

**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	9161a	Comm report: To pass as amended
	9172	Second reading
04/28/2026	9198	Referred to for comparison to HF4188 Rule 45-amend, subst. General Orders HF4188, SF indefinitely postponed

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 insurance, consumer protection,

1.4 telecommunications, securities, financial products, and unclaimed property;

1.5 modifying the premium security plan; modifying provisions related to charitable

1.6 gambling; requiring reports; making technical corrections; amending Minnesota

1.7 Statutes 2024, sections 46.044, subdivision 1; 48.195; 49.37; 52.063, subdivision

1.8 3; 52.24, subdivisions 1, 2, by adding a subdivision; 53B.69, subdivision 10;

1.9 53B.74; 58.14, subdivisions 3, 4, 5, by adding a subdivision; 58.18, subdivision

1.10 4; 58B.02, by adding subdivisions; 58B.03, subdivisions 10, 11; 58B.051; 58B.06,

1.11 subdivisions 4, 6; 60A.07, by adding a subdivision; 60A.085; 60A.13, subdivisions

1.12 1, 6; 60A.50, subdivision 1; 60K.383; 62D.08, by adding a subdivision; 62E.23,

1.13 subdivision 1; 62J.40; 62J.89, subdivisions 1, 2; 62J.90, subdivision 2; 62J.96, by

1.14 adding a subdivision; 62K.07, subdivision 2; 62M.02, by adding a subdivision;

1.15 62M.09, subdivision 3; 62Q.47; 62Q.545; 62U.04, subdivision 13; 62W.06, by

1.16 adding a subdivision; 65A.27, subdivision 1; 72A.061, subdivision 5; 72A.18,

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

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

1.19 237.036; 237.069; 237.07, subdivision 1; 237.11; 237.164; 237.626, subdivisions

1.20 1, 3; 237.66, by adding subdivisions; 237.70, subdivision 7; 237.762, subdivision

1.21 5; 239.761, subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 16, 17; 239.77, subdivision 1;

1.22 296A.01, subdivisions 7, 8, 14, 19, 22, 26, 28, 35; 325E.21, subdivisions 1b, 2c;

1.23 325F.79; 325F.791, subdivisions 1, 5; 325F.792, subdivision 2; 332.32; 332.52,

1.24 subdivision 3; 332A.04, subdivision 1; 332B.04, subdivision 1; 345.31, by adding

1.25 a subdivision; 345.43, by adding a subdivision; 349.211, subdivision 2b; Minnesota

1.26 Statutes 2025 Supplement, sections 41A.09, subdivision 2a; 58B.02, subdivision

1.27 8a; 62A.31, subdivision 1u; 62E.23, subdivisions 1a, 2; 80A.66; 239.761,

1.28 subdivisions 3, 4, 5, 6; 296A.01, subdivisions 20, 23, 24; 297I.20, subdivision 7;

1.29 proposing coding for new law in Minnesota Statutes, chapters 45A; 48; 52; 53B;

1.30 58; 60A; 62D; 65A; 80A; 82B; 82C; 325E; 325F; 325M; 345; proposing coding

1.31 for new law as Minnesota Statutes, chapters 59E; 65C; repealing Minnesota Statutes

1.32 2024, sections 48.158; 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions 1, 2, 3,

1.33 4, 5; 62J.86, subdivision 2; 62J.88; 62J.96, subdivision 3; 237.065; 237.066;

1.34 237.067; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11;

1.35 237.14; 237.15; 237.16, subdivision 9; 237.22; 237.231; 237.59, subdivisions 1,

1.36 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.75;

1.37 237.766; 237.768; 237.772; 237.775; 332A.02, subdivision 2; 332B.02, subdivision

1.38 2.

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

2.2 **ARTICLE 1**
 2.3 **PRESCRIPTION DRUG AFFORDABILITY ADVISORY COUNCIL**

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

2.5 Subdivision 1. **Definition.** For purposes of this section, "conflict of interest" means a
 2.6 financial or personal association that has the potential to bias or have the appearance of
 2.7 biasing a person's decisions in matters related to the board, ~~the advisory council~~, or in the
 2.8 conduct of the board's ~~or council's~~ activities. A conflict of interest includes any instance in
 2.9 which a person, a person's immediate family member, including a spouse, parent, child, or
 2.10 other legal dependent, or an in-law of any of the preceding individuals, has received or
 2.11 could receive a direct or indirect financial benefit of any amount deriving from the result
 2.12 or findings of a decision or determination of the board. For purposes of this section, a
 2.13 financial benefit includes honoraria, fees, stock, the value of the member's, immediate family
 2.14 member's, or in-law's stock holdings, and any direct financial benefit deriving from the
 2.15 finding of a review conducted under sections 62J.85 to 62J.95. Ownership of securities is
 2.16 not a conflict of interest if the securities are: (1) part of a diversified mutual or exchange
 2.17 traded fund; or (2) in a tax-deferred or tax-exempt retirement account that is administered
 2.18 by an independent trustee.

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

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

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

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

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

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

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

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

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

3.12 (4) generic drugs for which the WAC:

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

3.14 (A) a 30-day supply;

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

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

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

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

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

3.27 (c) The board shall make available to the public the names and related price information
3.28 of the prescription drug products identified under this subdivision, with the exception of
3.29 information determined by the board to be proprietary under the standards developed by
3.30 the board under section 62J.91, subdivision 3, and information provided by the commissioner
3.31 of health classified as not public data under section 13.02, subdivision 8a, or as trade secret
3.32 information under section 13.37, subdivision 1, paragraph (b), or as trade secret information

4.1 under the Defend Trade Secrets Act of 2016, United States Code, title 18, section 1836, as
4.2 amended.

4.3 Sec. 4. **REPEALER.**

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

4.5 **ARTICLE 2**

4.6 **REINSURANCE**

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

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

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

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

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

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

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

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

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

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

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

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

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

5.12 (c) By June 30, 2028, the association must ~~notify each group health carrier of the carrier's~~
 5.13 ~~assessment amount under paragraph (a). The association must determine~~ propose each
 5.14 carrier's assessment amount, in consultation with the commissioner, based on the group
 5.15 health carrier's portion of the total premiums for group health plans written in Minnesota
 5.16 for benefit year 2027. The commissioner must approve the carrier's assessment amount.
 5.17 ~~The association must establish the~~ final assessment amount for each group health plan ~~so~~
 5.18 must ensure that the aggregate assessment amount collected from group health plans under
 5.19 this subdivision equals the amount necessary for the appropriations and transfers under
 5.20 section 62E.25, subdivision 1. By July 25, 2028, the association must notify each group
 5.21 health carrier of the carrier's proposed assessment amount under paragraph (a).

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

5.26 (e) A group health carrier may apply to the commissioner to defer all or part of the
 5.27 assessment imposed under paragraph (a). The application must be submitted to the
 5.28 commissioner by May 15, 2028. The commissioner may defer all or part of the assessment
 5.29 if the commissioner determines the payment of the assessment places the group health
 5.30 carrier in a financially impaired condition. The commissioner may deny an application for
 5.31 deferral under this paragraph. No later than June 15, 2028, the commissioner must notify
 5.32 the association and the group health carrier whether the assessment deferral is approved or
 5.33 denied. If the commissioner approves the deferral request, the notice must include the amount

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

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

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

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

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

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

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

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

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

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

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

6.29 (7) ensure the premium security plan account created under section 62E.25, subdivision
 6.30 1, has sufficient money to ensure MNsure's stable operation after taking into account the
 6.31 Minnesota premium security plan's effect on MNsure's funding; and

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

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

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

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

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

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

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

7.22 Subd. 7. **Reinsurance credit.** Beginning with taxable years after December 31, 2028,
7.23 a taxpayer may claim a credit against the premiums tax imposed under this chapter equal
7.24 to the amount of the assessment paid by the taxpayer under section 62E.23 in the immediately
7.25 preceding calendar year. If the amount of the credit exceeds the liability for tax under this
7.26 chapter, the commissioner must refund the excess to the ~~insurance company~~ taxpayer. An
7.27 amount sufficient to pay the refunds under this section is appropriated to the commissioner
7.28 from the general fund. The credit under this subdivision does not affect the calculation of
7.29 fire state aid under section 477B.03 and police state aid under section 477C.03. The
7.30 commissioner of commerce must annually provide to the commissioner a list of assessments
7.31 paid by taxpayers under section 62E.23 by March 1 of the calendar year following the
7.32 assessment.

8.1 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
8.2 31, 2028.

8.3 **ARTICLE 3**

8.4 **HEALTH INSURANCE**

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

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

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

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

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

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

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

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

9.1 (3) the key assumptions impacting the projections and the sensitivity of the projections
 9.2 to the assumptions; and

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

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

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

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

9.17 Sec. 3. **[60A.593] PROHIBITED ACTIVITIES.**

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

9.23 Sec. 4. Minnesota Statutes 2025 Supplement, section 62A.31, subdivision 1u, is amended
 9.24 to read:

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

9.30 (2) With respect to eligible persons, an issuer shall not: deny or condition the issuance
 9.31 or effectiveness of a Medicare supplement policy described in paragraph (c) that is offered
 9.32 and is available for issuance to new enrollees by the issuer; discriminate in the pricing of

10.1 such a Medicare supplement policy because of health status, claims experience, receipt of
10.2 health care, medical condition, or age; or impose an exclusion of benefits based upon a
10.3 preexisting condition under such a Medicare supplement policy.

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

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

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

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

10.18 (ii) the individual is no longer eligible to elect the plan because of a change in the
10.19 individual's place of residence or other change in circumstances specified by the secretary,
10.20 but not including termination of the individual's enrollment on the basis described in section
10.21 1851(g)(3)(B) of the federal Social Security Act, United States Code, title 42, section
10.22 1395w-21(g)(3)(b) (where the individual has not paid premiums on a timely basis or has
10.23 engaged in disruptive behavior as specified in standards under section 1856 of the federal
10.24 Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated
10.25 for all individuals within a residence area;

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

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

- 11.1 (B) the organization, or agent or other entity acting on the organization's behalf, materially
11.2 misrepresented the plan's provisions in marketing the plan to the individual; or
- 11.3 (iv) the individual meets such other exceptional conditions as the secretary may provide;
- 11.4 (3)(i) the individual is enrolled with:
- 11.5 (A) an eligible organization under a contract under section 1876 of the federal Social
11.6 Security Act, United States Code, title 42, section 1395mm (Medicare cost);
- 11.7 (B) a similar organization operating under demonstration project authority, effective for
11.8 periods before April 1, 1999;
- 11.9 (C) an organization under an agreement under section 1833(a)(1)(A) of the federal Social
11.10 Security Act, United States Code, title 42, section 1395l(a)(1)(A) (health care prepayment
11.11 plan); or
- 11.12 (D) an organization under a Medicare Select policy under section 62A.318 or the similar
11.13 law of another state; and
- 11.14 (ii) the enrollment ceases under the same circumstances that would permit discontinuance
11.15 of an individual's election of coverage under clause (2);
- 11.16 (4) the individual is enrolled under a Medicare supplement policy, and the enrollment
11.17 ceases because:
- 11.18 (i)(A) of the insolvency of the issuer or bankruptcy of the nonissuer organization; or
- 11.19 (B) of other involuntary termination of coverage or enrollment under the policy;
- 11.20 (ii) the issuer of the policy substantially violated a material provision of the policy; or
- 11.21 (iii) the issuer, or an agent or other entity acting on the issuer's behalf, materially
11.22 misrepresented the policy's provisions in marketing the policy to the individual;
- 11.23 (5)(i) the individual was enrolled under a Medicare supplement policy and terminates
11.24 that enrollment and subsequently enrolls, for the first time, with any Medicare Advantage
11.25 organization under a Medicare Advantage plan under Medicare Part C; any eligible
11.26 organization under a contract under section 1876 of the federal Social Security Act, United
11.27 States Code, title 42, section 1395mm (Medicare cost); any similar organization operating
11.28 under demonstration project authority; any PACE provider under section 1894 of the federal
11.29 Social Security Act, or a Medicare Select policy under section 62A.318 or the similar law
11.30 of another state; and

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

12.5 (6) the individual, upon first enrolling for benefits under Medicare Part B, enrolls in a
12.6 Medicare Advantage plan under Medicare Part C, or with a PACE provider under section
12.7 1894 of the federal Social Security Act, and disenrolls from the plan by not later than 12
12.8 months after the effective date of enrollment;

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

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

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

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

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

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

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

13.5 (5) In the case of an individual described in paragraph (b), clause (7), the guaranteed
13.6 issue period begins on the date the individual receives notice pursuant to section
13.7 1882(v)(2)(B) of the Social Security Act from the Medicare supplement issuer during the
13.8 60-day period immediately preceding the initial Part D enrollment period and ends on the
13.9 date that is 63 days after the effective date of the individual's coverage under Medicare Part
13.10 D.

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

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

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

13.22 (2) In the case of an individual described in paragraph (b), clause (6), or deemed to be
13.23 so described, pursuant to this paragraph, whose enrollment with a plan or in a program
13.24 described in paragraph (b), clause (6), is involuntarily terminated within the first 12 months
13.25 of enrollment, and who, without an intervening enrollment, enrolls in another such plan or
13.26 program, the subsequent enrollment is deemed to be an initial enrollment described in
13.27 paragraph (b), clause (6).

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

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

14.1 (1) paragraph (b), clauses (1) to ~~(4)~~ (3), is any Medicare supplement policy that has a
14.2 benefit package consisting of the basic Medicare supplement plan described in section
14.3 62A.316, paragraph (a), plus any combination of the three optional riders described in
14.4 section 62A.316, paragraph (b), clauses (1) to (3), offered by any issuer;

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

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

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

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

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

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

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

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

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

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

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

15.19 Sec. 5. Minnesota Statutes 2024, section 62D.08, is amended by adding a subdivision to
 15.20 read:

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

15.29 Sec. 6. **[62D.085] SUBSTANTIAL ENROLLMENT GROWTH; NOTICE.**

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

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

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

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

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

16.15 (1) the conditions contributing to the health maintenance organization's enrollment
16.16 growth;

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

16.19 (3) the key assumptions impacting the projections and the sensitivity of the projections
16.20 to the assumptions; and

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

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

17.1 Sec. 7. Minnesota Statutes 2024, section 62J.40, is amended to read:

17.2 **62J.40 COST CONTAINMENT DATA FROM STATE AGENCIES AND OTHER**
17.3 **GOVERNMENTAL UNITS.**

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

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

17.17 (c) A state agency that purchases health care services, provides oversight over health
17.18 insurance rates, collects health care taxes, or regulates health care entities must provide to
17.19 the commissioner nonpublic data the commissioner requests to satisfy statutory duties under
17.20 sections 62J.301 to 62J.461, 62J.84, 62J.87, 62U.01 to 62U.10, 144.70, 145D.01, and
17.21 145D.02, with respect to monitoring the health care market, including but not limited to
17.22 consolidation, transaction, corporate structure, utilization, quality, spending growth, and
17.23 prescription drug supply chains.

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

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

17.31 Sec. 8. Minnesota Statutes 2024, section 62K.07, subdivision 2, is amended to read:

17.32 Subd. 2. **Prescription drug costs.** (a) Each health carrier that offers a prescription drug
17.33 benefit in its individual health plans or small group health plans shall include in the applicable

18.1 rate filing required under section 62A.02 the following information about covered prescription
18.2 drugs:

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

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

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

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

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

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

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

18.21 Sec. 9. Minnesota Statutes 2024, section 62M.02, is amended by adding a subdivision to
18.22 read:

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

18.25 Sec. 10. Minnesota Statutes 2024, section 62M.09, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

19.18 Sec. 11. Minnesota Statutes 2024, section 62Q.47, is amended to read:

19.19 **62Q.47 ALCOHOLISM, MENTAL HEALTH, AND CHEMICAL DEPENDENCY**
19.20 **SERVICES.**

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

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

19.29 (c) Cost-sharing requirements and benefit or service limitations for inpatient hospital
19.30 mental health services, psychiatric residential treatment facility services, and inpatient
19.31 hospital and residential chemical dependency and alcoholism services, except for persons
19.32 seeking chemical dependency services under section 245G.05, must not place a greater

20.1 financial burden on the insured or enrollee, or be more restrictive than those requirements
20.2 and limitations for inpatient hospital medical services.

20.3 (d) A health plan company must not impose an NQTL with respect to mental health and
20.4 substance use disorders in any classification of benefits unless, under the terms of the health
20.5 plan as written and in operation, any processes, strategies, evidentiary standards, or other
20.6 factors used in applying the NQTL to mental health and substance use disorders in the
20.7 classification are comparable to, and are applied no more stringently than, the processes,
20.8 strategies, evidentiary standards, or other factors used in applying the NQTL with respect
20.9 to medical and surgical benefits in the same classification.

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

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

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

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

20.30 (1) 99492;

20.31 (2) 99493;

20.32 (3) 99494;

20.33 (4) G2214; and

21.1 (5) G0512.

21.2 This paragraph does not apply to managed care plans or county-based purchasing plans
21.3 when the plan provides coverage to public health care program enrollees under chapter
21.4 256B or 256L.

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

21.8 (j) "Psychiatric Collaborative Care Model" means the evidence-based, integrated
21.9 behavioral health service delivery method described at Federal Register, volume 81, page
21.10 80230, which includes a formal collaborative arrangement among a primary care team
21.11 consisting of a primary care provider, a care manager, and a psychiatric consultant, and
21.12 includes but is not limited to the following elements:

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

21.14 (2) structured care management;

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

21.16 (4) modification of treatment as appropriate.

