected telephone company a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date except as provided in paragraph (b). During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the department can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the Office of Administrative Hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the telephone company's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the Department of Commerce. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if a settlement has been submitted to and rejected by the commission, the schedule is deemed to have been approved 12 months after the initial filing.

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make final determinations of other previously filed cases involving changes in general rates under this section or section 216B.16, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made final determinations in the previously filed cases. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Subd. 3. Interim rate; refund. Notwithstanding any order of suspension of a proposed increase in rates, the commission shall order an interim rate schedule into effect not later than 60 days after the initial filing date. The commission shall order the interim rate schedule ex parte without a public hearing. Notwithstanding the provisions of sections 216.25 and 237.25, no interim rate schedule ordered by the commission pursuant to this subdivision shall be subject to an application for a rehearing or an appeal to a court until the commission has rendered its final determination. Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test-year cost of capital, rate base, and expenses, except that it shall include: (1) a rate of return on common equity for the company equal to that authorized by the commission in the company's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the company's most recent rate proceeding; and (3) no change in the existing rate design, except for products and services offered by nonregulated competitors. In the case of a company which has not been subject to a prior commission determination or has not had a general rate adjustment in the preceding three years, the commission shall base the interim rate schedule on its most recent determination concerning a similar company.

If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the commission shall order the company to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the rate of interest determined by the commission. The company shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the company will recover

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the difference in revenues from the date of the final determination to the date the new rate schedules are put into effect.

If the telephone company fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and may recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled thereto. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds. The commission shall not order an interim rate schedule in a general rate case into effect as provided by this subdivision until at least four months after it has made a final determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2, unless:

(1) the commission finds that a four-month delay would unreasonably burden the company, its customers, or its shareholders and that an earlier imposition of interim rates is therefore necessary; or

(2) the company files a second general rate case at least 12 months after it has filed a previous general rate case for which the commission has extended the suspension period under subdivision 2.

Subd. 4. Burden of proof. The burden of proof to show that the rate change is just and reasonable shall be upon the telephone company seeking the change.

Subd. 5. Determination after finding rate unacceptable. If, after the hearing, the commission finds the rates to be unjust or unreasonable or discriminatory, the commission shall determine the rates to be charged or applied by the telephone company for the service in question and shall fix them by order to be served upon the telephone company. The rates shall thereafter be observed until changed, as provided by this chapter. In no event shall the rates exceed the level of rates requested by the telephone company, except that individual rates may be adjusted upward or downward. Rate design changes shall be prospective from the effective date of the new rate schedules approved by the commission.

Subd. 6. Factors considered, generally. The commission, in the exercise of its powers under this chapter to determine just and reasonable rates for telephone companies, shall give due consideration to the public need for adequate, efficient, and reasonable service and to the need of the telephone company for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its telephone company property used and useful in rendering service to the public, and to earn a fair and reasonable return upon the investment in the property. In determining the rate base upon which the telephone company is to be allowed to earn a fair rate of return, the commission shall give due consideration to evidence of the cost of the property when first devoted to public use, to prudent acquisition cost to the telephone company, less appropriate depreciation on each, to construction work in progress, to offsets in the nature of capital provided by sources other than the investors, and to other expenses of a capital nature. To the extent that construction work in progress is included in the rate base, the income used in determining the actual return on the telephone company property may include an allowance for funds used during construction. For purposes of determining rate base, the commission shall consider the original cost of telephone company property included in the base and shall make no allowance for its estimated current replacement value.

Subd. 7. Advertising. The commission shall not make an allowance for operating expenses incurred by a telephone company for institutional advertising.

Subd. 8. Charitable contribution. The commission shall allow as operating expenses only 50 percent of the qualified charitable contributions which the commission deems prudent for the use of any community chest, corporation, trust, fund, association, foundation, or organization, and only as long as the use is exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes or for the prevention of cruelty to children or animals. No part of a charitable contribution may inure to the benefit of any private stockholder or individual.

