CHAPTER 4--H.F.No. 4

An act relating to commerce; establishing a budget for the Department of Commerce; appropriating and transferring money for other commerce and Office of Cannabis Management activities; adding, modifying, and eliminating various provisions governing financial institutions, insurance, insurance holding companies, Medicare supplement insurance, reinsurance, and commerce and consumer protection policy; modifying certain fees; authorizing administrative rulemaking; classifying certain data; requiring reports; making technical and conforming changes; amending Minnesota Statutes 2024, sections 41A.09, subdivision 2a; 45.027, subdivisions 1, 2, by adding a subdivision; 45.24; 46A.04; 47.20, subdivisions 2, 4a, 8; 47.77; 53B.61; 55.07, by adding a subdivision; 58B.02, subdivision 8a; 60A.052, subdivision 1; 60A.201, subdivision 2, by adding a subdivision; 60D.09, by adding a subdivision; 60D.15, subdivisions 4, 7, by adding subdivisions; 60D.16, subdivision 2; 60D.17, subdivision 1; 60D.18, subdivision 3; 60D.19, subdivision 4, by adding subdivisions; 60D.20, subdivision 1; 60D.217; 60D.22, subdivisions 1, 3, 6, by adding a subdivision; 60D.24, subdivision 2; 60D.25; 62A.31, subdivisions 1b, 1f, 1h, 1p, 1r, 1u, 4; 62A.44, subdivision 2; 62A.65, subdivisions 1, 2, by adding a subdivision; 62D.12, subdivisions 2, 2a; 62D.121, subdivision 1; 62D.221, by adding a subdivision; 62E.21, by adding subdivisions; 62E.23, subdivisions 2, 3, by adding subdivisions; 62E.24, subdivisions 1, 2; 62E.25, subdivision 1; 62J.26, subdivision 3, by adding a subdivision; 62Q.73, subdivision 4; 62V.06, subdivision 5; 65B.02, subdivision 7; 65B.05; 65B.06, subdivisions 1, 2, 3; 65B.10, subdivision 2; 72A.20, by adding a subdivision; 80A.58; 80A.65, subdivision 2, by adding a subdivision; 80A.66; 80E.12; 82.63, subdivision 2; 82B.19, subdivision 5; 168.27, by adding a subdivision; 216B.40; 216B.62, by adding a subdivision; 239.761, subdivisions 3, 4, 5, 6; 239.791, subdivision 11; 296A.01, subdivisions 20, 23, 24; 297I.20, by adding a subdivision; 297I.40, by adding a subdivision; 325E.3892, subdivisions 1, 2; 325F.072, subdivision 3; 325G.24, subdivision 2; 334.01, subdivision 2; 550.136, subdivision 3; 551.06, subdivision 3; 571.922; Laws 2023, chapter 63, article 9, section 5; proposing coding for new law in Minnesota Statutes, chapters 45; 60D; 216B; 237; 239; 325F; repealing Laws 2023, chapter 57, article 2, sections 13, as amended; 66, as amended.

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

ARTICLE 1

COMMERCE FINANCE

Section 1. **APPROPRIATIONS**

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

	APPROPRIATIONS Available for the Year Ending June 30 2026	2027

Sec. 2. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation**	$	**42,318,000**	$ **42,905,000**

Appropriations by Fund

	2026	2027
General	39,346,000	39,997,000
Workers' Compensation Fund	815,000	815,000
Special Revenue	2,157,000	2,093,000

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

Subd. 2. **Financial Institutions**	3,035,000	3,035,000

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

(b) $543,000 each year is for additional adviser and broker-dealer examiners.

Subd. 3. **Administrative Services**	11,300,000	11,978,000

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

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

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

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

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

Subd. 4. **Enforcement** 8,098,000 8,098,000

Appropriations by Fund		
General	7,883,000	7,883,000
Workers' Compensation	215,000	215,000

(a) $215,000 each year is from the workers' compensation fund.

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

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

(d) $347,000 each year is for the common interest community ombudsperson established under Minnesota Statutes, section 45.0137.

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

Appropriations by Fund		
General	1,142,000	1,142,000
Special Revenue	2,093,000	2,093,000

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

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

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

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

(4) $50,000 each year is to the Office of MN.IT Services for a consolidated access fund to provide grants or services to other state agencies related to accessibility of web-based services.

Subd. 6. **Insurance** 13,753,000 13,483,000

	Appropriations by Fund	
General	13,089,000	12,883,000
Workers' Compensation	600,000	600,000
Special Revenue	64,000	-0-

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

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

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

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

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

(f) $20,000 each year is to pay Minnesota's membership dues to the National Conference of Insurance Legislators. The appropriations in this paragraph are onetime.

(g) $64,000 the first year is from the family and medical benefit insurance account in the special revenue fund.