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

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

21.24 (2) identify any enforcement actions taken by either commissioner during the preceding
21.25 12-month period regarding compliance with parity for mental health and substance use
21.26 disorders benefits under state and federal law, summarizing the results of any market conduct
21.27 examinations. The summary must include: (i) the number of formal enforcement actions
21.28 taken; (ii) the benefit classifications examined in each enforcement action; and (iii) the
21.29 subject matter of each enforcement action, including quantitative and nonquantitative
21.30 treatment limitations;

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

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

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

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

22.16 (1) is not within the clinical trainee's scope of practice under section 245I.04, subdivision
 22.17 7; or

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

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

22.22 Sec. 12. Minnesota Statutes 2024, section 62Q.545, is amended to read:

22.23 **62Q.545 COVERAGE OF HOME CARE NURSING.**

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

22.28 (b) For purposes of this section, a period of home care nursing services may be subject
 22.29 to the co-payment, coinsurance, deductible, or other enrollee cost-sharing requirements that
 22.30 apply under the health plan. Cost-sharing requirements for home care nursing services must
 22.31 not place a greater financial burden on the insured or enrollee than those requirements
 22.32 applied by the health plan to other similar services or benefits. Nothing in this section is

23.1 intended to prevent a health plan company from requiring prior authorization by the health
 23.2 plan company for such services as required by section 256B.0625, subdivision 7, or use of
 23.3 contracted providers under the applicable provisions of the health plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24.21 Sec. 14. Minnesota Statutes 2024, section 62W.06, is amended by adding a subdivision
24.22 to read:

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

ARTICLE 4

CONSUMER PROTECTION

Section 1. **[45A.08] SUSPECTED FRAUD OR FINANCIAL EXPLOITATION;
TRUSTED CONTACT PROGRAM.**

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

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

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

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

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

Subd. 5. Certain liability limited. (a) A financial services provider is not liable for a trusted contact's actions. A financial services provider is not liable for declining to interact

26.1 with a trusted contact if the financial services provider, in good faith and exercising
26.2 reasonable care, determines a trusted contact is not acting in the customer's best interests.

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

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

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

26.10 Sec. 2. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

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

26.18 Sec. 3. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**

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

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

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

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

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

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

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

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

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

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

27.18 Sec. 4. Minnesota Statutes 2024, section 325E.21, subdivision 1b, is amended to read:

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

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

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

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

27.28 (i) proof of identification, including the identification number, if the seller is an individual;
 27.29 or

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

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

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

28.6 (6) a statement signed by the seller, under penalty of perjury as provided in section
28.7 609.48, attesting that the scrap metal or motor vehicle is not stolen and is free of any liens
28.8 or encumbrances and the seller has the right to sell it;

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

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

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

28.16 (i) current license to sell scrap metal copper issued by the commissioner under subdivision
28.17 2c; or

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

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

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

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

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

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

29.13 Sec. 5. Minnesota Statutes 2024, section 325E.21, subdivision 2c, is amended to read:

29.14 Subd. 2c. **License required for scrap metal copper sale.** (a) Beginning January 1,
29.15 2025, a person is prohibited from engaging in the sale of scrap metal copper unless the
29.16 person has a valid license issued by the commissioner under this subdivision.

29.17 (b) On the first Friday of the months of April and October of each calendar year, from
29.18 8:00 a.m. to 5:00 p.m., a scrap metal dealer may purchase up to \$25 of scrap metal copper
29.19 from individuals who do not have an approved license to sell scrap metal copper under this
29.20 subdivision. All other requirements of subdivision 1b apply and must be documented by
29.21 the scrap metal dealer on the dates specified in this paragraph.

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

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

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

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

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

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

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

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

30.4 ~~(e)~~ (g) Within 30 days of the date an application is received, the commissioner may
30.5 require additional information or submissions from an applicant and may obtain any
30.6 document or information that is reasonably necessary to verify the information contained
30.7 in the application. Within 90 days after the date a completed application is received, the
30.8 commissioner must review the application and issue a license if the applicant is deemed
30.9 qualified under this section. The commissioner may issue a license subject to restrictions
30.10 or limitations. If the commissioner determines the applicant is not qualified, the commissioner
30.11 must notify the applicant and must specify the reason for the denial.

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

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

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

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

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

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

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

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

31.1 ~~(j)~~ (k) In lieu of denying a renewal application under paragraph (g), the commissioner
 31.2 may permit the applicant to submit to the commissioner a corrective action plan to cure or
 31.3 correct deficiencies.

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

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

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

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

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

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

31.14 ~~(k)~~ (n) The commissioner must enforce this subdivision under chapter 45.

31.15 Sec. 6. **[325E.91] PROHIBITION ON NUDIFICATION TECHNOLOGY.**

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

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

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

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

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

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

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

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

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

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

32.1 (1) allow a user to access, download, or use the website, application, software, program,
32.2 or other service to nudyfy an image or video; or

32.3 (2) nudyfy an image or video on behalf of a user.

32.4 (b) A person must not advertise or promote a website, application, software, program,
32.5 or other service that performs the actions described in paragraph (a).

32.6 Subd. 3. **Exemption.** Subdivision 2 does not apply when the website, application,
32.7 software, program, or other service requires the technical skill of a user to nudyfy an image
32.8 or video.

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

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

32.14 (2) punitive damages;

32.15 (3) injunctive relief;

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

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

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

32.22 (b) Notwithstanding any contrary provision in law, including but not limited to section
32.23 16A.151, a civil penalty recovered under this subdivision must be deposited into the general
32.24 fund. On July 1 each year, the accumulated balance of civil penalties collected in the previous
32.25 year is appropriated to the commissioner of public safety for the Office of Justice Programs
32.26 to provide grants to organizations to provide direct services and advocacy for victims of
32.27 sexual assault, general crime, domestic violence, and child abuse. Funding must support
32.28 the direct needs of organizations serving victims of crime by providing:

32.29 (1) direct client assistance to crime victims;

32.30 (2) competitive wages for direct service staff;

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

33.1 (4) culturally responsive programming;

33.2 (5) prevention programming, including domestic abuse transformation and restorative
33.3 justice programming; and

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

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

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

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

33.13 Subd. 7. **Immunity.** (a) This section does not alter or amend the liabilities and protections
33.14 granted by United States Code, title 47, section 230, and must be construed in a manner
33.15 consistent with federal law.

33.16 (b) This section does not impose liability on the provider of an information service or a
33.17 telecommunication service, both as defined in United States Code, title 47, section 153.

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

33.20 Sec. 7. **[325F.7845] PHARMACEUTICAL ADVERTISING.**

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

33.23 (b) "Prescription drug" has the meaning provided in section 151.441, subdivision 8,
33.24 except that prescription drug only includes drugs covered by the medical assistance program,
33.25 MinnesotaCare program, or state employees group insurance program.

33.26 (c) "Television advertisement" means a form of paid marketing communication designed
33.27 to promote products, services, or brands through an over-the-air broadcast or an
33.28 Internet-based, nonbroadcast stream of an over-the-air broadcast.

33.29 Subd. 2. **Prohibition.** Television advertisements for the sale of prescription drugs to
33.30 consumers are prohibited.

34.1 Subd. 3. **Enforcement.** The attorney general may enforce this section under section
 34.2 8.31.

34.3 Sec. 8. Minnesota Statutes 2024, section 325F.79, is amended to read:

34.4 **325F.79 DEFINITIONS.**

34.5 For purposes of sections 325F.79 to 325F.792, the following definitions apply:

34.6 (a) "Advertisement" means an oral, written, graphic, or pictorial statement made in the
 34.7 course of soliciting business. Advertisement includes without limitation a statement or
 34.8 representation:

34.9 (1) made in a newspaper, magazine, or other public publication;

34.10 (2) contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter;

34.11 or

34.12 (3) made on radio, television, or the Internet.

34.13 ~~(a)~~ (b) "Animal" means a dog, wholly or in part of the species *Canis familiaris*, or a cat,
 34.14 wholly or in part of the species *Felis domesticus*.

34.15 ~~(b)~~ (c) "Pet dealer" means any person, firm, partnership, corporation, or association,
 34.16 including breeders, that is required to collect sales tax for the sale of animals to the public.
 34.17 Pet dealer does not include humane societies, nonprofit organizations performing the
 34.18 functions of humane societies, or animal control agencies.

34.19 ~~(c)~~ (d) "Breeder" means any person, firm, partnership, corporation, or association that
 34.20 breeds animals for direct or indirect sale to the public.

34.21 ~~(d)~~ (e) "Broker" means a person, firm, partnership, corporation, or association that
 34.22 purchases animals for resale to other brokers or pet dealers.

34.23 ~~(e)~~ (f) "Health problem" means any disease, illness, or congenital or hereditary condition
 34.24 which would impair the health or function of the animal that is apparent at the time of sale,
 34.25 or which should have been apparent to the seller from the veterinary history of the animal.

34.26 (g) "Pet shop" means a pet dealer that operates a physical retail store from which animals
 34.27 are sold or offered for sale to the general public, whether through an appointment or
 34.28 otherwise.

34.29 ~~(f)~~ (h) "Veterinarian" means a licensed veterinarian in the state of Minnesota.

34.30 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
 34.31 committed on or after that date.

35.1 Sec. 9. Minnesota Statutes 2024, section 325F.791, subdivision 1, is amended to read:

35.2 Subdivision 1. **Disclosure.** (a) Every pet dealer shall deliver to each retail purchaser of
35.3 an animal written disclosure as follows:

35.4 ~~(a)~~ (1) the name, address, and USDA license number of the breeder and any broker who
35.5 has had possession of the animal; the date of the animal's birth; the date the pet dealer
35.6 received the animal; the breed, sex, color, and identifying marks of the animal; the individual
35.7 identifying tag, tattoo, or collar number; the name and registration number of the sire and
35.8 dam and the litter number; and a record of inoculations, worming treatments, and medication
35.9 received by the animal while in the possession of the pet dealer;

35.10 ~~(b)~~ (2) a statement signed by the pet dealer that the animal has no known health problem,
35.11 or a statement signed by the pet dealer disclosing any known health problem and a statement
35.12 signed by a veterinarian that recommends necessary treatment; and

35.13 (3) a copy of all available state or federal inspection reports for the animal's breeder for
35.14 all inspections that occurred during the three years preceding the date the animal was
35.15 purchased.

35.16 (b) The disclosure shall be made part of the statement of consumer rights set forth in
35.17 subdivision 10. The disclosure required in paragraph (a), clause (1), need not be made for
35.18 mixed breed animals if the information is not available and cannot be determined by the
35.19 pet dealer.

35.20 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
35.21 committed on or after that date.

35.22 Sec. 10. Minnesota Statutes 2024, section 325F.791, subdivision 5, is amended to read:

35.23 Subd. 5. **Responsibilities of purchaser.** (a) To obtain the remedies provided in
35.24 subdivision 6, the purchaser shall with respect to an animal with a health problem:

35.25 ~~(a)~~ (1) notify the pet dealer, within two business days, of the diagnosis by a veterinarian
35.26 of the purchaser's choosing of a health problem and provide the pet dealer with the name
35.27 and telephone number of the veterinarian and a copy of the veterinarian's report on the
35.28 animal; and

35.29 ~~(b)~~ (2) if the purchaser wishes to receive a full refund for the animal, return the animal
35.30 no later than two business days after receipt of a written statement from a veterinarian
35.31 indicating the animal is unfit due to a health problem.

36.1 (b) With respect to a dead animal the purchaser must provide the pet dealer a written
36.2 statement from a veterinarian, indicating the animal died from a health problem which
36.3 existed on or before the receipt of the animal by the purchaser.

36.4 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
36.5 committed on or after that date.

36.6 **Sec. 11. [325F.7915] SALE OF DOGS AND CATS PROHIBITED.**

36.7 Subdivision 1. **Prohibition.** A pet shop must not sell, offer to sell, barter, auction, or
36.8 otherwise transfer ownership of an animal.

36.9 Subd. 2. **Adoption of animals.** A pet shop may provide space to a nonprofit humane
36.10 society, animal control agency, or animal rescue and rehoming organization to offer animals
36.11 for adoption if the society, agency, or organization qualifies as a nonprofit organization
36.12 under section 501(c)(3) of the Internal Revenue Code.

36.13 Subd. 3. **Ownership interest and fees.** A pet shop is prohibited from having an ownership
36.14 interest in an animal offered for adoption under subdivision 2 or receiving a fee for providing
36.15 space for animal adoption.

36.16 Subd. 4. **Continued operation.** Notwithstanding subdivision 1, a pet shop that sold or
36.17 offered for sale an animal from the pet shop's physical premises for at least one year before
36.18 the effective date of this section may continue to operate as a pet shop and engage in the
36.19 sale or offer for sale of animals if:

36.20 (1) an animal sold or offered for sale by the pet shop on or after the effective date of this
36.21 section is obtained only from a state-licensed or USDA-licensed breeder; and

36.22 (2) the pet shop discloses the breeder's state or USDA license number on the animal's
36.23 display cage or enclosure.

36.24 Subd. 5. **Local authority.** Notwithstanding this section, a county, city, town, or township
36.25 may enact and enforce by ordinance stricter regulations regarding the transfer of ownership
36.26 of animals, including a prohibition on selling or offering for sale animals by a pet dealer or
36.27 other entity.

36.28 Subd. 6. **Violations.** A pet shop that operates as a pet shop pursuant to subdivision 4
36.29 that violates this section on three separate occasions is prohibited from selling, offering to
36.30 sell, bartering, auctioning, or otherwise transferring ownership of an animal.

36.31 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
36.32 committed on or after that date.

37.1 Sec. 12. Minnesota Statutes 2024, section 325F.792, subdivision 2, is amended to read:

37.2 Subd. 2. **Civil penalty.** (a) A pet dealer who:

37.3 (1) sells an animal without delivery of the disclosure required in section 325F.791,
37.4 subdivision 1;

37.5 (2) fails to maintain the records required by section 325F.791, subdivision 2;

37.6 (3) fails to provide registration papers as provided in section 325F.791, subdivision 3;

37.7 (4) fails to make or provide payment for the examinations required by section 325F.791,
37.8 subdivision 4;

37.9 (5) fails to post the notice required by section 325F.791, subdivision 9; or

37.10 (6) fails to provide the statement of consumer rights required by section 325F.791,
37.11 subdivision 10,

37.12 is subject to a civil fine of up to \$1,000 per violation.

37.13 (b) A pet shop that violates section 325F.7915 is subject to a civil fine of up to \$1,000
37.14 per violation. Each transfer of an animal's ownership in violation of section 325F.7915 is
37.15 a separate violation.

37.16 ~~(b)~~ (c) Civil fines collected under this subdivision shall be collected by the court and
37.17 turned over to the prosecuting attorney.

37.18 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to acts
37.19 committed on or after that date.

37.20 Sec. 13. **[325M.40] MINOR ACCESS TO CHATBOTS.**

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

37.23 (b) "Artificial intelligence" or "AI" means a machine-based system that is capable of,
37.24 for explicit or implicit objectives, inferring from the input the system receives how to
37.25 generate outputs that influence physical or virtual environments.

37.26 (c) "AI companion" means artificial intelligence systems that are specifically designed,
37.27 marketed, or optimized to form ongoing social or emotional bonds with individuals, whether
37.28 or not the systems also provide information, complete tasks, or assist with specific functions.
37.29 AI companions seek to build or engage in an emotional relationship with the user by:

37.30 (1) expressing or inviting emotional attachment;

38.1 (2) reminding, prompting, or nudging the user to return for emotional support or
38.2 companionship;

38.3 (3) depicting nonverbal forms of emotional support;

38.4 (4) behaving in a way that a reasonable user would consider excessive praise designed
38.5 to foster emotional attachment; or

38.6 (5) enabling or purporting to enable increased intimacy based on engagement or pay.

38.7 AI companion does not include a consumer electronic device that incorporates a speaker
38.8 and voice command interface or text interface and acts as a voice- or text-activated virtual
38.9 assistant.

38.10 (d) "Chatbot" means an artificial intelligence system with a natural language interface
38.11 that provides adaptive, human-like responses to user inputs and is capable of meeting a
38.12 user's social needs, including by exhibiting anthropomorphic features and being able to
38.13 sustain a relationship across multiple interactions. Chatbot does not include:

38.14 (1) a chatbot that is used only for customer service, a business' operational purposes,
38.15 productivity and analysis related to source information, internal research, or technical
38.16 assistance;

38.17 (2) a chatbot that is a feature of a video game and is limited to replies related to the video
38.18 game that cannot discuss topics related to mental health, self-harm, sexually explicit conduct,
38.19 or maintain a dialogue on other topics unrelated to the video game; or

38.20 (3) a stand-alone consumer electronic device that functions as a speaker and voice
38.21 command interface, acts as a voice-activated virtual assistant, and does not sustain a
38.22 relationship across multiple interactions or generate outputs that are likely to elicit emotional
38.23 responses in the user.

38.24 (e) "Minor" means an individual under the age of 18.

38.25 Subd. 2. **Prohibition.** (a) A person must ensure that a chatbot operated or distributed
38.26 by the person does not make chatbots available to minors to use, interact with, purchase, or
38.27 converse with.

38.28 (b) A person operating artificial intelligence systems that primarily function as AI
38.29 companions must ensure that chatbots operated or distributed by the person are not available
38.30 to minors to use, interact with, purchase, or converse with.

39.1 Subd. 3. Remedies; enforcement. (a) An individual injured by a violation of this section
 39.2 may bring a civil action for damages, statutory damages not to exceed \$1,000, injunctive
 39.3 relief, and costs and reasonable attorney fees.

39.4 (b) The attorney general may enforce this section under section 8.31. In an action brought
 39.5 under this paragraph, the person who owns or controls a website, application, software, or
 39.6 program and violates this section is liable for a civil penalty not to exceed \$5,000,000.

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

39.8 Sec. 14. **TRANSITION PERIOD.**

39.9 A person who makes a chatbot available to minors must begin decreasing services in a
 39.10 manner that does not harm minors who use chatbots before services end on July 1, 2027.

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

39.12 Sec. 15. **REPEALER.**

39.13 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

39.14 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
 39.15 subdivision 4, are repealed.

39.16 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
 39.17 January 17, 2027.