Subd. 9. Election on regulation; cooperative, municipal, independent. For the purposes of this section, "telephone company" shall not include a cooperative telephone association organized under the provisions of chapter 308A, an independent telephone company, or a municipal, unless the cooperative telephone association, independent telephone company, or municipal makes the election provided in this subdivision.

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A cooperative telephone association may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (1) approved by the board of directors of the association in accordance with the procedures for amending the articles of incorporation contained in section 308A.135, excluding the filing requirements; or (2) approved by a majority of members or stockholders voting by mail ballot initiated by petition of no fewer than five percent of the members or stockholders of the association. The ballot to be used for the election shall be approved by the board of directors and the department. The department shall mail the ballots to the association's members who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the association shall count the ballots. If a majority of the association's members who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section, the term "member or stockholder" shall mean either the member or stockholder of record or the spouse of the member or stockholder unless the association has been notified otherwise in writing.

A municipal may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (1) approved by resolution of the governing body of the municipality; or (2) approved by a majority of the customers of the municipal voting by mail ballot initiated by petition of no fewer than 20 percent of the customers of the municipal. The ballot to be used for the election shall be approved by the governing body of the municipality and the department. The department shall mail the ballots to the municipal's customers who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the governing body of the municipality. On this date, representatives of the department and the municipal shall count the ballots. If a majority of the customers of the municipal who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section, the term "customer" shall mean either the person in whose name the telephone service is registered or the spouse of the person unless the municipal utility has been notified otherwise in writing.

An independent telephone company may elect to become subject to rate regulation by the commission pursuant to this section. The election shall be (1) approved by the board of directors of the company in accordance with the procedures for amending the articles of incorporation contained in sections 302A.133 to 302A.139, excluding the filing requirements; or (2) approved by a majority of subscribers voting by mail ballot initiated by petition of no fewer than five percent of the subscribers of the company. The ballot to be used for the election shall be approved by the board of directors and the department. The department shall mail the ballots to the company's subscribers who shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the company shall count the ballots. If a majority of the company's subscribers who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after the date the ballots are counted. For purposes of this section the term "subscriber" shall mean either the person in whose name the telephone service is registered or the spouse of the person unless the independent telephone company has been notified otherwise in writing.

Subd. 10. Intervenor reimbursement. The commission may order a telephone company to pay all or a portion of a party's intervention costs not to exceed \$20,000 per intervention in any general rate case when the commission finds that the intervenor has materially assisted the commission's deliberation and the intervenor has insufficient financial resources to afford the costs of intervention. No entity which provides telephone services of any kind is eligible for reimbursement of intervention costs under this subdivision.

Subd. 11. Recovery of expenses of segregating billing charges. The public utilities commission shall allow each telephone company and independent telephone company subject to the requirements of section 325F.692 to automatically adjust tariffs or rates paid by information service providers to reflect the reasonable cost to the company to comply with section 325F.692.

237.14 RATE FOR SERVICE TO OFFICER.

A telephone company may furnish service free or at reduced rates to its officers, agents, or employees in furtherance of their employment, but it shall charge full schedule rates without discrimination for all other services.

237.15 INVESTIGATION AND HEARING; AUTHORITY DELEGATED.

The department shall whenever it deems the same necessary determine the value of all the property of any telephone company devoted to the public use, and in so doing it shall, after notice to the telephone company, hold such public hearing as will give all interested parties a chance to furnish evidence and be heard. For the purpose of this chapter the department is authorized to appoint engineers, examiners, experts, clerks, accountants, and other assistants as it may deem necessary at such rates of compensation as it may prescribe.

In the discharge of their duties such appointees shall have every power, of any inquisitorial nature granted in this chapter to the department. The department may conduct any number of investigations contemporaneously through its individual members or appointees, and may delegate to its individual members and employees the taking of all testimony on any investigation or hearing.

237.16 LOCAL EXCHANGE COMPETITION, RULES.

Subd. 9. **Universal service fund.** The commission shall establish and require contributions to a universal service fund, to be supported by all providers of telephone services, whether or not they are telephone companies under section 237.01, including, but not limited to, local telephone companies, independent telephone companies, cooperative telephone companies, municipal telephone companies, telecommunications carriers, radio common carriers, personal communication service providers, and cellular carriers. Services that should be considered for inclusion as universal include, at a minimum, single-party service including access, usage and touch-tone capability; line quality capable of carrying facsimile and data transmissions; equal access; emergency services number capability; statewide telecommunications relay service for people with hearing loss; and blocking of long-distance toll services. The fund must be administered and distributed in accordance with rules adopted by the commission and designed to preserve the availability of universal service throughout the state. Any state universal service fund must be coordinated with any federal universal service fund and be consistent with section 254(b)(1) to (5) of the federal Telecommunications Act of 1996, Public Law 104-104.

237.22 DEPRECIATION; AMORTIZATION.

(a) For purposes of a proceeding to determine or investigate any wholesale or retail rate, or to set any universal service support level, the commission may fix proper and adequate rates and methods of depreciation and amortization with respect to a telephone company's property.

(b) All telephone companies shall retain data in sufficient detail for the purpose of determining depreciation accruals and reserves by depreciable telephone plant account. Depreciable plant accounts are those specified by the Federal Communications Commission for the class to which a telephone company belongs. All telephone companies shall maintain, and have available for inspection by the commission upon request, adequate accounts and records related to depreciation practices as defined herein.

237.231 SALE OF LOCAL EXCHANGE SERVICE.

Subdivision 1. **Commission approval.** A Class A telephone company may not sell a local exchange service territory without receiving the prior consent of the commission. For the purposes of this section, a Class A telephone company is a telephone company which has annual revenues from regulated telecommunication operations of \$100,000,000 or more, as defined by the Federal Communications Commission in Code of Federal Regulations, title 47, section 32.11, paragraphs (a)(1) and (e).

Subd. 2. **Notice of intended sale.** At least 90 days prior to applying to the commission for consent to a proposed sale or acquisition of a local exchange service, the selling telephone company must provide notice to its customers in that local exchange of its intent to sell and identify the affected local exchange, and the name of the proposed buyer. The notice must be on a separate document and included in the company's monthly billings to customers. The commission must approve the form of all notices.

Subd. 3. **Resident poll.** At least 60 days prior to the hearing under subdivision 4, the telephone company proposing the sale of a local exchange service must provide each of its customers with a stamped envelope addressed to the commission and must inform the customer that the customer is encouraged to comment on the quality of service that has been provided in the local exchange service territory by the telephone company over the last 12 months.

Subd. 4. **Public hearing.** At least 30 days prior to the commission's deliberations about a proposed sale or acquisition of a local exchange service territory, the commission must hold a public

hearing at a location within the affected local exchange service territory allowing the public an opportunity to be heard and to present any concerns or comments.

Subd. 5. **Requirements for consent.** The commission may not give consent to a sale of a service territory unless, at a minimum, it finds all of the following:

(1) the quality of service provided by the telephone company servicing the local exchange service territory has substantially complied with all applicable quality of service standards adopted by rule by the commission for the previous calendar year;

(2) the proposed buyer is financially responsible and capable of making necessary investments to maintain quality service at levels required by rule; and

(3) the proposed buyer demonstrates that it has an adequate number of properly trained employees to maintain service at required levels.

The commission shall, as a condition of its consent, require a proposed buyer to enter into binding commitments obligating the buyer to maintain minimum levels of investment and staffing needed to meet the commission's quality of service rules. These commitments are in addition to any other conditions that the commission may impose.