39.18 **ARTICLE 5**

39.19 **SECURITIES**

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

39.21 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
 39.22 **CORPORATE OFFERING REGISTRATION.**

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

39.24 (1) **Required filing of records.** With respect to a federal covered security, as defined
 39.25 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not
 39.26 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued
 39.27 under this chapter may require the filing of any or all of the following records:

39.28 (A) before the initial offer of a federal covered security in this state, all records that are
 39.29 part of a federal registration statement filed with the Securities and Exchange Commission

40.1 under the Securities Act of 1933 and a consent to service of process complying with section
40.2 80A.88 signed by the issuer;

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

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

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

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

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

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

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

41.1 (2) **Availability.** Registration under this section is available only to the issuer of securities
41.2 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.
41.3 The issuer must be organized under the laws of one of the states or possessions of the United
41.4 States. The securities offered must be exempt from registration under the Securities Act of
41.5 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

41.10 (B) an investment company;

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

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

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

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

41.25 (iii) is currently subject to a state administrative enforcement order or judgment entered
41.26 by a state securities administrator or the Securities and Exchange Commission within five
41.27 years before the filing of the small corporate offering registration application, or is subject
41.28 to a federal or state administrative enforcement order or judgment in which fraud or deceit,
41.29 including, but not limited to, making untrue statements of material facts or omitting to state
41.30 material facts, was found and the order or judgment was entered within five years before
41.31 the filing of the small corporate offering registration application;

41.32 (iv) is currently subject to an order, judgment, or decree of a court of competent
41.33 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or

42.1 decree of a court of competent jurisdiction permanently restraining or enjoining the party
42.2 from engaging in or continuing any conduct or practice in connection with the purchase or
42.3 sale of any security or involving the making of a false filing with a state or with the Securities
42.4 and Exchange Commission entered within five years before the filing of the small corporate
42.5 offering registration application; or

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

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

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

42.18 **(4) Filing and effectiveness of registration statement.** A small corporate offering
42.19 registration statement must be filed with the administrator. If no stop order is in effect and
42.20 no proceeding is pending under section 80A.54, such registration statement shall become
42.21 effective automatically at the close of business on the 20th day after filing of the registration
42.22 statement or the last amendment of the registration statement or at such earlier time as the
42.23 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
42.24 other than by an affiliate of the issuer, all outstanding securities of the same class identified
42.25 in the small corporate offering registration statement as a security registered under this
42.26 chapter are considered to be registered while the small corporate offering registration
42.27 statement is effective. A small corporate offering registration statement is effective for one
42.28 year after its effective date or for any longer period designated in an order under this chapter.
42.29 A small corporate offering registration statement may be withdrawn only with the approval
42.30 of the administrator.

42.31 **(5) Contents of registration statement.** A small corporate offering registration statement
42.32 under this section shall be on Form U-7, including exhibits required by the instructions
42.33 thereto, as adopted by the North American Securities Administrators Association, or such
42.34 alternative form as may be designated by the administrator by rule or order and must include:

- 43.1 (A) a consent to service of process complying with section 80A.88;
- 43.2 (B) a statement of the type and amount of securities to be offered and the amount of
43.3 securities to be offered in this state;
- 43.4 (C) a specimen or copy of the security being registered, unless the security is
43.5 uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial
43.6 equivalents in effect, and a copy of any indenture or other instrument covering the security
43.7 to be registered;
- 43.8 (D) a signed or conformed copy of an opinion of counsel concerning the legality of the
43.9 securities being registered which states whether the securities, when sold, will be validly
43.10 issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;
- 43.11 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a
43.12 registration statement or similar filing has been made in connection with the offering
43.13 including information as to effectiveness of each such filing; and (iii) in which a stop order
43.14 or similar proceeding has been entered or in which proceedings or actions seeking such an
43.15 order are pending;
- 43.16 (F) a copy of the offering document proposed to be delivered to offerees; and
- 43.17 (G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales
43.18 literature intended as of the effective date to be used in connection with the offering and
43.19 any solicitation of interest used in compliance with section 80A.46(17)(B).
- 43.20 (6) **Copy to purchaser.** A copy of the offering document as filed with the administrator
43.21 must be delivered to each person purchasing the securities prior to sale of the securities to
43.22 such person.
- 43.23 (c) **Offering limit.** Offers and sales of securities under a small corporate offering
43.24 registration as set forth in this section are allowed up to the limit prescribed by Code of
43.25 Federal Regulations, title 17, part 230.504 (b)(2), as amended.
- 43.26 (d) **Regulation A - Tier 2 filing requirements.**
- 43.27 (1) **Initial filing.** An issuer planning to offer and sell securities in Minnesota in an
43.28 offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before
43.29 the date of the initial sale of securities in Minnesota, submit to the administrator:
- 43.30 (A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the
43.31 documents filed with the Securities Exchange Commission; and

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

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

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

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

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

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

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

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

44.25 If the issuer's principal place of business is in Minnesota, the initial filing must be submitted
44.26 with the administrator when the issuer makes the issuer's initial Form C filing concerning
44.27 the offering with the Securities and Exchange Commission. If the issuer's principal place
44.28 of business is not in Minnesota but Minnesota residents have purchased at least 50 percent
44.29 of the aggregate amount of the offering, the filing must be submitted when the issuer becomes
44.30 aware that the aggregate purchases made by Minnesota residents meets the threshold, but
44.31 no later than 30 days after the date the offering is complete. The initial notice filing is
44.32 effective for a 12-month period beginning on the date the initial filing is submitted to the
44.33 administrator.

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

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

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

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

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

45.12 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

45.13 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
 45.14 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
 45.15 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
 45.16 minimum financial requirements for broker-dealers registered or required to be registered
 45.17 under this chapter and investment advisers registered or required to be registered under this
 45.18 chapter.

45.19 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
 45.20 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
 45.21 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
 45.22 chapter and an investment adviser registered or required to be registered under this chapter
 45.23 shall file such financial reports as are required by a rule adopted or order issued under this
 45.24 chapter. If the information contained in a record filed under this subsection is or becomes
 45.25 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
 45.26 amendment.

45.27 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
 45.28 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
 45.29 U.S.C. Section 80b-22):

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

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

46.5 (3) a broker-dealer must establish and maintain: (i) a set of written supervisory procedures
 46.6 that reasonably prevent and detect violations of chapter 80A; Minnesota Rules, chapter
 46.7 2876; or related orders issued by the commissioner; and (ii) a system to apply the procedures
 46.8 established under this clause. The procedures must designate by name or title a number of
 46.9 supervisory employees that is reasonable relative to the number of the broker-dealer's
 46.10 registered agents, offices, and transactions in Minnesota. A copy of the written procedures
 46.11 and the system to apply the procedures must be kept and maintained at each branch office
 46.12 affiliated with the broker-dealer. A broker-dealer may use electronic media in accordance
 46.13 with the Financial Industry Regulatory Authority Rule 3110.11, or any successor federal
 46.14 law, to satisfy the obligations under this paragraph; and

46.15 ~~(3)~~ (4) investment adviser records required to be maintained under paragraph (d)(1) may
 46.16 be maintained in any form of data storage required by rule adopted or order issued under
 46.17 this chapter.

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

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

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

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

46.30 (A) the amount of assets under management;

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

46.33 (C) counterparty credit risk exposure;

47.1 (D) trading and investment positions;

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

47.3 (F) types of assets held;

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

47.6 (H) trading practices; and

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

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

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

47.25 (f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
47.26 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
47.27 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
47.28 under this chapter may require a broker-dealer or investment adviser that has custody of or
47.29 discretionary authority over funds or securities of a customer or client to obtain insurance
47.30 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
47.31 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
47.32 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
47.33 of security may not be required of a broker-dealer registered under this chapter whose net

48.1 capital exceeds, or of an investment adviser registered under this chapter whose minimum
48.2 financial requirements exceed, the amounts required by rule or order under this chapter.
48.3 The insurance, bond, or other satisfactory form of security must permit an action by a person
48.4 to enforce any liability on the insurance, bond, or other satisfactory form of security if
48.5 instituted within the time limitations in section 80A.76(j)(2).

48.6 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
48.7 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
48.8 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
48.9 customer except under the supervision of a broker-dealer and an investment adviser
48.10 representative may not have custody of funds or securities of a client except under the
48.11 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
48.12 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
48.13 regarding custody of funds or securities of a customer and on an investment adviser regarding
48.14 custody of securities or funds of a client.

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

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

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

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

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

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

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

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

49.7 (k) **Physical security and cybersecurity policies and procedures.** An investment
49.8 adviser registered or required to be registered under this chapter must establish, implement,
49.9 update, and enforce written physical security and cybersecurity policies and procedures that
49.10 are designed to ensure the confidentiality, integrity, and availability of physical and electronic
49.11 records and information. The policies and procedures must be tailored to the investment
49.12 adviser's business model and must take into account the investment advisor's business size,
49.13 type of service provided, and number of locations.

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

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

49.17 (B) ensure that the investment adviser protects confidential client records and information;
49.18 and

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

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

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

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

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

49.27 (D) actions to take when a information security event is detected; and

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

49.30 (3) At the time a client engages an investment adviser and on an annual basis thereafter,
49.31 an investment adviser must deliver to the client a privacy policy that is reasonably designed

50.1 to assist the client understand how the investment adviser collects and shares, to the extent
50.2 permitted by state and federal law, nonpublic personal information. If information in the
50.3 policy becomes materially inaccurate, the investment adviser must promptly update and
50.4 deliver an amended privacy policy to the client.

50.5 (l) **Written confirmation.** A broker-dealer must promptly provide to the customer a
50.6 written confirmation at or before completing a transaction in accordance with the Financial
50.7 Industry Regulatory Authority Rule 2232, or any successor federal law. The confirmation
50.8 must:

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

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

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

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

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

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

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

50.29 (n) **Principal office; employment.** A broker-dealer whose principal office is located in
50.30 Minnesota must have at least one registered person employed on a full-time basis at the
50.31 principal office located in Minnesota. This paragraph does not apply to a broker-dealer
50.32 engaged solely in offering and selling:

50.33 (1) interests in a direct participation program; or

51.1 (2) securities issued by open-end investment companies, face amount certificate
51.2 companies, or unit investment trusts registered under the Investment Company Act of 1940,
51.3 United States Code, title 15, sections 80a-1 to 80a-64.

51.4 **Sec. 3. [80A.691] BROKER-DEALERS; AGENTS; DISHONEST OR UNETHICAL**
51.5 **BUSINESS PRACTICES.**

51.6 Subdivision 1. **Broker-dealers; standards and principles.** A broker-dealer must observe
51.7 high standards of commercial honor and just and equitable principles of trade when
51.8 conducting the broker-dealer's business. An act or practice that is contrary to the standards
51.9 constitutes grounds for the administrator to deny, suspend, or revoke the broker-dealer's
51.10 registration or to take other action authorized by statute. For purposes of this subdivision,
51.11 an act or practice that is contrary to the standards includes:

51.12 (1) engaging in a pattern of unreasonable and unjustifiable delays with respect to: (i)
51.13 delivering securities purchased by a customer; or (ii) upon request, paying free credit balances
51.14 reflecting a customer's completed transactions;

51.15 (2) inducing trading in a customer's account that is excessive in size or frequency
51.16 considering the account's financial resources and character;

51.17 (3) recommending that a customer purchase, sell, or exchange a security without
51.18 reasonable grounds to believe the transaction or recommendation is suitable for the customer,
51.19 based on: (i) a reasonable inquiry regarding the customer's investment objectives, financial
51.20 situation, and needs; and (ii) other relevant information known by the broker-dealer;

51.21 (4) recommending a security transaction or investment strategy involving securities,
51.22 including account recommendations, to a retail customer if the recommendation does not
51.23 comply with the obligations set forth in Code of Federal Regulations, title 17, section
51.24 240.151-1;

51.25 (5) executing a transaction on behalf of a customer without the customer's authorization;

51.26 (6) exercising discretionary power to effect a transaction for a customer's account without
51.27 first obtaining written discretionary authority from the customer, unless the discretionary
51.28 power relates solely to the time the order is executed or the order's price;

51.29 (7) executing a transaction in a margin account without securing from the customer a
51.30 properly executed written margin agreement promptly after the account's initial transaction;

51.31 (8) failing to segregate customers' free securities or securities held in safekeeping;

52.1 (9) hypothecating a customer's securities without having a lien on the customer's
52.2 securities, unless the broker-dealer secures the customer's properly executed written consent
52.3 promptly after the initial transaction, except as permitted by Securities and Exchange
52.4 Commission regulations;

52.5 (10) entering into a transaction with or for a customer at a price that is not reasonably
52.6 related to the security's current market price, or receiving an unreasonable commission or
52.7 profit;

52.8 (11) failing to furnish to a customer purchasing securities in an offering, no later than
52.9 the due date for the transaction's confirmation: (i) a final prospectus; or (ii) a preliminary
52.10 prospectus and an additional document that, when combined with the preliminary prospectus,
52.11 includes all of the information included in the final prospectus;

52.12 (12) charging an unreasonable or inequitable fee for services performed, including: (i)
52.13 miscellaneous services that include but are not limited to collecting money due for principal,
52.14 dividends or interest, exchanging or transferring securities, appraisals, safekeeping, or
52.15 maintaining custody of securities; and (ii) other services related to the broker-dealer's
52.16 securities business;

52.17 (13) offering to buy or sell a security at a stated price if the broker-dealer is not prepared
52.18 to purchase or sell at the stated price and under the stated conditions at the time the offer
52.19 to buy or sell is made;

52.20 (14) representing that a security is being offered to a customer "at the market" or at a
52.21 price relevant to the market price, unless the broker-dealer knows or has reasonable grounds
52.22 to believe a market for the security exists other than the market made, created, or controlled
52.23 by: (i) the broker-dealer; (ii) a person for whom the broker-dealer is acting or with whom
52.24 the broker-dealer is associated with respect to the security's distribution; or (iii) a person
52.25 controlled by, controlling, or under common control with the broker-dealer;

52.26 (15) effecting a transaction in, or inducing the purchase or sale of, a security using a
52.27 manipulative, deceptive, or fraudulent device, practice, plan, program, design, or contrivance,
52.28 which includes but is not limited to:

52.29 (i) effecting a transaction in a security that involves no change in the security's beneficial
52.30 ownership;

52.31 (ii) entering an order to purchase or sell a security with the knowledge that at least one
52.32 other order for the same security that is substantially the same size, entered at substantially
52.33 the same time, and for substantially the same price as the order has been or will be entered

53.1 by or for the same or a different party to create (A) a false or misleading appearance of
53.2 active trading in the security, or (B) a false or misleading appearance with respect to the
53.3 market for the security. This item does not prohibit a broker-dealer from entering bona fide
53.4 agency cross transactions for the broker-dealer's customers; or

53.5 (iii) effecting, alone or with another person, a series of transactions in a security that
53.6 creates actual or apparent active trading in the security, or raises or reduces the price of the
53.7 security, to induce others to purchase or sell the security;

53.8 (16) guaranteeing a customer against loss in: (i) a securities account the broker-dealer
53.9 carries for the customer; (ii) a securities transaction effected by the broker-dealer; or (iii) a
53.10 securities transaction effected by the broker-dealer with or for the customer;

53.11 (17) publishing or circulating, or causing to be published or circulated, a notice, circular,
53.12 advertisement, newspaper article, investment service, or communication of any kind that
53.13 purports to: (i) report a transaction as a purchase or sale of a security, unless the broker-dealer
53.14 believes that the transaction was a bona fide purchase or sale of the security; or (ii) quote
53.15 the bid price or asked price for a security, unless the broker-dealer believes the quote
53.16 represents a bona fide bid for or offer of the security;

53.17 (18) using an advertising or sales presentation in a manner that is deceptive or misleading,
53.18 including but not limited to distributing: (i) nonfactual data, material, or a presentation based
53.19 on conjecture, unfounded or unrealistic claims; or (ii) assertions in a brochure, flyer, or
53.20 display using words, pictures, graphs, or other representations that are designed to
53.21 supplement, detract from, supersede, or defeat a prospectus' or disclosure's purpose or effect;

53.22 (19) failing to disclose to a customer, before entering into a contract with or for a customer
53.23 to purchase or sell a security, that the broker-dealer is controlled by, controlling, affiliated
53.24 with, or under common control with the security's issuer. If a disclosure under this clause
53.25 is not made in writing, the disclosure must be supplemented by giving or sending written
53.26 disclosure before or at the time the transaction is completed;

53.27 (20) failing to make a bona fide public offering of all of the securities allotted to a
53.28 broker-dealer for distribution, whether the securities are acquired as an underwriter, a selling
53.29 group member, or from a member participating in the distribution as an underwriter or
53.30 selling group member;

53.31 (21) failing or refusing to: (i) furnish a customer, upon reasonable request, information
53.32 the customer is entitled to; or (ii) respond to a formal written request or complaint;

54.1 (22) failing to pay and fully satisfy a final judgment or arbitration award resulting from
54.2 an arbitration or court proceeding relating to an investment and initiated by the customer,
54.3 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
54.4 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
54.5 with the terms of the alternative payment arrangement;

54.6 (23) attempting to avoid paying a final judgment or arbitration award resulting from an
54.7 arbitration or court proceeding relating to an investment and initiated by the customer,
54.8 unless: (i) the customer and broker-dealer, or broker-dealer's agent, agree in writing to an
54.9 alternative payment arrangement; and (ii) the broker-dealer or broker-dealer's agent complies
54.10 with the terms of the alternative payment arrangement;

54.11 (24) failing to pay and fully satisfy a fine, civil penalty, order of restitution, order of
54.12 disgorgement, or similar monetary payment obligation imposed upon the broker-dealer or
54.13 broker-dealer's agent by the Securities and Exchange Commission, a state or provincial
54.14 securities or other financial services regulator, or a self-regulatory organization;

54.15 (25) accessing a client's account by using the client's unique identifying information,
54.16 including but not limited to the client's username and password;

54.17 (26) in connection with soliciting a sale or purchase of an over-the-counter non-NASDAQ
54.18 security, failing to promptly provide the most current prospectus or the most recently filed
54.19 periodic report filed under Section 13 of the Securities Exchange Act of 1934, United States
54.20 Code, title 15, section 78m, as amended, if the broker-dealer receives a request from a
54.21 customer;

54.22 (27) marking an order ticket or confirmation as unsolicited if the transaction is solicited;

54.23 (28) for each month in which activity has occurred in a customer's account and no less
54.24 frequently than once every three months regardless of whether customer account activity
54.25 has occurred, failing to provide the customer with an account statement that, with respect
54.26 to all over-the-counter non-NASDAQ equity securities in the account, contains a value for
54.27 each security based on the closing market bid on a date certain. This clause applies only if
54.28 the broker-dealer has been a market maker in the security at any time during the month in
54.29 which the monthly or quarterly statement is issued; or

54.30 (29) failing to comply with an applicable provision of the Financial Industry Regulatory
54.31 Authority conduct rules or an applicable fair practice or ethical standard promulgated by
54.32 the Securities and Exchange Commission or a self-regulatory organization approved by the
54.33 Securities and Exchange Commission.