237.59 CLASSIFICATION OF COMPETITIVE SERVICE; HEARING.

Subdivision 1. **Emerging competitive service.** (a) The following services provided by the telephone company are subject to emerging competition unless and until reclassified as noncompetitive or subject to effective competition under this section:

(1) apartment door answering services;

(2) automatic call distribution;

(3) billing and collection services;

(4) call waiting, call forwarding, and three-way calling services for businesses with three or more lines;

(5) central office-based pricing packages providing switched business access lines which substitute for private branch exchange systems which may or may not share intelligence with customer premises equipment;

(6) command link-type services for network reconfiguring to rearrange cross-connections between channel services;

(7) custom network services and special assemblies;

(8) Digicom switchnet services for full duplex, synchronous, information transport;

(9) direct customer access services for telephone number information;

(10) teleconferencing services;

(11) inter-LATA and intra-LATA message toll service;

(12) inter-LATA and intra-LATA private line services;

(13) inter-LATA and intra-LATA wide area telephone service;

(14) mobile radio services;

(15) operator services, excluding local operator services;

(16) public pay telephone services, excluding charges for access to the central office;

(17) special construction of facilities;

(18) systems for automatic dialing; and

(19) versanet-type service access line involving continuous monitoring and transmission of data from customer's premises to the central office.

(b) A service classified as subject to emerging competition before June 1, 1994, retains that classification unless and until it is reclassified pursuant to subdivision 3 or 10.

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Subd. 1a. **CLASS service.** Notwithstanding the terms of subdivision 1, paragraph (b), CLASS services may be classified as competitive services only when so classified according to subdivision 3 or 10.

Subd. 2. **Petition.** (a) A telephone company, or the commission on its own motion, may petition to have a service of that telephone company classified as subject to effective competition or emerging competition. The petition must be served on the commission, the department, the Office of the Attorney General, and any other person designated by the commission. The petition must contain at least:

(1) a list of the known alternative providers of the service available to the company's customers; and

(2) a description of affiliate relationships with any other provider of the service in the company's market.

(b) At the time the company first offers a service, it shall also file a petition with the commission for a determination as to how the service should be classified. In the event that no interested party or the commission objects to the company's proposed classification within 20 days of the filing of the petition, the company's proposed classification of the service is deemed approved. If an objection is filed, the commission shall determine the appropriate classification after a hearing conducted pursuant to section 237.61. In either event, the company may offer the new service to its customers ten days after the company files the price list and incremental cost study as provided in Minnesota Rules, parts 7811.2210 and 7812.2210.

(c) A new service may be classified as subject to effective competition or emerging competition pursuant to the criteria set forth in subdivision 5. A new service must be regulated under the emerging competition provisions if it is not integrally related to the provision of adequate local service or access to the telephone network or to the privacy, health, or safety of the company's customers, whether or not it meets the criteria set forth in subdivision 5.

Subd. 3. **Expedited proceeding.** An interested party wishing to contest the change of classification of a service must file an objection with the commission within 20 days after the filing of the petition. If no party files an objection, the service must be reclassified in accordance with the petition. If a petition is contested, a telephone company that is the subject of a petition under subdivision 2 may request that the commission determine the classification of the service through an expedited proceeding under section 237.61 or a contested case hearing. If an expedited proceeding is requested, the commission must provide interested persons an opportunity to comment on the appropriateness of the process and the merits of the petition.

When an expedited proceeding is requested, the commission shall make a final determination within 60 days of the date on which all required information required under subdivision 2 is filed, unless during the 60 days the commission finds that a material issue of fact is in dispute, in which case it shall order that a contested case hearing be conducted to evaluate the petition.

Subd. 4. **Contested case hearing.** If a contested case hearing is held under this section, the commission shall make a final determination on the petition within eight months from the date the petitioning party requests a contested case hearing or from the date the commission orders a contested case hearing under subdivision 3. When a contested case hearing is requested in the petition or when the commission acts on its own motion, this deadline may be extended for no more than 60 days by agreement of all parties or by order of the commission if the commission finds that the case cannot be completed within the required time and that without an extension there is substantial probability that the public interest will be harmed.

Subd. 5. **Criteria.** (a) If a proposed classification is objected to pursuant to subdivision 2, paragraph (b), on the basis that the service does not meet the criteria of this subdivision, the commission shall consider, in determining whether a service is subject to either effective competition or emerging competition from available alternative service providers, the following factors:

(1) the number and sizes of alternative providers of service and affiliation to other providers;

(2) the extent to which services are available from alternative providers in the relevant market;

(3) the ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms, and conditions of service;

(4) the market share, the ability of the market to hold prices close to cost, and other economic measures of market power; and

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(5) the necessity of the service to the well-being of the customer.