55.1 Subd. 2. **Broker-dealer's agents; standards and principles.** A broker-dealer's agent
55.2 must observe high standards of commercial honor and just and equitable principles of trade
55.3 when conducting the broker-dealer's agent's business. An act or practice that is contrary to
55.4 the standards constitutes grounds for the administrator to deny, suspend, or revoke the
55.5 broker-dealer's agent's registration or to take other action authorized by statute. For purposes
55.6 of this subdivision, an act or practice that is contrary to the standards includes:

55.7 (1) lending to or borrowing from a customer money or securities, or acting as a custodian
55.8 for a customer's money, securities, or executed stock power, unless otherwise permissible
55.9 under the Financial Industry Regulatory Authority Rule 3240, or any successor federal law;

55.10 (2) effecting securities transactions that are not recorded on the regular books or records
55.11 maintained by the broker-dealer the broker-dealer's agent represents, unless the transactions
55.12 are authorized in writing by the broker-dealer before executing the transaction or exempt
55.13 as subscription-way transactions under Code of Federal Regulations, title 17, section
55.14 240.17a-3, or any successor federal law;

55.15 (3) establishing or maintaining an account that contains fictitious information in order
55.16 to execute transactions that are otherwise prohibited;

55.17 (4) sharing directly or indirectly in profits or losses in a customer account without the
55.18 written authorization from the customer and the broker-dealer the broker-dealer's agent
55.19 represents;

55.20 (5) dividing or otherwise splitting the broker-dealer's agent's commissions, profits, or
55.21 other compensation from purchasing or selling securities with a person who is not also
55.22 registered as a broker-dealer's agent for the same broker-dealer or for a broker-dealer under
55.23 direct or indirect common control or unless otherwise allowed under the Security Exchange
55.24 Act of 1934 rules, guidance, or authorization; or

55.25 (6) engaging in the conduct specified under subdivision 1, clause (2), (3), (4), (5), (6),
55.26 (7), (10), (11), (15), (16), (17), (18), (22), (23), (24), (25), (26), (27), (28), or (29).

55.27 Subd. 3. **Conduct specified not exclusive.** The conduct identified as a violation under
55.28 subdivisions 1 and 2 is not exclusive. A broker-dealer or broker-dealer's agent that engages
55.29 in other conduct, including but not limited to forgery, embezzlement, nondisclosure,
55.30 incomplete disclosure or misstatement of material facts, or manipulative or deceptive
55.31 practices, is also subject to denial, suspension, or revocation of registration.

56.1 Sec. 4. Minnesota Statutes 2024, section 80C.12, subdivision 1, is amended to read:

56.2 Subdivision 1. **Grounds.** The commissioner, with or without prior notice or hearing,
56.3 may issue a cease and desist order and may issue an order denying, suspending or revoking
56.4 any registration, amendment or exemption on finding any of the following:

56.5 ~~(a)~~ (1) that the applicant, registrant or franchisor or any officer, director, agent or
56.6 employee thereof or any other person has violated or failed to comply with any provision
56.7 of sections 80C.01 to 80C.22 or any rule or order of the commissioner;

56.8 ~~(b)~~ (2) that the offer, sale, or purchase of the franchise would constitute misrepresentation
56.9 to or deceit or fraud upon purchasers thereof, or has worked or tended to work a fraud upon
56.10 purchasers or would so operate;

56.11 ~~(c)~~ (3) that the applicant, registrant or franchisor or any officer, director, agent or
56.12 employee thereof or any other person is engaging or about to engage in false, fraudulent or
56.13 deceptive practices in connection with the offer and sale of a franchise;

56.14 ~~(d)~~ (4) that any person identified in a public offering statement has been: (i) convicted
56.15 of an offense or held liable in a civil action by final judgment described in section 80C.04,
56.16 subdivision 1, paragraph (e), clause ~~(5)~~ (1), has a civil or criminal action pending as described
56.17 in section 80C.04, subdivision 1, paragraph (e), clause (5), or is subject to an order; ~~or has~~
56.18 had a civil judgment entered against the person as described in section 80C.04, clause (5),
56.19 described in section 80C.04, subdivision 1, paragraph (e), clauses (2) to (4); and (ii) the
56.20 involvement of the person in the business of the applicant or franchisor creates a substantial
56.21 risk to prospective franchisees;

56.22 ~~(e)~~ (5) that the financial condition of the franchisor adversely affects or would adversely
56.23 affect the ability of the franchisor to fulfill its obligations under the franchise agreement;

56.24 ~~(f)~~ (6) that the franchisor's enterprise or method of business includes or would include
56.25 activities which are illegal where performed; or

56.26 ~~(g)~~ (7) that the method of sale or proposed method of sale of franchises or the operation
56.27 of the business of the franchisor or any term or condition of the franchise agreement or any
56.28 practice of the franchisor is or would be unfair or inequitable to franchisees.

ARTICLE 6

TELECOMMUNICATIONS

57.1

57.2

57.3 Section 1. Minnesota Statutes 2024, section 237.035, is amended to read:

57.4

237.035 TELECOMMUNICATIONS CARRIER EXEMPTION.

57.5 (a) Telecommunications carriers are subject to regulation under this chapter only to the
57.6 extent required under paragraphs (b) to (e).

57.7 (b) Telecommunications carriers shall comply with sections 237.121 and 237.74.

57.8 (c) Telecommunications carriers shall comply with section 237.16, ~~subdivisions~~
57.9 subdivision 8 and 9.

57.10 (d) To the extent a telecommunications carrier offers local service, it shall obtain a
57.11 certificate under section 237.16 for that local service.

57.12 (e) In addition, a telecommunications carrier's local service is subject to this chapter
57.13 except that:

57.14 (1) a telecommunications carrier is not subject to rate-of-return or earnings investigations
57.15 under section 237.075 or 237.081; and

57.16 (2) a telecommunications carrier is not subject to section 237.22.

57.17 Sec. 2. Minnesota Statutes 2024, section 237.036, is amended to read:

237.036 COIN-OPERATED OR PUBLIC PAY TELEPHONES.

57.19 ~~(a) Neither commission approval nor a commission certificate is required to:~~

57.20 ~~(1) site a coin-operated or public pay telephone in the state; or~~

57.21 ~~(2) implement changes in service, services offered, rates, or location regarding a~~
57.22 ~~coin-operated or public pay telephone. Registration under section 237.64 is required to own~~
57.23 ~~or operate a coin-operated or public pay telephone in the state.~~

57.24 ~~(b) This section does not change the authority of other state or local government entities~~
57.25 ~~to regulate aspects of coin-operated or public pay telephone ownership, location, or operation;~~
57.26 ~~however, an entity may not regulate aspects of these services that it did not regulate prior~~
57.27 ~~to May 26, 1999. The commission shall retain the authority delegated to it under federal~~
57.28 ~~and state law to protect the public interest with regard to coin-operated or public pay~~
57.29 ~~telephones.~~

58.1 ~~(e) Owners and operators of coin-operated or public pay telephones are exempt from~~
 58.2 ~~sections 237.06, 237.07, 237.075, 237.09, 237.23, and 237.295, and the annual reporting~~
 58.3 ~~requirement of section 237.11.~~

58.4 ~~(d) Owners of coin-operated or public pay telephones shall:~~

58.5 ~~(1) provide immediate coin-free access, to the extent technically feasible, to 911~~
 58.6 ~~emergency service or to another approved emergency service; and~~

58.7 ~~(2) provide free access to the telecommunications relay service for people with~~
 58.8 ~~communication disabilities.~~

58.9 ~~(e) Owners of coin-operated or public pay telephones must post at each coin-operated~~
 58.10 ~~or public pay telephone location:~~

58.11 ~~(1) customer service and complaint information, including the name, address, and~~
 58.12 ~~telephone number of the owner of the coin-operated or public pay telephone and the operator~~
 58.13 ~~service handling calls from the coin-operated or public pay telephone; a toll-free number~~
 58.14 ~~of the appropriate telephone company for the resolution of complaints; and the toll-free~~
 58.15 ~~number of the public utilities commission; and~~

58.16 ~~(2) a toll-free number at which consumers can obtain pricing information regarding~~
 58.17 ~~rates, charges, terms, and conditions of local and long-distance calls.~~

58.18 Sec. 3. Minnesota Statutes 2024, section 237.069, is amended to read:

58.19 **237.069 TRACER; HARASSING TELEPHONE CALL; RULES.**

58.20 ~~The commission shall adopt rules to govern how telephone companies respond to requests~~
 58.21 ~~for tracers made by persons who allege receiving harassing telephone calls. The rules must~~
 58.22 ~~address when a request for a tracer may be denied or delayed. A telecommunications carrier~~
 58.23 ~~operating in Minnesota must ensure the telecommunications carrier's equipment, facilities,~~
 58.24 ~~and services are capable of enabling authorized law enforcement agencies to conduct lawful~~
 58.25 ~~interception and access call-identifying information in a manner consistent with United~~
 58.26 ~~States Code, title 47, sections 1001 to 1010.~~

58.27 Sec. 4. Minnesota Statutes 2024, section 237.07, subdivision 1, is amended to read:

58.28 Subdivision 1. **Filing of charges.** Every telephone company shall keep on file with the
 58.29 department a specific rate, toll, or charge for every kind of noncompetitive service and a
 58.30 price list for every kind of service subject to emerging competition, together with all rules
 58.31 and classifications used by it in the conduct of the telephone business, including limitations

59.1 on liability. The filings are governed by chapter 13. When a company sells services subject
 59.2 to emerging competition on an individually priced basis, it shall file a statement of the
 59.3 charges to its customers with the commission and the department. ~~The department shall~~
 59.4 ~~require each telephone company to keep open for public inspection, at designated offices,~~
 59.5 ~~so much of these rates, price lists, and rules as it deems necessary for the public information.~~

59.6 Sec. 5. Minnesota Statutes 2024, section 237.11, is amended to read:

59.7 **237.11 INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.**

59.8 (a) Every telephone company subject to the provisions of this chapter, wherever
 59.9 organized, shall ~~keep an office in this state, and~~ make such reports to the department as it
 59.10 shall from time to time require. All books, records, and files, ~~whether they relate to~~
 59.11 ~~competitive or noncompetitive services,~~ and all of its property shall be at all times subject
 59.12 to inspection by the commission and the department. It shall close its accounts and take
 59.13 therefrom a balance sheet on December 31 of each year, and on or before May 1 following,
 59.14 such balance sheet, together with such other information as the department shall require,
 59.15 verified by an officer of the telephone company, shall be filed with the commission and the
 59.16 department, except that a local exchange carrier or a competitive local exchange carrier, as
 59.17 defined in Minnesota Rules, chapter 7811, is only required to file an annual report that
 59.18 includes the company's name, contact person, annual revenue, and status of its 911 update
 59.19 plan.

59.20 (b) In the event that any telephone company shall fail to file its annual report, as provided
 59.21 by this section, the department is authorized to make such an examination of the books,
 59.22 records, and vouchers of the company as is necessary to procure the necessary data for the
 59.23 annual report and cause the same to be prepared. The expense of procuring this data and
 59.24 preparing this report shall be paid by the telephone company failing to report, and the amount
 59.25 paid shall be credited by the commissioner of management and budget to funds appropriated
 59.26 for the expense of the department.

59.27 (c) The department is authorized to force collection of such sum by an action at law in
 59.28 the name of the department.

59.29 Sec. 6. Minnesota Statutes 2024, section 237.164, is amended to read:

59.30 **237.164 UNIVERSAL SERVICE DISCOUNT FOR SCHOOL OR LIBRARY.**

59.31 ~~The commission shall establish intrastate service discounts for schools and libraries by~~
 59.32 ~~order to the extent necessary to enable schools and libraries to receive federally supported~~
 59.33 ~~discounts. A school, school district, or library is eligible to receive telecommunications~~

60.1 service at discounted rates, consistent with the E-Rate program administered by the Universal
60.2 Service Administrative Company under United States Code, title 47, section 254, and Code
60.3 of Federal Regulations, title 47, part 54.

60.4 Sec. 7. Minnesota Statutes 2024, section 237.626, subdivision 1, is amended to read:

60.5 Subdivision 1. **Promotions.** A telephone company or telecommunications carrier may
60.6 promote the use of its services by offering a waiver of part or all of a recurring or a
60.7 nonrecurring charge, a redemption coupon, or a premium with the purchase of a service.
60.8 Section 237.09 does not apply to promotions under this section, but the customer group to
60.9 which the promotion is available must be based on reasonable distinctions among customers.
60.10 The service being promoted must have a price that is above the incremental cost of the
60.11 service, including amortized cost of the promotion. ~~A promotion may take effect the day~~
60.12 ~~after the notice is filed with the commission. The notice must identify customers to whom~~
60.13 ~~the promotion is available.~~

60.14 Sec. 8. Minnesota Statutes 2024, section 237.626, subdivision 3, is amended to read:

60.15 Subd. 3. **Promotions available for resale.** Any promotional offering ~~lasting more than~~
60.16 ~~90 days and filed with the commission under subdivision 1 must be~~ does not need to be
60.17 made available to qualifying carriers for resale. ~~A~~ If a telephone company or
60.18 telecommunications carrier makes a promotional offering available to a qualifying carrier
60.19 for resale, the qualifying carrier must hold a certificate of authority from the commission
60.20 and must have an approved interconnection agreement with the company offering the
60.21 promotion, the terms of which include language governing the resale of services.

60.22 Sec. 9. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to
60.23 read:

60.24 Subd. 4. **Notice; local residential customers.** A telephone company must notify a
60.25 residential customer regarding the price for all service options available to the customer. A
60.26 notice must be provided:

60.27 (1) at the time the customer initially requests service;

60.28 (2) when the customer requests a service change; and

60.29 (3) at any time upon the customer's request.

61.1 Sec. 10. Minnesota Statutes 2024, section 237.66, is amended by adding a subdivision to
61.2 read:

61.3 Subd. 5. **Customer notice; prior authorization.** A telephone company may provide
61.4 the notice under subdivision 4 to a customer using paper billing, electronic billing, or other
61.5 electronic communication methods if:

61.6 (1) the customer affirmatively opts in to electronic billing or electronic communication;

61.7 (2) the information in the notice is provided clearly and accessibly; and

61.8 (3) the customer is allowed to request a paper copy of service option pricing at any time
61.9 and at no charge to the customer.

61.10 Sec. 11. Minnesota Statutes 2024, section 237.70, subdivision 7, is amended to read:

61.11 Subd. 7. **Application, notice, financial administration, complaint investigation.** The
61.12 telephone assistance plan must be administered jointly by the commission, the Department
61.13 of Commerce, and the local service providers in accordance with the following guidelines:

61.14 (a) The commission and the Department of Commerce shall develop an application form
61.15 that must be completed by the subscriber for the purpose of certifying eligibility for telephone
61.16 assistance plan credits to the local service provider. The application must contain the
61.17 applicant's Social Security number. Applicants who refuse to provide a Social Security
61.18 number will be denied telephone assistance plan credits. The application form must also
61.19 include a statement that the applicant household is currently eligible for one of the programs
61.20 that confers eligibility for the federal Lifeline Program. The application must be signed by
61.21 the applicant, certifying, under penalty of perjury, that the information provided by the
61.22 applicant is true.

61.23 (b) Each local service provider shall annually mail a notice of the availability of the
61.24 telephone assistance plan to each residential subscriber in a regular billing and shall mail
61.25 the application form to customers when requested.

61.26 The notice must state the following:

61.27 YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE
61.28 BILL IF YOU RECEIVE BENEFITS FROM CERTAIN LOW-INCOME ASSISTANCE
61.29 PROGRAMS. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE
61.30 CONTACT

61.31 (c) An application may be made by the subscriber, the subscriber's spouse, or a person
61.32 authorized by the subscriber to act on the subscriber's behalf. On completing the application

62.1 certifying that the statutory criteria for eligibility are satisfied, the applicant must return the
 62.2 application to the subscriber's local service provider. On receiving a completed application
 62.3 from an applicant, the subscriber's local service provider shall provide telephone assistance
 62.4 plan credits against monthly charges in the earliest possible month following receipt of the
 62.5 application. The applicant must receive telephone assistance plan credits until the earliest
 62.6 possible month following the service provider's receipt of information that the applicant is
 62.7 ineligible.

62.8 If the telephone assistance plan credit is not itemized on the subscriber's monthly charges
 62.9 bill for local telephone service, the local service provider must notify the subscriber of the
 62.10 approval for the telephone assistance plan credit.

62.11 (d) The commission shall serve as the coordinator of the telephone assistance plan and
 62.12 be reimbursed for its administrative expenses from the surcharge revenue pool. As the
 62.13 coordinator, the commission shall:

62.14 (1) establish a uniform statewide surcharge in accordance with subdivision 6;

62.15 ~~(2) establish a uniform statewide level of telephone assistance plan credit that each local~~
 62.16 ~~service provider shall extend to each eligible household in its service area;~~

62.17 ~~(3)~~ (2) require each local service provider to account to the commission on a periodic
 62.18 basis for surcharge revenues collected by the provider, expenses incurred by the provider,
 62.19 not to include expenses of collecting surcharges, and credits extended by the provider under
 62.20 the telephone assistance plan;

62.21 ~~(4)~~ (3) require each local service provider to remit surcharge revenues to the Department
 62.22 of Public Safety for deposit in the fund; and

62.23 ~~(5)~~ (4) remit to each local service provider from the surcharge revenue pool the amount
 62.24 necessary to compensate the provider for expenses, not including expenses of collecting
 62.25 the surcharges, and telephone assistance plan credits. When it appears that the revenue
 62.26 generated by the maximum surcharge permitted under subdivision 6 will be inadequate to
 62.27 fund any particular established level of telephone assistance plan credits, the commission
 62.28 shall reduce the credits to a level that can be adequately funded by the maximum surcharge.
 62.29 Similarly, the commission may increase the level of the telephone assistance plan credit
 62.30 that is available or reduce the surcharge to a level and for a period of time that will prevent
 62.31 an unreasonable overcollection of surcharge revenues.

62.32 (e) Each local service provider shall maintain adequate records of surcharge revenues,
 62.33 expenses, and credits related to the telephone assistance plan and shall, as part of its annual

63.1 report or separately, provide the commission and the Department of Commerce with a
 63.2 financial report of its experience under the telephone assistance plan for the previous year.
 63.3 That report must also be adequate to satisfy the reporting requirements of the federal matching
 63.4 plan.

63.5 (f) The Department of Commerce shall investigate complaints against local service
 63.6 providers with regard to the telephone assistance plan and shall report the results of its
 63.7 investigation to the commission.

63.8 Sec. 12. Minnesota Statutes 2024, section 237.762, subdivision 5, is amended to read:

63.9 Subd. 5. **Income-neutral change.** Other than as authorized in this subdivision, an initial
 63.10 alternative regulation plan must not permit income-neutral rate changes for price-regulated
 63.11 services during the plan except as is necessary to implement extended area service or any
 63.12 successor to that service. Any plan must provide that after the rules issued pursuant to section
 63.13 237.16 are adopted, rates for price-regulated services may be increased, as approved by the
 63.14 commission, to the extent necessary to carry out the purpose of those rules. ~~However, rate~~
 63.15 ~~increases, if any, for those services must be incorporated with a universal service fund so~~
 63.16 ~~that the effective rate for the customers of those services does not increase during the first~~
 63.17 ~~three years of the plan.~~

63.18 Sec. 13. **REPEALER.**

63.19 Minnesota Statutes 2024, sections 237.065; 237.066; 237.067; 237.071; 237.072; 237.075,
 63.20 subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 237.14; 237.15; 237.16, subdivision 9;
 63.21 237.22; 237.231; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, and 10; 237.66, subdivisions
 63.22 1, 1a, 1c, 1d, 2, 2a, and 3; 237.75; 237.766; 237.768; 237.772; and 237.775, are repealed.

63.23 ARTICLE 7

63.24 INSURANCE AND FINANCIAL PRODUCTS

63.25 Section 1. **[48.741] VIRTUAL-CURRENCY CUSTODY SERVICES.**

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

63.28 (b) "Control of virtual currency" has the meaning given in section 53B.69, subdivision
 63.29 2.

63.30 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

64.1 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing
64.2 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf
64.3 of another person.

64.4 Subd. 2. **Authority.** A banking institution may provide virtual-currency custody services
64.5 in a fiduciary or nonfiduciary capacity, subject to this section and applicable state and federal
64.6 law.

64.7 Subd. 3. **Safety and soundness.** A banking institution that engages in virtual-currency
64.8 custody services must conduct the activity in a safe and sound manner and must maintain
64.9 written policies and procedures governing risk management, internal controls, cybersecurity,
64.10 business continuity, and compliance.

64.11 Subd. 4. **Notice to commissioner.** A banking institution must provide written notice to
64.12 the commissioner at least 60 days before commencing virtual-currency custody services.
64.13 The notice must describe the nature of the services and the banking institution's risk
64.14 management framework.

64.15 Subd. 5. **Fiduciary capacity.** (a) A banking institution may provide virtual-currency
64.16 custody services in a fiduciary or custodial capacity, including as agent, bailee, or trustee
64.17 for the limited purpose of safekeeping or administration of virtual currency, to the same
64.18 extent the banking institution may lawfully hold or safeguard other assets for customers.

64.19 (b) The commissioner may limit or condition the authority to provide virtual-currency
64.20 custody services under paragraph (a) only if the commissioner determines the activity is
64.21 conducted in an unsafe or unsound manner.

64.22 Subd. 6. **Segregation of assets.** A banking institution must structure virtual-currency
64.23 custody services to ensure that customer virtual currency and associated control mechanisms
64.24 are legally and operationally segregated from the banking institution's assets and are not
64.25 treated as the banking institution's property, consistent with the segregation of assets held
64.26 in other custodial or fiduciary capacities and the concept of control of controllable electronic
64.27 records under sections 336.12-101 to 336.12-107.

64.28 Subd. 7. **Third-party service providers.** A banking institution may engage one or more
64.29 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
64.30 services, provided the banking institution retains oversight responsibility and ensures
64.31 compliance with this section.

65.1 Subd. 8. **Supervision and examination.** A banking institution's virtual-currency custody
65.2 services are subject to examination by the commissioner as part of the regular supervisory
65.3 process.

65.4 Subd. 9. **Construction.** This section does not (1) authorize a banking institution to
65.5 engage in activities otherwise prohibited by law, or (2) alter the legal characterization of
65.6 virtual currency under state or federal law.

65.7 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
65.8 virtual-currency custody services commenced on or after that date.

65.9 Sec. 2. Minnesota Statutes 2024, section 52.063, subdivision 3, is amended to read:

65.10 Subd. 3. **Appointment of National Credit Union Administration Board as**
65.11 **receiver.** Upon a request by the commissioner of commerce, the court may appoint the
65.12 National Credit Union Administration Board, created by section 3 of the Federal Credit
65.13 Union Act, as amended, or a share insurance provider approved by the commissioner as
65.14 receiver of a credit union, without bond, when the deposits of the credit union are to any
65.15 extent insured by the National Credit Union Administration Board or approved share
65.16 insurance provider, and the credit union has had its operations suspended or has executed
65.17 a consent cease and desist order with the commissioner in lieu of a suspension under section
65.18 52.062. Notwithstanding any other provisions of law, the commissioner of commerce may,
65.19 in the event of the suspension or consent cease and desist order, tender to the National Credit
65.20 Union Administration Board or approved share insurance provider the proposed appointment
65.21 as receiver of the credit union. If the National Credit Union Administration Board or approved
65.22 share insurance provider accepts the proposed appointment and the court appoints the
65.23 National Credit Union Administration Board or approved share insurance provider as receiver
65.24 upon a request by the commissioner, the National Credit Union Administration Board or
65.25 approved shared insurance provider shall have and possess all the powers and privileges
65.26 provided by the laws of this state and section 207 of the Federal Credit Union Act, as
65.27 amended, with respect to a receiver of a credit union, the board of directors of the credit
65.28 union, and its members.

65.29 Sec. 3. Minnesota Statutes 2024, section 52.24, subdivision 1, is amended to read:

65.30 Subdivision 1. **Insurance accounts.** Every credit union under the supervision of the
65.31 commissioner of commerce shall at all times maintain in effect insurance of member share
65.32 and deposit accounts under the provisions of title II of the National Credit Union Act or
65.33 through a credit union share guaranty corporation that is approved by the commissioner. A

66.1 credit union ~~which~~ that fails to meet this requirement for insurance of its share and deposit
 66.2 accounts shall either dissolve or merge with another credit union ~~which~~ that is insured under
 66.3 title II of the National Credit Union Act or through a credit union share guaranty corporation
 66.4 that is approved by the commissioner.

66.5 Sec. 4. Minnesota Statutes 2024, section 52.24, is amended by adding a subdivision to
 66.6 read:

66.7 Subd. 1a. **Credit union share guaranty corporation; accounts insured.** (a) A credit
 66.8 union share account of an individual member or a nonmember of a participating credit union
 66.9 must be guaranteed in an amount established from time to time by the credit union share
 66.10 guaranty corporation. The primary guaranteed amount must be at least the amount of the
 66.11 credit union share account but must not exceed \$250,000 or the primary guaranteed amount
 66.12 insured by the National Credit Union Administration, whichever is greater.

66.13 (b) The commissioner may examine a credit union share guaranty corporation that insures
 66.14 the member accounts of a credit union that is subject to this section. The commissioner may
 66.15 assess the credit union share guaranty corporation examined for reasonable costs incurred
 66.16 to conduct an examination under this section. Money received from an assessment under
 66.17 this paragraph must be deposited in the financial institutions account in the special revenue
 66.18 fund.

66.19 (c) A credit union is prohibited from voluntarily terminating the credit union's insurance
 66.20 with the National Credit Union Administration Share Insurance Program or a credit union
 66.21 share guaranty corporation without receiving approval from the commissioner.

66.22 Sec. 5. Minnesota Statutes 2024, section 52.24, subdivision 2, is amended to read:

66.23 Subd. 2. **Certificate of approval.** No credit union shall be granted a certificate of
 66.24 approval by the commissioner of commerce unless the credit union has obtained a
 66.25 commitment for insurance of its member share and deposit accounts under the provisions
 66.26 of title II of the National Credit Union Act or from an approved credit union share guaranty
 66.27 corporation.

66.28 Sec. 6. [52.25] **VIRTUAL-CURRENCY CUSTODY SERVICES.**

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

66.31 (b) "Control of virtual currency" or "control" has the meaning given in section 53B.69,
 66.32 subdivision 2.

67.1 (c) "Virtual currency" has the meaning given in section 53B.69, subdivision 6.

67.2 (d) "Virtual-currency custody services" means safekeeping, controlling, or managing
67.3 virtual currency, or the cryptographic private keys used to access virtual currency, on behalf
67.4 of another person.

67.5 Subd. 2. **Authority.** A credit union may provide virtual-currency custody services to
67.6 the credit union's members in a fiduciary or nonfiduciary capacity, subject to this section
67.7 and applicable state and federal law.

67.8 Subd. 3. **Safety and soundness.** A credit union that engages in virtual-currency custody
67.9 services must conduct the activity in a safe and sound manner and must maintain written
67.10 policies and procedures governing risk management, internal controls, cybersecurity, business
67.11 continuity, and compliance.

67.12 Subd. 4. **Notice to commissioner.** A credit union must provide written notice to the
67.13 commissioner at least 60 days before commencing virtual-currency custody services. The
67.14 notice must describe the nature of the services and the credit union's risk management
67.15 framework.

67.16 Subd. 5. **Fiduciary capacity.** (a) A credit union may provide virtual-currency custody
67.17 services in a fiduciary or custodial capacity, including as agent, bailee, or trustee for the
67.18 limited purpose of safekeeping or administration of virtual currency, to the same extent the
67.19 credit union may lawfully hold or safeguard other assets for members or customers.

67.20 (b) The commissioner may limit or condition the authority to provide virtual-currency
67.21 custody services under paragraph (a) only if the commissioner determines the activity is
67.22 conducted in an unsafe or unsound manner.

67.23 Subd. 6. **Segregation of assets.** A credit union must structure virtual-currency custody
67.24 services to ensure that customer virtual currency and associated control mechanisms are
67.25 legally and operationally segregated from the credit union's assets and are not treated as the
67.26 credit union's property, consistent with the segregation of assets held in other custodial or
67.27 fiduciary capacities and the concept of control of controllable electronic records under
67.28 sections 336.12-101 to 336.12-107.

67.29 Subd. 7. **Third-party service providers.** A credit union may engage one or more
67.30 qualified third-party service providers or subcustodians to facilitate virtual-currency custody
67.31 services, provided the credit union retains oversight responsibility and ensures compliance
67.32 with this section.

68.1 Subd. 8. **Supervision and examination.** A credit union's virtual-currency custody
68.2 services are subject to examination by the commissioner as part of the regular supervisory
68.3 process.

68.4 Subd. 9. **Construction.** This section does not (1) authorize a credit union to engage in
68.5 activities otherwise prohibited by law, or (2) alter the legal characterization of virtual
68.6 currency under state or federal law.

68.7 **EFFECTIVE DATE.** This section is effective August 1, 2026, and applies to
68.8 virtual-currency custody services commenced on or after that date.

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

68.10 **53B.74 VIRTUAL CURRENCY BUSINESS ACTIVITIES; ADDITIONAL**
68.11 **REQUIREMENTS.**

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

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

68.20 (2) the virtual currency asset has a corresponding liability denominated in the virtual
68.21 currency;

68.22 (3) the virtual currency is unencumbered; and

68.23 (4) the virtual currency assets that are not subtracted from total assets are limited to the
68.24 virtual currency assets that have a corresponding liability denominated in the same virtual
68.25 currency.

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

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

68.30 (i) the identity of the person;

68.31 (ii) the form of the transaction;

- 69.1 (iii) the amount, date, and payment instructions given by the person; and
- 69.2 (iv) the account number, name, and United States Postal Service address of the person,
- 69.3 and, to the extent feasible, other parties to the transaction;
- 69.4 (2) the aggregate number of transactions and aggregate value of transactions by the
- 69.5 licensee with or on behalf of the person and for the licensee's account in this state, expressed
- 69.6 in the United States dollar equivalent of the virtual currency for the previous 12 calendar
- 69.7 months;
- 69.8 (3) each transaction in which the licensee exchanges one form of virtual currency for
- 69.9 money or another form of virtual currency with or on behalf of the person;
- 69.10 (4) a general ledger posted at least monthly that lists all of the licensee's assets, liabilities,
- 69.11 capital, income, and expenses;
- 69.12 (5) each business-call report the licensee is required to create or provide to the department
- 69.13 or NMLS;
- 69.14 (6) bank statements and bank reconciliation records for the licensee and the name,
- 69.15 account number, and United States Postal Service address of each bank the licensee uses
- 69.16 to conduct virtual-currency business activity with or on behalf of the person;
- 69.17 (7) a report of any dispute with the person; and
- 69.18 (8) a report of any virtual-currency business activity transaction with or on behalf of a
- 69.19 person which the licensee was unable to complete.
- 69.20 (c) A licensee must maintain records required by paragraph (b) in a form that enables
- 69.21 the commissioner to determine whether the licensee is in compliance with this chapter, any
- 69.22 court order, and law of Minnesota other than this chapter.

69.23 Sec. 8. **[58.131] RESIDENTIAL MORTGAGE LOAN SERVICING STANDARDS.**

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

69.25 the meanings given.

69.26 (b) "Authorized representative" means a person, including but not limited to an attorney,

69.27 employee, or agent of a government agency, not-for-profit housing counseling organization,

69.28 or legal services organization, designated by a borrower in a written authorization signed

69.29 by the borrower or in any other form of verifiable authorization to share information and

69.30 communicate with a servicer on behalf of the borrower.

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

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

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

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

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

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

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

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

70.23 (1) other applicable sections of this chapter;

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

70.26 (3) applicable sections of RESPA;

70.27 (4) the federal Servicemembers Civil Relief Act, United States Code, title 50, section
70.28 501, et seq.; and

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

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

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

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

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

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

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

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

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

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

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

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

71.31 (e) A servicer must assess an incurred fee to a borrower's account within 60 days of the
71.32 date the fee was incurred. A servicer must clearly and conspicuously explain the fee in a
71.33 statement mailed to the borrower at the borrower's last known address no more than 30 days

72.1 after the date the fee is assessed. If a servicer provides monthly or more frequent statements
72.2 that include the information under this paragraph, the servicer is not required to provide the
72.3 information in an additional notice.

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

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

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

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

72.24 (d) A servicer must notify the borrower within ten business days of the date a change is
72.25 made to the escrow account that modifies the borrower's escrow payment amount. A change
72.26 requiring notification includes but is not limited to hazard insurance premiums, a reduction
72.27 in the required reserve amount for the account, or a change in the property's tax assessment.
72.28 A change resulting from a borrower's regularly scheduled payment is not a change requiring
72.29 notification.

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

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

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

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

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

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

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

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

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

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

73.27 (e) In addition to the statement described under paragraph (a), clause (2), a borrower
73.28 may request more detailed information from a servicer. A servicer that receives a request
73.29 under this paragraph must provide the information to the borrower within 30 business days
73.30 of the date a written request from the borrower is received. A borrower's request must
73.31 include the borrower's name and account number, if any, a statement that the account is or
73.32 may be in error, and sufficient detail to the servicer regarding information sought by the

74.1 borrower. If requested by the borrower, a statement provided under this paragraph must
74.2 also include:

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

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

74.11 (f) For purposes of a borrower request made under paragraph (e) the account history
74.12 period must cover, at a minimum, the two-year period before the date the request for
74.13 information is received. If the servicer has not serviced the residential mortgage loan for
74.14 the entire two-year period, the servicer must provide the information back to the date on
74.15 which the servicer began servicing the residential mortgage loan and must identify the
74.16 previous servicer, if known. If a servicer claims delinquent or outstanding sums are owed
74.17 on the residential mortgage loan prior to the two-year period or the period during which the
74.18 servicer has serviced the residential mortgage loan, the servicer must provide an account
74.19 history beginning with the month that the servicer claims any outstanding sums are owed
74.20 on the residential mortgage loan up to the date the request for the information is received.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

76.26 Sec. 9. Minnesota Statutes 2024, section 58.14, subdivision 3, is amended to read:

76.27 Subd. 3. **Documentation and resolution of complaints.** A licensee or exempt person
76.28 must investigate and attempt to resolve complaints made regarding acts or practices subject
76.29 to the provisions of this chapter. A servicer must comply with section 58.131, subdivisions
76.30 6 and 7. If a complaint is received in writing, the licensee or exempt person must maintain
76.31 a file containing all materials relating to the complaint and subsequent investigation for a
76.32 period of 60 months.