(b) In order for the commission to find a service subject to effective competition alternative services must be available to over 50 percent of the company's customers for that service.

(c) In order for the commission to find a service subject to emerging competition alternative services must be available to over 20 percent of the company's customers for that service.

Subd. 6. Burden of proof. The classification of a service may not be changed so as to result in lessened regulation unless it is demonstrated by a preponderance of the evidence that the criteria of subdivision 5 have been met.

Subd. 8. Interim relief. A telephone company that has a petition pending before the commission under this section to declare a service competitive may decrease its price for that service without notice while the commission considers the petition. A company must provide an incremental cost study if requested by the commission. The commission shall suspend a company's right under this subdivision to decrease rates if, after an expedited hearing conducted under section 237.61, the commission finds that the service is being priced below cost, or that the company has within the previous 12 months charged customers interim rates under this subdivision for the same service, and that service was determined by the commission to be noncompetitive.

Subd. 9. Reporting requirements; exception. A telephone company that offers only competitive services is not subject to the accounting and reporting requirements of this chapter unless otherwise ordered by the commission for good cause. A telephone company that offers both competitive and noncompetitive services is not subject to the reporting requirements with regard to its effective competition services unless otherwise ordered by the commission for good cause.

Subd. 10. Regulation reinstated. (a) The commission, on its own motion or upon complaint, shall reclassify a service as noncompetitive or as subject to emerging competition and reinstate, in whole or in part, rate regulation of the service if, after notice and hearing, the commission finds either:

(1) that the competitive market for that service, on review of the criteria found in subdivision 5, has failed so that rate regulation of that service is necessary to protect the interest of consumers, that it has considered the alternatives to rate regulation, and that the benefits of rate regulation outweigh the burdens of rate regulation; or

(2) that unreasonable discrimination has occurred between different areas of the state.

(b) In any proceeding to reclassify a service the person initiating the complaint has the burden of proving that the existing classification is inappropriate, except the telephone company providing the service has the burden of proving that the classification is appropriate when the proceeding is commenced by the commission on its own motion or when the complainant is the department or the attorney general.

237.66 DISCLOSURE OF LOCAL SERVICE OPTIONS.

Subdivision 1. Notice to local residential customers. A telephone company, when a residential customer initially requests service or requests a change of service, and annually in the form of a bill insert, shall advise each residential customer of the price of all service options available to that customer. The requirement of an annual notice through a bill insert does not apply to long-distance service.

Subd. 1a. Notice to customer; right to require prior authorization. Each residential and commercial telecommunications carrier customer may elect to require that the telephone company serving the customer receive authorization from the customer before a request to serve that customer from a different intrastate telecommunications carrier than the carrier currently serving the customer is processed.

Subd. 1c. Timing of notice; new customer. For new installations, a telephone company shall notify a residential or commercial customer of the right described in subdivision 1a when the customer initially requests intraexchange service. Any customer notification of the rights set forth in this section shall be provided utilizing uniform, competitively neutral language and the form, content, and style of the authorization shall be consistent with federal law and regulation and shall use language provided and approved by the public utilities commission.

Subd. 1d. Change of election. A customer may change the election under subdivision 1a at any time by notifying the telephone company of that decision. No separate charge may be imposed on

the customer for electing to exercise the right described in subdivision 1a or to change that election, but a telephone company may recover in rates the reasonable costs of administering the election.

Subd. 2. **Filing; exemptions.** Copies of both the written notices and information provided to customer service representatives concerning the disclosure required under subdivision 1 must be filed once every 12 months with the commission and the department. Independent telephone companies, municipalities, and cooperative telephone associations are exempt from the requirements of this subdivision unless otherwise ordered by the commission.

Subd. 2a. **Call blocking.** A telephone company, when a residential customer initially requests service, shall advise each residential customer of the availability of all blocking options including 900 number blocking and international long-distance blocking.

Subd. 3. **Enforcement.** If, after an expedited procedure conducted under section 237.61, the commission finds that a telephone company is failing to provide disclosure as required under subdivision 1, or the notification required under subdivision 1c, it shall order the company to take corrective action as necessary.

237.75 CLASS SERVICE.

Subdivision 1. **Definition.** For purposes of this section, "CLASS" or "custom local area signaling service" means a custom calling telephone service that is enabled through the installation or use of Signaling System 7 or similar signaling system and that includes at least the following features:

- (1) automatic call back;
- (2) automatic recall;
- (3) calling number delivery, commonly known as "caller identification";
- (4) calling number delivery blocking;
- (5) customer originated call tracing;
- (6) distinctive ringing/call waiting;
- (7) selective call acceptance;
- (8) selective call forwarding; and
- (9) selective call rejection.

Subd. 2. **CLASS; terms and conditions.** By January 1, 1994, the commission shall determine the terms and conditions under which CLASS services may be provided by telephone companies in this state.

Subd. 3. **CLASS; capability and offering of service.** Each telephone company that provides local telephone service to persons located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington shall obtain the capability to offer CLASS services in those counties by January 1, 1995, unless the commission approves an extension to a date certain.

237.766 PLAN DURATION AND EXTENSION.

Subdivision 1. **Plan duration.** An alternative regulation plan approved by the commission under section 237.764 must remain in force as approved for the term specified in the plan, which must be for no less than three years. Except as otherwise provided in this section, within six months prior to the termination of the plan the company shall give notice that it will propose a new plan, extend an existing plan, or revert to rate of return regulation.

Subd. 2. **New plan.** A new plan proposed by a company must be reviewed by the commission and, with the consent of the company, revised or approved consistent with sections 237.76 to 237.774, except that the justification of earnings levels in section 237.764, subdivision 1, paragraph (c), if required, and the provisions prohibiting rate increases at the initiation of or during the first three years of a plan contained in section 237.762, shall not apply to a new plan. Any new plan must be approved by the commission and shall contain a mechanism under which a telephone company may reduce the rates for price-regulated services below the initial rates or prices or increase the rates or prices during the term of the plan. The plan must specify the reports required of the telephone company for review of the plan and specify that the telephone company shall maintain records in sufficient detail to facilitate the review. A new plan is not an extension, which must be made pursuant to subdivision 3.

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Subd. 3. **Plan extension.** (a) Notwithstanding the provisions of its plan, a telephone company operating under a plan as of May 20, 2004, may elect to extend that plan for up to three years from the expiration date of the plan or until December 31, 2007, whichever is earlier. The election is effective upon notification to customers, the commission, the department, and the Office of the Attorney General. A telephone company must provide notification of its election within 30 days of May 20, 2004, or within six months of the expiration of its current or expired plan, whichever is later. Once a telephone company has elected to exercise the option provided under this subdivision, the company may elect at any time to terminate the plan by notifying customers, the commission, the department, and the Office of the Attorney General, in writing, six months prior to the termination date. Upon termination of a plan, the company shall be regulated as provided in this chapter.

(b) A telephone company may elect to extend a plan entered into after May 20, 2004, in lieu of proposing a new plan only if the company is in substantial compliance with the plan's service quality provisions and has met its infrastructure obligations under the plan. If the company elects to extend a plan, the rates for price-regulated services shall be capped at the rate levels in effect at the time the extension commences, provided, however, exceptions to a price cap contained in the plan being extended may remain in force. Unless otherwise specified in the plan, all other provisions of the plan shall continue in effect throughout the extension period. A plan may not be extended for less than one year or more than three years, and may only be extended once.

(c) The Department of Commerce or the Office of the Attorney General may file an objection to the extension with the commission if the company is not in substantial compliance with the service quality provisions of its plan or has not met its infrastructure obligations under the plan. An objection must be filed within 45 days of the company's notice of its intention to extend the plan.

(d) If an objection is filed by the Department of Commerce or the Office of the Attorney General, the commission may hold a hearing on the issues raised in the objection. The hearings shall be completed within 30 days of the deadline for filing the objections. If the commission finds that the issues raised in the objection are valid, it may reject the extension. If the commission finds that the issues raised in the objection are not valid, it shall approve the extension. The commission shall issue its decision within 15 days of the completion of the hearings concerning the objection.