77.1 Sec. 10. Minnesota Statutes 2024, section 58.14, subdivision 4, is amended to read:

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

77.6 Sec. 11. Minnesota Statutes 2024, section 58.14, subdivision 5, is amended to read:

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

77.11 Sec. 12. Minnesota Statutes 2024, section 58.14, is amended by adding a subdivision to
77.12 read:

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

77.15 (1) record a telephone conversation with a borrower and a borrower's representatives;
77.16 and

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

77.19 Sec. 13. Minnesota Statutes 2024, section 58.18, subdivision 4, is amended to read:

77.20 Subd. 4. **Exemption.** This section does not apply to a residential mortgage loan originated
77.21 by a federal or state chartered bank, savings bank, or credit union, unless the residential
77.22 mortgage loan originated by a federal or state chartered bank, savings bank, or credit union
77.23 is serviced by a residential mortgage servicer, as defined under section 58.02, subdivision
77.24 20.

77.25 Sec. 14. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
77.26 read:

77.27 Subd. 4a. **Income-driven repayment program.** "Income-driven repayment program"
77.28 means the Income-Contingent Repayment Plan, the Income-Based Repayment Plan, the
77.29 Income-Sensitive Repayment Plan, the Pay As You Earn Plan, the Revised Pay As You
77.30 Earn Plan, and any other state, federal, or private student loan repayment plan that is

78.1 calculated based on a borrower's income and for which a borrower's income may include
 78.2 the borrower's household income for purposes of evaluating eligibility under section 58B.06,
 78.3 subdivision 5.

78.4 Sec. 15. Minnesota Statutes 2025 Supplement, section 58B.02, subdivision 8a, is amended
 78.5 to read:

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

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

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

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

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

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

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

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

78.20 Sec. 16. Minnesota Statutes 2024, section 58B.02, is amended by adding a subdivision to
 78.21 read:

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

78.28 Sec. 17. Minnesota Statutes 2024, section 58B.03, subdivision 10, is amended to read:

78.29 Subd. 10. **Annual report.** (a) Beginning On or before March 15, 2025 each year,
 78.30 student loan lender that secures, makes, or extends student loans in Minnesota must submit

- 79.1 a report to the commissioner on the form the commissioner provides. The report must include
79.2 for the previous calendar year:
- 79.3 (1) a list of all schools attended by borrowers who received a student loan from the
79.4 student loan lender and resided within Minnesota at the time of the transaction and whose
79.5 debt is still outstanding, including student loans used to refinance an existing debt;
- 79.6 (2) the total outstanding dollar amount owed by borrowers residing in Minnesota who
79.7 received student loans from the student loan lender;
- 79.8 (3) the total number of student loans owed by borrowers residing in Minnesota who
79.9 received student loans from the student loan lender;
- 79.10 (4) the total outstanding dollar amount and number of student loans owed by borrowers
79.11 who reside in Minnesota, associated with each school identified under clause (1);
- 79.12 (5) the total dollar amount of student loans provided by the student loan lender to
79.13 borrowers who resided in Minnesota in the prior calendar year;
- 79.14 (6) the total outstanding dollar amount and number of student loans owed by borrowers
79.15 who resided in Minnesota, associated with each school identified under clause (1), that were
79.16 provided in the prior calendar year;
- 79.17 (7) the rate of default for borrowers residing in Minnesota who obtained student loans
79.18 from the student loan lender, if applicable;
- 79.19 (8) the rate of default for borrowers residing in Minnesota who obtained student loans
79.20 from the student loan lender associated with each school identified under clause (1), if
79.21 applicable;
- 79.22 (9) the range of initial interest rates for student loans provided by the student loan lender
79.23 to borrowers who resided in Minnesota in the prior calendar year;
- 79.24 (10) the total number of borrowers who received student loans identified under clause
79.25 (9), and the percentage of borrowers who received each rate identified under clause (9);
- 79.26 (11) the total dollar amount and number of student loans provided in the prior calendar
79.27 year by the student loan lender to borrowers who resided in Minnesota at the time of the
79.28 transaction and had a cosigner for the student loans;
- 79.29 (12) the total dollar amount and number of student loans provided by the student loan
79.30 lender to borrowers residing in Minnesota used to refinance a prior student loan or federal
79.31 student loan in the prior calendar year;

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

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

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

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

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

80.13 Sec. 18. Minnesota Statutes 2024, section 58B.03, subdivision 11, is amended to read:

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

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

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

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

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

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

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

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

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

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

81.8 Sec. 19. Minnesota Statutes 2024, section 58B.051, is amended to read:

81.9 **58B.051 REGISTRATION FOR LENDERS.**

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

81.14 (b) A registration application must include:

81.15 (1) the lender's name;

81.16 (2) the lender's address;

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

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

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

81.22 (d) The commissioner may adopt and enforce:

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

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

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

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

82.3 Sec. 20. Minnesota Statutes 2024, section 58B.06, subdivision 4, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

83.18 (c) If a borrower's student loan servicer changes pursuant to the sale, assignment, or
83.19 transfer of the servicing, the original student loan servicer must ensure all necessary
83.20 information regarding a borrower, a borrower's account, and a borrower's student loan
83.21 accompanies a loan when the loan is transferred to a new student loan servicer. The transfer
83.22 of necessary information must occur within 45 calendar days of the sale, assignment, or
83.23 transfer's effective date. For purposes of this subdivision, "necessary information" includes
83.24 but is not limited to:

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

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

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

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

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

84.1 (6) if applicable, usable data fields that contain information necessary to assess the
 84.2 borrower's eligibility for forgiveness, including public service loan forgiveness; and
 84.3 (7) information necessary to compile a payment history.

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

84.6 Sec. 21. Minnesota Statutes 2024, section 58B.06, subdivision 6, is amended to read:

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

84.11 Sec. 22. **[59E.01] SHORT TITLE.**

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

84.14 Sec. 23. **[59E.02] DEFINITIONS.**

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

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

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

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

84.21 (e) "Provider" means:

84.22 (1) a rental home marketplace; or

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

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

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

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

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

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

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

85.6 (i) transmitting or otherwise communicating the offer or acceptance of a transaction

85.7 between two platform users; or

85.8 (ii) owning or operating the electronic infrastructure or technology that connects two or

85.9 more platform users; and

85.10 (3) if the person offers rental home marketplace guarantees, offers rental home

85.11 marketplace guarantees only in a manner that is ancillary to the conduct of the person's

85.12 primary legitimate business or activity.

85.13 (h) "Rental home marketplace guarantee" means a contract or agreement issued in

85.14 connection with a rental home marketplace, whether or not the contract or agreement includes

85.15 a separate consideration, to reimburse a user sharing property for damages the renter is

85.16 responsible for under the rental home marketplace's terms of service, with or without

85.17 additional provision for incidental payment of indemnity.

85.18 **Sec. 24. [59E.03] REQUIREMENTS FOR DOING BUSINESS.**

85.19 (a) A provider is prohibited from issuing or offering a rental home marketplace guarantee

85.20 unless the provider has made the rental home marketplace guarantee terms available on the

85.21 provider's website and complied with this chapter.

85.22 (b) A provider that offers rental home marketplace guarantees must file a registration

85.23 with the commissioner on a form prescribed by the commissioner.

85.24 (c) To ensure the faithful performance of a provider's obligations to the provider's

85.25 platform contract holders, each provider who is obligated to a platform contract holder must

85.26 insure all rental home marketplace guarantees under a reimbursement insurance policy

85.27 issued (1) by an insurer authorized to transact insurance in Minnesota, or (2) pursuant to

85.28 sections 60A.195 to 60A.2095.

85.29 (d) Each person handling rental home marketplace guarantee losses on behalf of a

85.30 provider must be trained in property damage and loss assessment and interpretation of the

85.31 rental home marketplace guarantee terms before handling losses. The training must be

86.1 adequate for each person handling rental home marketplace guarantee losses to provide
 86.2 knowledgeable, fair, and objective service. Providers must maintain records demonstrating
 86.3 completion of the training under this paragraph by each person handling rental home
 86.4 marketplace guarantee losses.

86.5 Sec. 25. **[59E.04] RENTAL HOME MARKETPLACE GUARANTEES ARE NOT**
 86.6 **INSURANCE.**

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

86.9 Sec. 26. **[59E.05] REIMBURSEMENT INSURANCE POLICY.**

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

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

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

86.24 Sec. 27. **[59E.06] CONSUMER PROTECTION AND DISCLOSURES.**

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

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

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

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

87.8 Sec. 28. **[59E.07] ENFORCEMENT.**

87.9 The commissioner must ensure rental home marketplace guarantees comply with this
 87.10 chapter pursuant to the commissioner's powers under chapter 45. The commissioner must
 87.11 ensure reimbursement insurance policies insuring rental home marketplace guarantees
 87.12 comply with applicable law pursuant to the commissioner's powers under chapters 45 and
 87.13 60A.

87.14 Sec. 29. Minnesota Statutes 2024, section 60A.07, is amended by adding a subdivision to
 87.15 read:

87.16 **Subd. 12. Social Security number and individual taxpayer identification number. (a)**
 87.17 If an insurance company requires a new customer to provide a Social Security number on
 87.18 an application for insurance coverage, the insurance company must accept an individual
 87.19 taxpayer identification number in lieu of a Social Security number.

87.20 (b) This subdivision does not prohibit an insurance company from using the insurance
 87.21 company's applicable underwriting criteria in determining the eligibility, classification, or
 87.22 rating of any applicant for insurance.

87.23 (c) This subdivision does not require an insurer to alter the insurer's existing applications
 87.24 for insurance.

87.25 **EFFECTIVE DATE.** This section is effective January 1, 2027, and applies to insurance
 87.26 coverage offered, issued, or renewed on or after that date.

87.27 Sec. 30. Minnesota Statutes 2024, section 60A.085, is amended to read:

87.28 **60A.085 CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO**
 87.29 **COVERED PERSONS.**

87.30 (a) No cancellation of any group life, group accidental death and dismemberment, group
 87.31 disability income, or group medical expense policy, plan, or contract regulated under chapter

88.1 62A or 62C is effective unless the insurer has made a good faith effort to notify all covered
88.2 persons of the cancellation at least 30 days before the effective cancellation date. For purposes
88.3 of this section, an insurer has made a good faith effort to notify all covered persons if the
88.4 insurer has notified all the persons included on the list required by paragraph (b) at the home
88.5 address given and only if the list has been updated within the last 12 months.

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

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

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

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

88.18 (f) In the case of a group life, group accidental death and dismemberment, or group
88.19 disability income policy, the insurer and group policyholder may agree that the group
88.20 policyholder assumes responsibility for notifying all covered persons in the event of a
88.21 cancellation under paragraphs (a) and (c). As part of the agreement, the group policyholder
88.22 must certify to the insurer that the notification required under this section has taken place.
88.23 If the employer assumes responsibility for the notification, paragraphs (b), (d), and (e) do
88.24 not apply.

88.25 Sec. 31. Minnesota Statutes 2024, section 60K.383, is amended to read:

88.26 **60K.383 TRAVEL INSURANCE.**

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

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

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

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

89.5 (1) interruption or cancellation of trip or event;

89.6 (2) loss of baggage or personal effects;

89.7 (3) damages to accommodations or rental vehicles; or

89.8 (4) sickness, accident, disability, or death occurring during travel;

89.9 (5) emergency evacuation;

89.10 (6) repatriation of remains; or

89.11 (7) a contractual obligation to indemnify or pay a specified amount of money to the
 89.12 traveler upon determinable contingencies related to travel, as approved by the commissioner.

89.13 Travel insurance does not include major medical plans, which provide comprehensive
 89.14 medical protection for travelers with trips lasting six months or longer, including those
 89.15 working overseas as an expatriate or military personnel being deployed, or a product that
 89.16 requires a specific insurance producer license.

89.17 ~~(e) "Travel insurance producer" means an insurer designee, such as a managing general~~
 89.18 ~~underwriter, managing general agent, or licensed limited lines producer of travel insurance.~~

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

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

89.21 (2) may offer and disseminate travel insurance as a service to the travel retailer's
 89.22 customers on behalf of and under the direction of a limited lines travel insurance producer.

89.23 Subd. 2. ~~Travel retailer license~~ **Licensing and registration.** (a) The commissioner
 89.24 may issue a limited lines travel insurance producer license to an individual or business entity
 89.25 that has filed with the commissioner a limited lines travel insurance producer license
 89.26 application in a form and manner prescribed by the commissioner. A limited lines travel
 89.27 insurance producer must be licensed to sell, solicit, or negotiate travel insurance through a
 89.28 licensed insurer. A person is prohibited from acting as a limited lines travel insurance
 89.29 producer or travel insurance retailer unless the person is licensed or registered.

90.1 (b) A travel retailer may offer and disseminate travel insurance on behalf of and under
 90.2 a limited lines travel insurance producer business entity license only if ~~the travel insurance~~
 90.3 ~~producer holds a business entity license, and:~~

90.4 ~~(1) the licensed business entity is clearly identified as the licensed producer on marketing~~
 90.5 ~~materials and fulfillment packages distributed by travel retailers to customers; identification~~
 90.6 ~~shall include the entity's name and contact information;~~

90.7 (1) the limited lines travel insurance producer or travel retailer provides to travel insurance
 90.8 purchasers:

90.9 (i) a description of the material terms or the actual material terms of the insurance
 90.10 coverage;

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

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

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

90.15 (2) ~~the licensed business entity~~ limited lines travel insurance producer keeps a register,
 90.16 on a form prescribed by the commissioner, of each travel retailer that offers travel insurance
 90.17 on the licensed business entity's behalf. The register must be maintained and updated by
 90.18 the limited lines travel insurance producer and must include (i) the name, address, and
 90.19 contact information of the travel retailer and an officer or person who directs or controls
 90.20 the travel retailer's operations, and (ii) the travel retailer's federal Employer tax identification
 90.21 number. The licensed business entity shall limited lines travel insurance producer must also
 90.22 certify that the travel retailer registered complies with United States Code, title 18, section
 90.23 1033. The licensed business entity shall limited lines travel insurance producer must submit
 90.24 the register within 30 days upon request by the commissioner. Section 60K.43, subdivisions
 90.25 1, 3, and 4, apply to limited lines travel insurance producers and travel retailers;

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

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

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

91.3 (6) the ~~licensed business entity~~ limited lines travel insurance producer requires each
91.4 employee and authorized representative of the travel retailer whose duties include offering
91.5 and disseminating travel insurance to receive a program of instruction or training, which
91.6 may be subject to review by the commissioner. The training materials must, at a minimum,
91.7 contain adequate instruction regarding the types of insurance offered, ethical sales practices,
91.8 and required disclosures provided to prospective customers.

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

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

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

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

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

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

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

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

91.29 Subd. 3. **Offer and dissemination of travel insurance; compensation.** Notwithstanding
91.30 any other law, a travel retailer whose insurance-related activities, and those of its employees
91.31 and authorized representatives, are limited to offering and disseminating travel insurance
91.32 on behalf of and under the direction of a ~~licensed business entity~~ limited lines travel insurance
91.33 producer meeting the conditions stated in this section; is authorized to do so and receive

92.1 related compensation, upon registration by the licensed business entity. For purposes of this
 92.2 section, "~~offering and disseminating~~" means providing general information, including a
 92.3 description of the coverage and price, as well as processing the application, collecting
 92.4 premiums, and performing other nonlicensable activities permitted by the state limited lines
 92.5 travel insurance producer as provided under subdivision 2, paragraph (b), clause (2).

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

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

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

92.15 Sec. 32. Minnesota Statutes 2024, section 65A.27, subdivision 1, is amended to read:

92.16 Subdivision 1. **Scope.** For purposes of sections 65A.27 to ~~65A.302~~ 65A.304, the following
 92.17 terms have the meanings given.

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

92.20 Sec. 33. **[65A.304] DAMAGE BY PEACE OFFICERS; MITIGATION.**

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

92.23 (b) "Industrial hygienist" means an individual who has:

92.24 (1) a certified industrial hygienist credential from the Board for Global EHS
 92.25 Credentialing; or

92.26 (2) an equivalent certification from a nationally or internationally recognized accrediting
 92.27 body demonstrating competency in the anticipation, recognition, evaluation, and control of
 92.28 occupational and environmental health hazards.

92.29 (c) "Just compensation" has the meaning given in section 626.74, subdivision 1, clause
 92.30 (1).

93.1 (d) "Peace officer" has the meaning given in section 626.84, subdivision 1, paragraph
93.2 (c).

93.3 Subd. 2. **Exclusion prohibited.** (a) A policy of homeowner's insurance must not exclude
93.4 coverage for property damage if the homeowner is an innocent third party entitled to just
93.5 compensation under section 626.74 and the damage results from a peace officer's use of
93.6 chemical irritants, smoke screens, or diversionary devices.

93.7 (b) This section does not affect a local government's duty to pay just compensation under
93.8 section 626.74.

93.9 (c) Paragraph (a) does not prohibit a civil authority exclusion or other policy provision
93.10 as long as the coverage for just compensation is not excluded.

93.11 Subd. 3. **Mitigation.** (a) Under a policy of homeowner's insurance, an insurer must allow
93.12 a homeowner to choose a mitigation contractor and, if necessary, an industrial hygienist to
93.13 assess and remediate damage due to a peace officer's use of chemical irritants, smoke screens,
93.14 or diversionary devices, when the homeowner is owed just compensation under section
93.15 626.74.

93.16 (b) The work performed by a mitigation contractor or industrial hygienist under this
93.17 subdivision must follow recognized industry standards and, if applicable, chemical
93.18 manufacturer guidelines.

93.19 Subd. 4. **Insurer subrogation and reimbursement.** (a) If an insurer pays benefits to
93.20 or on behalf of a homeowner for damage described in this section, the insurer is subrogated
93.21 as a matter of law to the homeowner's right to recover just compensation from the responsible
93.22 local government unit.

93.23 (b) Payment made by an insurer under a policy of homeowner's insurance for damage
93.24 described in this section, if made in good faith and after reasonable investigation, is presumed
93.25 reasonable and necessary and must be reimbursed by the responsible local government unit.
93.26 Reimbursement may be denied only upon proof that the payment was obtained by fraud or
93.27 that the insurer acted in bad faith. If reimbursement is not made as required by this
93.28 subdivision, the insurer may bring an action to recover the amount paid and is entitled to
93.29 reasonable attorney fees, costs, and disbursements, including interest under section 60A.0811,
93.30 subdivision 2, paragraph (a).