(e) If the Department of Commerce or the Office of the Attorney General does not file an objection, the commission shall approve the extension within 60 days of the company's filing of its notice of its intention to extend the plan.

Subd. 4. **Joining an existing plan.** (a) A telephone company may elect to opt into another company's plan if:

- (1) the chosen plan is from a company that is larger than the electing company; or
- (2) the chosen plan is from an affiliated company; and
- (3) the plan is currently in effect.

(b) A telephone company electing to enter an existing plan in lieu of proposing a new plan must operate under the terms of that plan for at least three years. If the original term of the existing plan was longer than three years, then the adopting company must operate under the plan for that longer period.

(c) A telephone company that desires to adopt an existing plan must give notice to the commission at least 90 days prior to the proposed effective date of the adoption and to its customers at least 60 days prior to the proposed effective date.

(d) The Department of Commerce or the Office of the Attorney General may file an objection to a telephone company that has previously operated under a plan from electing to opt into the plan of another company if the electing company is not in substantial compliance with the service quality provisions or has not met the infrastructure obligations of its plan.

(e) If a telephone company has not previously operated under an alternative regulation plan, the rates for its price-regulated services must be capped for the first three years at the rates in effect at the time of opt in, except for any plan provisions that address exogenous changes.

(f) Within 30 days of the electing company filing notice to the commission, interested parties may file comments identifying any aspect of the adoption that the party believes is contrary to the public interest. Reply comments may be filed within 45 days following the notice to the commission. The commission shall accept the adoption unless it finds adoption of the existing plan by the electing telephone company is not in the public interest, in which case it may reject or modify the election to opt into the provisions of the existing plan. If the commission modifies the election, the electing

company may withdraw its proposed adoption of the existing plan by filing notice with the commission within 30 days of the commission's modification order.

237.768 PERIODIC FINANCIAL REPORT.

In addition to the reports required under section 237.766, an alternative regulation plan may require a telephone company to file with the department an annual report of financial matters for the previous calendar year on or before May 1 of each year on report forms furnished by the department in the same manner as is required of other telephone companies on August 1, 1995. In addition, any company subject to a plan shall file with the commission and department a copy of any filings it has made to the Federal Communications Commission regarding the provisions of video programming provided through a video dial tone facility in Minnesota. An alternative regulation plan may require a telephone company to maintain its accounts in accordance with the system of accounts prescribed for the company by the commission under section 237.10.

237.772 COST STUDY METHODOLOGY.

Subdivision 1. **Total service long-run incremental cost.** (a) For purposes of this chapter, total service long-run incremental cost (TSLRIC) means the total cost to the company of supplying a service, group of services, or basic network function. The term "long-run" means a period of time sufficient so that all inputs are avoidable based on the total increment of service, group of services, or basic network function and includes the relevant costs resulting from the company's decision to provide the service, group of services, or basic network function, holding constant the production levels of all other services, groups of services, or basic network functions provided by the company.

(b) A telephone company is not required to prepare or file TSLRIC or variable cost studies for all of its services as a prerequisite to filing a plan. However, the commission may order cost studies to be prepared for specific services as a condition of approval of the plan.

Subd. 2. **Petition for variable cost study.** To the extent that this section or the commission may require a company to provide a TSLRIC study, a company may submit a petition to the commission for permission to submit a variable cost study instead of a TSLRIC study. The commission shall grant the petition if the telephone company demonstrates:

- (1) that a TSLRIC study is burdensome in relation to its annual revenue from the service involved;
 - (2) in the case of an existing service, that the service is no longer being offered to new customers;
- or
- (3) if the telephone company shows other good cause.

237.775 EXISTING PLAN NOT AFFECTED.

An alternative regulation plan approved by the commission prior to May 1, 1997, is not subject to the amendments in Laws 1997, chapter 223; provided that a plan filed, revised, or renewed after that date is subject to those amendments.

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.