93.31 (c) If an insurer is reimbursed by a local government unit pursuant to this section, the
93.32 insurer must remit to the homeowner an amount equal to any deductible the homeowner
93.33 has paid toward the damage.

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

94.3 Sec. 34. **[65C.01] SCOPE AND PURPOSES.**

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

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

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

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

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

94.13 Subd. 3. **Applicability of other law.** All other applicable provisions of Minnesota
94.14 insurance law apply to travel insurance, except that this chapter supersedes any general
94.15 provisions of law that would otherwise apply to travel insurance.

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

94.18 Sec. 35. **[65C.02] DEFINITIONS.**

94.19 Subdivision 1. **Application.** For purposes of this chapter, the following terms have the
94.20 meanings given.

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

94.24 Subd. 3. **Blanket travel insurance.** "Blanket travel insurance" means a travel insurance
94.25 policy issued to an eligible group providing coverage for specific classes of persons defined
94.26 in the policy, with coverage provided to all members of the eligible group without a separate
94.27 charge to individual members of the eligible group.

94.28 Subd. 4. **Cancellation fee waiver.** "Cancellation fee waiver" means a contractual
94.29 agreement between a travel services supplier and the travel services supplier's customer to
94.30 waive some or all of the nonrefundable cancellation fee provisions contained in the supplier's

95.1 underlying travel contract, with or without regard to the reason for the cancellation or form
95.2 of reimbursement. A cancellation fee waiver is not insurance.

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

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

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

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

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

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

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

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

95.21 (5) a religious, charitable, recreational, educational, or civic organization, or branch of
95.22 a religious, charitable, recreational, educational, or civic organization, covering any group
95.23 of members, participants, or volunteers;

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

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

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

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

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

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

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

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

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

96.20 Subd. 8. **Group travel insurance.** "Group travel insurance" means travel insurance
 96.21 issued to an eligible group.

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

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

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

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

96.30 Subd. 13. **Travel administrator.** "Travel administrator" means a person who directly
 96.31 or indirectly underwrites; collects charges, collateral, or premiums from; or adjusts or settles
 96.32 claims on residents of Minnesota in connection with travel insurance. A person is not a

97.1 travel administrator if the person's only actions that otherwise indicate the person is a travel
97.2 administrator are:

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

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

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

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

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

97.14 Subd. 14. **Travel assistance services.** "Travel assistance services" means noninsurance
97.15 services (1) for which the consumer is not indemnified based on a fortuitous event, and (2)
97.16 where providing the service does not result in transfer or shifting of risk that would constitute
97.17 the business of insurance. Travel assistance services include but are not limited to: security
97.18 advisories; destination information; vaccination and immunization information services;
97.19 travel reservation services; entertainment; activity and event planning; translation assistance;
97.20 emergency messaging; international legal and medical referrals; medical case monitoring;
97.21 coordination of transportation arrangements; emergency cash transfer assistance; medical
97.22 prescription replacement assistance; passport and travel document replacement assistance;
97.23 lost luggage assistance; concierge services; and any other service that is furnished in
97.24 connection with planned travel. Travel assistance services are not insurance and are not
97.25 related to insurance.

97.26 Subd. 15. **Travel insurance.** "Travel insurance" has the meaning given in section
97.27 60K.383, subdivision 1, paragraph (d).

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

97.30 (1) travel insurance;

97.31 (2) travel assistance services; or

97.32 (3) cancellation fee waivers.

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

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

98.5 Sec. 36. **[65C.04] TRAVEL PROTECTION PLANS.**

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

98.8 (1) the travel protection plan:

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

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

98.16 (2) the fulfillment materials:

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

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

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

98.23 Sec. 37. **[65C.05] SALES PRACTICES.**

98.24 Subdivision 1. **Other applicable law.** Except as otherwise provided in this section, a
98.25 person offering travel insurance to residents of Minnesota is subject to sections 72A.17 to
98.26 72A.32. If this chapter conflicts with chapters 59A to 79A regarding the sale and marketing
98.27 of travel insurance and travel protection plans, this chapter prevails.

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

99.1 Subd. 3. **Marketing.** (a) All documents provided to consumers before purchasing travel
 99.2 insurance, including but not limited to sales materials, advertising materials, and marketing
 99.3 materials, must be consistent with the travel insurance policy, including but not limited to
 99.4 forms, endorsements, policies, rate filings, and certificates of insurance.

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

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

99.16 (1) 15 days after the date the travel protection plan's fulfillment materials are delivered
 99.17 by mail; or

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

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

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

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

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

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

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

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

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

100.11 EFFECTIVE DATE. This section is effective 90 days following the date of final
 100.12 enactment.

100.13 **Sec. 38. [65C.06] TRAVEL ADMINISTRATORS.**

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

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

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

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

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

100.24 (c) An insurer is responsible for:

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

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

100.29 EFFECTIVE DATE. This section is effective 90 days following the date of final
 100.30 enactment.

101.1 Sec. 39. [65C.07] POLICY.

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

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

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

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

101.17 Sec. 40. Minnesota Statutes 2024, section 72A.18, subdivision 2, is amended to read:

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

101.24 Sec. 41. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
 101.25 read:

101.26 Subd. 3. **Insurance lead generator.** (a) "Insurance lead generator" means a person that
 101.27 uses a lead-generating device to:

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

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

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

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

102.6 Sec. 42. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
102.7 read:

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

102.13 Sec. 43. Minnesota Statutes 2024, section 72A.18, is amended by adding a subdivision to
102.14 read:

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

102.17 Sec. 44. Minnesota Statutes 2024, section 72A.20, subdivision 2, is amended to read:

102.18 Subd. 2. **False information and advertising generally.** Making, publishing,
102.19 disseminating, circulating, or placing before the public, or causing, directly or indirectly,
102.20 to be made, published, disseminated, circulated, or placed before the public, in a newspaper,
102.21 magazine, email, Internet advertisement or posting, or other publication, or in the form of
102.22 a notice, circular, pamphlet, letter, electronic posting of any kind, or poster, or over any
102.23 radio station, or using the Internet or other electronic means, or in any other way, an
102.24 advertisement, announcement, or statement, containing any assertion, representation, or
102.25 statement with respect to the business of insurance, or with respect to any person in the
102.26 conduct of the person's insurance business, which is untrue, deceptive, or misleading, shall
102.27 constitute an unfair method of competition and an unfair and deceptive act or practice.

102.28 Sec. 45. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to
102.29 read:

102.30 Subd. 2a. **Failure to maintain certain records.** A person must maintain books, records,
102.31 documents, and other business records in a manner that ensures data regarding complaints

103.1 and marketing are accessible and retrievable for examination by the insurance commissioner.
 103.2 A person must maintain data under this subdivision for at least the current calendar year
 103.3 and the two preceding years.

103.4 Sec. 46. Minnesota Statutes 2024, section 80G.01, subdivision 5a, is amended to read:

103.5 Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product
 103.6 transaction conducted:

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

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

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

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

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

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

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

103.18 Sec. 47. **[82B.081] NOTICE TO COMMISSIONER.**

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

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

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

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

104.12 **Sec. 48. [82C.031] NOTICE TO COMMISSIONER.**

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

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

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

104.30 Subd. 4. **Criminal offense.** The licensee must notify the commissioner if the licensee
104.31 is charged with, is adjudged guilty of, or enters a plea of guilty or nolo contendere to a
104.32 felony charge or a gross misdemeanor charge that alleges fraud, misrepresentation, or a
104.33 similar violation of a real property appraisal management company licensing law. The notice

105.1 must be provided in writing or another format prescribed by the commissioner within ten
105.2 days of the date the charge, judgment, or plea occurs.

105.3 Sec. 49. Minnesota Statutes 2024, section 332.32, is amended to read:

105.4 **332.32 EXCLUSIONS.**

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

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

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

105.21 Sec. 50. Minnesota Statutes 2024, section 332.52, subdivision 3, is amended to read:

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

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

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

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

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

105.30 (1) any person authorized to make loans or extensions of credit under the laws of this
105.31 state or the United States, if the person is subject to regulation and supervision by this state

106.1 or the United States or a lender approved by the United States Secretary of Housing and
106.2 Urban Development for participation in any mortgage insurance program under the National
106.3 Housing Act, United States Code, title 12, section 1701 et seq.;

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

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

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

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

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

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

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

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

106.23 (10) any consumer reporting agency as defined in the federal Fair Credit Reporting Act,
106.24 United States Code, title 15, sections 1681 to 1681t, as amended through December 31,
106.25 1990.

106.26 Sec. 51. Minnesota Statutes 2024, section 332A.04, subdivision 1, is amended to read:

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

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

- 107.1 (2) the address, which must not be a post office box, and the telephone number and, if
107.2 applicable, email address, of the applicant;
- 107.3 (3) identification of the trust account required under section 332A.13;
- 107.4 (4) consent to the jurisdiction of the courts of this state;
- 107.5 (5) the name and address of the registered agent authorized to accept service of process
107.6 on behalf of the applicant or appointment of the commissioner as the applicant's agent for
107.7 purposes of accepting service of process;
- 107.8 (6) disclosure of:
- 107.9 (i) whether any controlling or affiliated party has ever been convicted of a crime or found
107.10 civilly liable for an offense involving moral turpitude, including forgery, embezzlement,
107.11 obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any
107.12 other similar offense or violation, or any violation of a federal or state law or regulation in
107.13 connection with activities relating to the rendition of debt management services or involving
107.14 any consumer fraud, false advertising, deceptive trade practices, or similar consumer
107.15 protection law;
- 107.16 (ii) any judgments, private or public litigation, tax liens, written complaints, administrative
107.17 actions, or investigations by any government agency against the applicant or any officer,
107.18 director, manager, or shareholder owning more than five percent interest in the applicant,
107.19 unresolved or otherwise, filed or otherwise commenced within the preceding ten years;
- 107.20 (iii) whether the applicant or any person employed by the applicant has had a record of
107.21 having defaulted in the payment of money collected for others, including the discharge of
107.22 debts through bankruptcy proceedings; and
- 107.23 (iv) whether the applicant's license or registration to provide debt management services
107.24 in any other state has ever been revoked or suspended;
- 107.25 (7) a copy of the applicant's standard debt management services agreement that the
107.26 applicant intends to execute with debtors; and
- 107.27 ~~(8) proof of accreditation, unless the applicant was licensed in Minnesota as a debt~~
107.28 ~~prorater immediately before August 1, 2007; and~~
- 107.29 ~~(9)~~ (8) any other information and material as the commissioner may require.
- 107.30 The commissioner may, for good cause shown, temporarily waive any requirement of
107.31 this subdivision.

108.1 Sec. 52. Minnesota Statutes 2024, section 332B.04, subdivision 1, is amended to read:

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

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

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

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

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

108.12 (5) disclosure of:

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

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

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

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

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

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

109.1 ~~(8)~~ (7) any other information and material as the commissioner may require.

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

109.4 Sec. 53. **REPEALER.**

109.5 Minnesota Statutes 2024, sections 332A.02, subdivision 2; and 332B.02, subdivision 2,
109.6 are repealed.

109.7 ARTICLE 8

109.8 UNCLAIMED PROPERTY

109.9 Section 1. Minnesota Statutes 2024, section 345.31, is amended by adding a subdivision
109.10 to read:

109.11 Subd. 10. **Virtual currency.** "Virtual currency" means a digital representation of value
109.12 used as a medium of exchange, unit of account, or store of value that does not have legal
109.13 tender status recognized by the United States. Virtual currency does not include:

109.14 (1) software or protocols governing the transfer of the digital representation of value;

109.15 (2) game-related digital content; or

109.16 (3) a loyalty card or gift card.

109.17 Sec. 2. **[345.382] FUNDS HELD FOR THE PREPAYMENT OF FUNERAL**
109.18 **RELATED EXPENSES.**

109.19 Funds on deposit or held in trust for the prepayment of a funeral or other funeral-related
109.20 expenses are presumed abandoned at the earliest of:

109.21 (1) three years after the date of death of the beneficiary;

109.22 (2) one year after the date the beneficiary has attained, or would have attained if living,
109.23 the age of 105, if the holder does not know whether the beneficiary is deceased; or

109.24 (3) 30 years after the contract for prepayment was executed.

109.25 Sec. 3. **[345.383] EXEMPTION FOR CERTAIN PROPERTY HELD IN**
109.26 **TAX-DEFERRED ACCOUNTS.**

109.27 Property held in a plan described in section 529 or 529A of the Internal Revenue Code,
109.28 as amended, are exempt from the requirements of sections 345.31 to 345.60.

110.1 Sec. 4. [345.384] VIRTUAL CURRENCY.

110.2 (a) Virtual currency is presumed abandoned three years after the apparent owner's latest
110.3 indication of interest in the virtual currency.

110.4 (b) For purposes of this section, an indication of an apparent owner's interest in virtual
110.5 currency includes:

110.6 (1) a record communicated by the apparent owner to the holder or agent of the holder
110.7 concerning the property or the account in which the property is held;

110.8 (2) an oral communication by the apparent owner to the holder or agent of the holder
110.9 concerning the property or the account in which the property is held, if the holder or the
110.10 holder's agent contemporaneously makes and preserves a record of the fact of the apparent
110.11 owner's communication;

110.12 (3) a distribution, or evidence of receipt of a distribution made by electronic or similar
110.13 means; or

110.14 (4) activity directed by an apparent owner in the account in which the property is held,
110.15 including accessing the account or information concerning the account, or a direction by
110.16 the apparent owner to increase, decrease, or otherwise change the amount or type of virtual
110.17 currency held in the account.

110.18 (c) An action by an agent or other representative of an apparent owner, other than the
110.19 holder acting as the apparent owner's agent, is presumed to be an action on behalf of the
110.20 apparent owner.

110.21 (d) A communication with an apparent owner by a person other than the holder or the
110.22 holder's representative is not an indication of interest in the property by the apparent owner
110.23 unless a record of the communication evidences the apparent owner's knowledge of a right
110.24 to the property.

110.25 Sec. 5. Minnesota Statutes 2024, section 345.43, is amended by adding a subdivision to
110.26 read:

110.27 Subd. 2b. **Virtual currency.** (a) If property reported to the commissioner is virtual
110.28 currency, the holder must liquidate the virtual currency and remit the proceeds to the
110.29 commissioner.

110.30 (b) The liquidation must occur anytime within 30 days before filing the report under
110.31 section 345.41. The owner does not have recourse against the holder or the commissioner

111.1 to recover any gain in value that occurs after the liquidation of the virtual currency under
 111.2 this subdivision.

111.3 (c) If a holder cannot liquidate virtual currency and cannot otherwise cause virtual
 111.4 currency to be liquidated, the holder must promptly notify the commissioner in writing and
 111.5 explain the reasons why the virtual currency cannot be liquidated. The commissioner has
 111.6 absolute and sole discretion to direct the holder to:

111.7 (1) transfer the virtual currency that cannot be liquidated to a custodian selected by the
 111.8 commissioner; or

111.9 (2) continue to hold the virtual currency until the commissioner or the holder determines
 111.10 that the virtual currency can be liquidated pursuant to this chapter.

111.11 **ARTICLE 9**

111.12 **MISCELLANEOUS**

111.13 Section 1. Minnesota Statutes 2025 Supplement, section 41A.09, subdivision 2a, is amended
 111.14 to read:

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

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

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

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

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

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

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

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

112.3 Sec. 2. Minnesota Statutes 2024, section 46.044, subdivision 1, is amended to read:

112.4 Subdivision 1. **Issuance and conditions.** An application for a bank charter must be
112.5 granted if (1) the applicants are of good moral character and financial integrity, (2) there is
112.6 a reasonable public demand for this bank in this location, (3) the probable volume of business
112.7 in this location is sufficient to ~~insure~~ ensure and maintain the solvency of the new bank and
112.8 the solvency of the then existing bank or banks in the locality without endangering the safety
112.9 of any bank in the locality as a place of deposit of public and private money, (4) the
112.10 commissioner of commerce is satisfied that the proposed bank will be properly and safely
112.11 managed, and (5) the commissioner is satisfied that the capital funds required pursuant to
112.12 section 48.02 are available and the commissioner may accept any reasonable demonstration
112.13 including subscription agreements supported by current financial statements. If the application
112.14 does not satisfy the requirements of this subdivision, it must be denied. In case of the denial
112.15 of the application, the commissioner of commerce shall specify the grounds for the denial.
112.16 A person aggrieved may obtain judicial review of the determination in accordance with
112.17 chapter 14.

112.18 Sec. 3. Minnesota Statutes 2024, section 48.195, is amended to read:

112.19 **48.195 INTEREST RATES; USURY LIMIT FOR DEPOSITORY INSTITUTIONS.**

112.20 Notwithstanding any law to the contrary, a bank, savings bank, savings association, or
112.21 credit union organized under the laws of this state, or a national bank or federally chartered
112.22 savings bank, savings association, or credit union, doing business in this state, may charge
112.23 on any loan or discount made or upon any note, bill or other evidence of debt, except an
112.24 extension of credit made pursuant to section 48.185, interest at a rate of not more than 4-1/2
112.25 percent in excess of the discount rate, including any surcharge thereon, on 90-day commercial
112.26 paper in effect at the Board of Governors of the Federal Reserve Bank ~~located in the Ninth~~
112.27 ~~Federal Reserve District~~ System.

112.28 Sec. 4. Minnesota Statutes 2024, section 49.37, is amended to read:

112.29 **49.37 STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION**
112.30 **OR MERGER.**

112.31 (a) Either before or after the consolidation or merger agreement has been approved by
112.32 the commissioner of commerce, it must be submitted to the stockholders of each corporation

113.1 at a meeting thereof called, and it does not become binding upon the corporation until it has
 113.2 been approved at each of the meetings required by this section by the vote or ballot of the
 113.3 stockholders, holding at least a majority of the amount of stock of the respective corporations,
 113.4 or a higher percentage as may be required by the certificate of incorporation of the
 113.5 corporations. Proof of the holding of these meetings and the results thereof must be submitted
 113.6 to the commissioner of commerce.

113.7 (b) After the agreement called for by sections 49.33 to 49.41 has been approved by the
 113.8 stockholders of the respective corporations and by the commissioner of commerce, the ~~latter~~
 113.9 ~~shall~~ commissioner of commerce must issue a certificate reciting that the corporations have
 113.10 complied with the provisions of sections 49.34 to 49.41 and declaring the consolidation or
 113.11 merger of these corporations and the name of the consolidated or surviving corporation, the
 113.12 amount of capital stock thereof, the names of the first board of directors, and the place of
 113.13 business of the consolidated or surviving corporation, which must be within the city where
 113.14 any of the constituent corporations have been previously authorized to have their places of
 113.15 business.

113.16 (c) Upon the issuing of this certificate ~~and the filing of it for record in the Office of the~~
 113.17 ~~Secretary of State~~, the incorporation is deemed to be complete in the case of the consolidation,
 113.18 and the assets of the constituent corporations merged into the survivor in the case of a
 113.19 merger, and the consolidated or surviving corporation shall, from the date of this certificate,
 113.20 have the term of corporate existence as may be specified in it, not exceeding the longest
 113.21 unexpired term of any constituent corporation. The certificate of the commissioner of
 113.22 commerce is prima facie evidence that all of the provisions of sections 49.34 to 49.41 have
 113.23 been complied with, and is conclusive evidence of the existence of the consolidated or
 113.24 surviving corporation.

113.25 Sec. 5. Minnesota Statutes 2024, section 60A.13, subdivision 1, is amended to read:

113.26 Subdivision 1. **Annual statements required.** Every insurance company, including
 113.27 fraternal benefit societies, and reciprocal exchanges, doing business in this state, shall file
 113.28 with the commissioner, ~~annually, on or before March 1,~~ the appropriate verified National
 113.29 Association of Insurance Commissioners' annual statement blank, on or before April 30 for
 113.30 all lines of insurance except health, which must be filed on or before May 31. The National
 113.31 Association of Insurance Commissioners' annual statement blank must be prepared in
 113.32 accordance with the association's instructions handbook and following those accounting
 113.33 procedures and practices prescribed by the association's accounting practices and procedures
 113.34 manual, unless the commissioner requires or finds another method of valuation reasonable

114.1 under the circumstances. Another method of valuation permitted by the commissioner must
114.2 be at least as conservative as those prescribed in the association's manual. All companies
114.3 required to file an annual statement under this subdivision may also be required to file with
114.4 the commissioner and the National Association of Insurance Commissioners a copy of their
114.5 annual statement in an electronic form prescribed by the commissioner. All Minnesota
114.6 domestic insurers required to file annual statements under this subdivision must also file
114.7 quarterly statements with the commissioner for the first, second, and third calendar quarter
114.8 on or before 45 days after the end of the applicable quarter, prepared in accordance with
114.9 the association's instruction handbook. All companies required to file quarterly statements
114.10 under this subdivision may also be required to file the quarterly statements with the
114.11 commissioner and the National Association of Insurance Commissioners in an electronic
114.12 form prescribed by the commissioner. In addition, the commissioner may require the filing
114.13 of any other information determined to be reasonably necessary for the continual enforcement
114.14 of these laws. The statement may be limited to the insurer's business and condition in the
114.15 United States unless the commissioner finds that the business conducted outside the United
114.16 States may detrimentally affect the interests of policyholders in this state. The statements
114.17 shall also contain a verified schedule showing all details required by law for assessment
114.18 and taxation. The statement or schedules shall be in the form and shall contain all matters
114.19 the commissioner may prescribe, and it may be varied as to different types of insurers so
114.20 as to elicit a true exhibit of the condition of each insurer.

114.21 Sec. 6. Minnesota Statutes 2024, section 60A.13, subdivision 6, is amended to read:

114.22 Subd. 6. **Company or agent cannot continue business unless statement is filed.** ~~No~~
114.23 ~~A company shall transact~~ is prohibited from transacting any new business in this state after
114.24 ~~May August~~ 31 in any year unless ~~it shall have~~ the company previously transmitted its
114.25 annual statement to the commissioner and filed a copy of its statement with the National
114.26 Association of Insurance Commissioners. The commissioner may by order annually require
114.27 that each insurer pay the required fee to the National Association of Insurance Commissioners
114.28 for the filing of annual statements, but the fee shall not be more than 50 percent greater than
114.29 the fee set by the National Association of Insurance Commissioners. Failure to file the
114.30 annual statement with the commissioner or the National Association of Insurance
114.31 Commissioners is a violation of section 72A.061, subdivision 1. The fee shall be based on
114.32 the relative premium volume of each insurer.

115.1 Sec. 7. Minnesota Statutes 2024, section 62J.96, is amended by adding a subdivision to
115.2 read:

115.3 Subd. 4. **Violation as deceptive practice.** A violation of this section is an unfair or
115.4 deceptive trade practice under section 8.31, subdivision 1, and is enforceable by the attorney
115.5 general.

115.6 Sec. 8. Minnesota Statutes 2024, section 72A.061, subdivision 5, is amended to read:

115.7 Subd. 5. **Extensions.** The commissioner may grant an extension of any filing deadline
115.8 or requirement specified by this section, ~~on receiving, not less than ten days~~ if the
115.9 commissioner receives a written request for an extension from the company before the date
115.10 of default, ~~satisfactory evidence of imminent hardship to the company.~~

115.11 Sec. 9. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 3, is amended
115.12 to read:

115.13 Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated
115.14 with water or other impurities and must comply with ASTM specification ~~D4814-24a~~ D4814.
115.15 Gasoline that is not blended with biofuel must also comply with the volatility requirements
115.16 in Code of Federal Regulations, title 40, part 1090.

115.17 (b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
115.18 a person responsible for the product:

115.19 (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision
115.20 4;

115.21 (2) shall not blend the gasoline with any oxygenate other than biofuel;

115.22 (3) shall not blend the gasoline with other petroleum products that are not gasoline or
115.23 biofuel;

115.24 (4) shall not blend the gasoline with products commonly and commercially known as
115.25 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
115.26 gasoline; and

115.27 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
115.28 designed to replace tetra-ethyl lead, that is registered by the EPA.

116.1 Sec. 10. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 4, is amended
116.2 to read:

116.3 Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with
116.4 agriculturally derived, denatured ethanol that complies with the requirements of subdivision
116.5 5.

116.6 (b) A gasoline-ethanol blend must:

116.7 (1) comply with the volatility requirements in Code of Federal Regulations, title 40, part
116.8 1090;

116.9 (2) comply with ASTM specification ~~D4814-24a~~ D4814, or the gasoline base stock from
116.10 which a gasoline-ethanol blend was produced must comply with ASTM specification
116.11 ~~D4814-24a~~ D4814; and

116.12 (3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline,
116.13 drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred,
116.14 or otherwise removed from a refinery or terminal.

116.15 Sec. 11. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 5, is amended
116.16 to read:

116.17 Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must
116.18 be agriculturally derived and must comply with ASTM specification ~~D4806-21a~~ D4806.
116.19 This includes the requirement that ethanol may be denatured only as specified in Code of
116.20 Federal Regulations, title 27, parts 20 and 21.

116.21 Sec. 12. Minnesota Statutes 2025 Supplement, section 239.761, subdivision 6, is amended
116.22 to read:

116.23 Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for
116.24 the product shall comply with the following requirements:

116.25 (1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total,
116.26 of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any
116.27 time in this state; and

116.28 (2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in
116.29 paragraph (b) must not be sold or offered for sale in this state.

116.30 (b) The oxygenates prohibited under paragraph (a) are:

116.31 (1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

117.1 (2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

117.2 (3) tertiary amyl methyl ether.

117.3 (c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM
117.4 specification ~~D4814-24a~~ D4814. Nonethanol oxygenates must not be blended into gasoline
117.5 after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

117.6 Sec. 13. Minnesota Statutes 2024, section 239.761, subdivision 7, is amended to read:

117.7 Subd. 7. **Heating fuel oil.** Heating fuel oil must comply with ASTM specification
117.8 ~~D396-12~~ D396.

117.9 Sec. 14. Minnesota Statutes 2024, section 239.761, subdivision 8, is amended to read:

117.10 Subd. 8. **Diesel fuel oil.** (a) When diesel fuel oil is not blended with biodiesel, it must
117.11 comply with ASTM specification ~~D975-12a~~ D975.

117.12 (b) When diesel fuel oil is a blend of up to five volume percent biodiesel, the diesel
117.13 component must comply with ASTM specification ~~D975-12a~~ D975 and the biodiesel
117.14 component must comply with ASTM specification ~~D6751-11b~~ D6751.

117.15 Sec. 15. Minnesota Statutes 2024, section 239.761, subdivision 9, is amended to read:

117.16 Subd. 9. **Kerosene.** Kerosene must comply with ASTM specification ~~D3699-08~~ D3699.

117.17 Sec. 16. Minnesota Statutes 2024, section 239.761, subdivision 10, is amended to read:

117.18 Subd. 10. **Aviation gasoline.** Aviation gasoline must comply with ASTM specification
117.19 ~~D910-11~~ D910.

117.20 Sec. 17. Minnesota Statutes 2024, section 239.761, subdivision 11, is amended to read:

117.21 Subd. 11. **Aviation turbine fuel, jet fuel.** Aviation turbine fuel and jet fuel must comply
117.22 with ASTM specification ~~D1655-12~~ D1655.

117.23 Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 12, is amended to read:

117.24 Subd. 12. **Gas turbine fuel oil.** Fuel oil for use in nonaviation gas turbine engines must
117.25 comply with ASTM specification ~~D2880-03~~ D2880.

118.1 Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 13, is amended to read:

118.2 Subd. 13. **E85.** A blend of ethanol and gasoline, containing not more than 85 percent
118.3 ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section
118.4 296A.01, subdivision 5, must comply with ASTM specification ~~D5798-11~~ D5798.

118.5 Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 14, is amended to read:

118.6 Subd. 14. **M85.** A blend of methanol and gasoline, containing at least 70 percent methanol
118.7 and not more than 85 percent methanol, produced for use as a motor fuel in alternative fuel
118.8 vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification
118.9 ~~D5797-07~~ D5797.

118.10 Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 16, is amended to read:

118.11 Subd. 16. **Biodiesel fuel definition.** "Biodiesel fuel" means a renewable, biodegradable,
118.12 mono alkyl ester combustible liquid that is derived from agricultural plant oils or animal
118.13 fats and that meets American Society for Testing and Materials (ASTM) specification
118.14 ~~D6751-11b~~ D6751 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

118.15 Sec. 22. Minnesota Statutes 2024, section 239.761, subdivision 17, is amended to read:

118.16 Subd. 17. **Grade 82 unleaded aviation gasoline.** Grade 82 unleaded aviation gasoline
118.17 must comply with ASTM specification ~~D6227-12~~ D6227.

118.18 Sec. 23. Minnesota Statutes 2024, section 239.77, subdivision 1, is amended to read:

118.19 Subdivision 1. **Biodiesel blend and fuel.** (a) "Biodiesel blend" is a blend of diesel fuel
118.20 and biodiesel fuel between six percent and 20 percent for on-road and off-road diesel-fueled
118.21 vehicle use. Biodiesel blend must comply with ASTM specification ~~D7467-10~~ D7467.

118.22 (b) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible
118.23 liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets
118.24 American Society for Testing and Materials specification ~~D6751-11b~~ D6751 for Biodiesel
118.25 Fuel (B100) Blend Stock for Distillate Fuels.

118.26 (c) Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section,
118.27 unless the palm oil is contained within waste oil and grease collected within the United
118.28 States or Canada.

119.1 Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 7, is amended to read:

119.2 Subd. 7. **Aviation gasoline.** "Aviation gasoline" means any gasoline that is used to
119.3 produce or generate power for propelling internal combustion engine aircraft.

119.4 Aviation gasoline includes any gasoline:

119.5 (1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor
119.6 or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation
119.7 gasoline" that meets specifications in ASTM specification ~~D910-16~~ D910 or any other
119.8 ASTM specification as gasoline appropriate for use in producing or generating power for
119.9 propelling internal combustion engine aircraft; or

119.10 (2) sold to a dealer of aviation gasoline for dispensing directly into the fuel tank of an
119.11 aircraft.

119.12 Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 8, is amended to read:

119.13 Subd. 8. **Aviation turbine fuel and jet fuel.** "Aviation turbine fuel" and "jet fuel" mean
119.14 blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic
119.15 hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications
119.16 in ASTM specification ~~D1655-12~~ D1655.

119.17 Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 14, is amended to read:

119.18 Subd. 14. **Diesel fuel oil.** "Diesel fuel oil" means a petroleum distillate or blend of
119.19 petroleum distillate and residual fuels that is intended for use as a motor fuel in internal
119.20 combustion diesel engines and that meets ASTM specification ~~D975-11b~~ D975.

119.21 Sec. 27. Minnesota Statutes 2024, section 296A.01, subdivision 19, is amended to read:

119.22 Subd. 19. **E85.** "E85" means a petroleum product that is a blend of agriculturally derived
119.23 denatured ethanol and gasoline or natural gasoline that contains not more than 85 percent
119.24 ethanol by volume, but at a minimum must contain greater than 50 percent ethanol by
119.25 volume. For the purposes of this chapter, the energy content of E85 will be considered to
119.26 be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles
119.27 as defined in subdivision 5 must comply with ASTM specification ~~D5798-11~~ D5798.

120.1 Sec. 28. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 20, is amended
120.2 to read:

120.3 Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended
120.4 with gasoline, has been agriculturally derived, and complies with ASTM specification
120.5 ~~D4806-21a~~ D4806. This includes the requirement that ethanol may be denatured only as
120.6 specified in Code of Federal Regulations, title 27, parts 20 and 21.

120.7 Sec. 29. Minnesota Statutes 2024, section 296A.01, subdivision 22, is amended to read:

120.8 Subd. 22. **Gas turbine fuel oil.** "Gas turbine fuel oil" means fuel that contains mixtures
120.9 of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign
120.10 matter, intended for use in nonaviation gas turbine engines, and that meets the specifications
120.11 in ASTM specification ~~D2880-03~~ D2880.

120.12 Sec. 30. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 23, is amended
120.13 to read:

120.14 Subd. 23. **Gasoline.** (a) "Gasoline" means:

120.15 (1) all products commonly or commercially known or sold as gasoline regardless of
120.16 their classification or uses, except casinghead gasoline, absorption gasoline, condensation
120.17 gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761,
120.18 subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise
120.19 removed from a refinery or terminal; and

120.20 (2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and
120.21 commercially used as, a fuel in spark-ignition, internal combustion engines, and that when
120.22 tested by the Weights and Measures Division meets the specifications in ASTM specification
120.23 ~~D4814-24a~~ D4814.

120.24 (b) Gasoline that is not blended with ethanol must not be contaminated with water or
120.25 other impurities and must comply with both ASTM specification ~~D4814-24a~~ D4814 and
120.26 the volatility requirements in Code of Federal Regulations, title 40, part 1090.

120.27 (c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal,
120.28 a person responsible for the product:

120.29 (1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision
120.30 24;

121.1 (2) must not blend the gasoline with any oxygenate other than denatured, agriculturally
121.2 derived ethanol;

121.3 (3) must not blend the gasoline with other petroleum products that are not gasoline or
121.4 denatured, agriculturally derived ethanol;

121.5 (4) must not blend the gasoline with products commonly and commercially known as
121.6 casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural
121.7 gasoline; and

121.8 (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive
121.9 designed to replace tetra-ethyl lead, that is registered by the EPA.

121.10 Sec. 31. Minnesota Statutes 2025 Supplement, section 296A.01, subdivision 24, is amended
121.11 to read:

121.12 Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with
121.13 nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or
121.14 ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that
121.15 complies with ASTM specification ~~D4814-24a~~ D4814. Oxygenates, other than denatured
121.16 ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or
121.17 otherwise removed from a refinery or terminal.

121.18 Sec. 32. Minnesota Statutes 2024, section 296A.01, subdivision 26, is amended to read:

121.19 Subd. 26. **Heating fuel oil.** "Heating fuel oil" means a petroleum distillate, blend of
121.20 petroleum distillates and residuals, or petroleum residual heating fuel that meets the
121.21 specifications in ASTM specification ~~D396-12~~ D396.

121.22 Sec. 33. Minnesota Statutes 2024, section 296A.01, subdivision 28, is amended to read:

121.23 Subd. 28. **Kerosene.** "Kerosene" means a refined petroleum distillate consisting of a
121.24 homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic
121.25 compounds, and excessive amounts of particulate contaminants and that meets the
121.26 specifications in ASTM specification ~~D3699-08~~ D3699.

121.27 Sec. 34. Minnesota Statutes 2024, section 296A.01, subdivision 35, is amended to read:

121.28 Subd. 35. **M85.** "M85" means a petroleum product that is a liquid fuel blend of methanol
121.29 and gasoline that contains at least 70 percent methanol and not more than 85 percent methanol
121.30 by volume. For the purposes of this chapter, the energy content of M85 will be considered

122.1 to be 65,000 BTUs per gallon. M85 produced for use as a motor fuel in alternative fuel
122.2 vehicles, as defined in subdivision 5, must comply with ASTM specification ~~D5797-07~~
122.3 D5797.

122.4 Sec. 35. Minnesota Statutes 2024, section 349.211, subdivision 2b, is amended to read:

122.5 Subd. 2b. **Paddlewheel prizes.** (a) The maximum cash prize ~~which~~ that may be awarded
122.6 for a paddle ticket is \$70. The maximum value of a merchandise prize that may be awarded
122.7 for a paddle ticket must not exceed a fair market value of \$200. An organization may not
122.8 sell any paddle ticket for more than ~~\$2~~ \$5.

122.9 (b) "Merchandise prize" does not include gift cards that can be redeemed for cash.

122.10 Sec. 36. **REPEALER.**

122.11 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.

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

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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 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

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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 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.

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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 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

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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.

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

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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.

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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;

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(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.

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:

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(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
- (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.

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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.

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,

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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.