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

$1,259,000 the first year and $1,438,000 the second year are for scale and packaging inspections.

Sec. 3. **OFFICE OF CANNABIS MANAGEMENT**	**$ 33,443,000**	**$ 36,350,000**

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

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

$11,254,000 each year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of this amount, up to three percent may be used to pay for administrative expenses incurred by the Office of Cannabis Management. The base for cannabis industry community renewal grants is $6,489,000 in each of fiscal years 2028 and 2029.

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

The base is $31,585,000 in each of fiscal years 2028 and 2029.

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

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

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

$1,000,000 the second year is for cannabis industry community renewal grants under Minnesota Statutes, section 342.70. Of these amounts, up to three percent may be used for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until June 30, 2026. The base for this appropriation is $15,000,000 in fiscal year 2026 and each fiscal year thereafter.

$1,000,000 each year is for transfer to the CanGrow revolving loan account established under Minnesota

Statutes, section 342.73, subdivision 4. Of these amounts, up to three percent may be used for administrative expenses.

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

Sec. 5. **APPROPRIATION; LEGISLATIVE COORDINATING COMMISSION.**

$200,000 in fiscal year 2025 is appropriated from the general fund to the Legislative Coordinating Commission to provide administrative support to the task force on homeowners and commercial property insurance under article 3, section 20. Upon the request of the task force, the commissioners of commerce, employment and economic development, and the Housing Finance Agency must provide technical support and expertise. This is a onetime appropriation and is available until June 30, 2026.

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

ARTICLE 2

FINANCIAL INSTITUTIONS POLICY

Section 1. Minnesota Statutes 2024, section 46A.04, is amended to read:

46A.04 EXCEPTIONS AND EXEMPTIONS.

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

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

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

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

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

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

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

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

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

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the

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

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

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

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

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

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

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration

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

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

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

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

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance

set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

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

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

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

Sec. 3. Minnesota Statutes 2024, section 47.20, subdivision 4a, is amended to read:

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

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

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

(d) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of: (1) an existing

conventional or cooperative apartment loan, (2) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the Farmers Home Administration, or (3) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of paragraph (b) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

47.77 TRANSFER OF ACCOUNTS PROHIBITED; NOTICE ON CLOSING.

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

(b) No financial institution shall initiate a closure of a deposit account without first sending at least one of the deposit account holders a notice of intent to close the deposit account. The notice must be sent to the deposit account holder's last known address on file with the financial institution at least 30 days before the financial institution closes the deposit account~~;~~, except that~~,~~ if the financial institution has reasonable suspicion to believe that account is being used in connection with a check-related fraud or other crime ~~or that~~, funds will not be available to pay items drawn on the account, or the deposit account holder has engaged in harassment, as defined in section 609.749, subdivision 2, paragraph (c), toward financial institution employees or customers, the notice may be sent the same day as the account is closed.

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

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

53B.61 MAINTENANCE OF PERMISSIBLE INVESTMENTS.

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

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

(c) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the event of insolvency; the filing of a petition by or against the licensee under the United States Bankruptcy Code, United States Code, title 11, sections 101 to 110, as amended or recodified from time to time, for

bankruptcy or reorganization; the filing of a petition by or against the licensee for receivership; the commencement of any other judicial or administrative proceeding for the licensee's dissolution or reorganization; or in the event of an action by a creditor against the licensee who is not a beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this paragraph are subject to attachment, levy of execution, or sequestration by order of any court, except for a beneficiary of the statutory trust.

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2024, section 82.63, subdivision 2, is amended to read:

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

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

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

(3) that the broker:

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

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

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

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

Sec. 10. Minnesota Statutes 2024, section 334.01, subdivision 2, is amended to read:

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

Sec. 11. **CERTAIN COMPLIANCE OPTIONAL.**

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

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

ARTICLE 3

INSURANCE

Section 1. Minnesota Statutes 2024, section 60A.201, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2024, section 62A.65, subdivision 1, is amended to read:

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

Sec. 4. Minnesota Statutes 2024, section 62A.65, subdivision 2, is amended to read:

Subd. 2. **Guaranteed renewal.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier ~~must not refuse~~ is prohibited from refusing to renew

~~an~~ a Minnesota resident's individual health plan~~, except for nonpayment of premiums, fraud, or misrepresentation.~~ unless:

(1) the enrollee has failed to pay premiums in accordance with the health plan's terms, including any timeliness requirements;

(2) the enrollee has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the health plan's terms;

(3) the enrollee no longer lives in the area where the issuer is authorized to operate;

(4) a health carrier discontinues an individual health plan under subdivision 2a; or

(5) a health carrier discontinues issuing new individual health plans and refuses to renew all of the health carrier's existing individual health plans issued in Minnesota as provided under subdivision 8.

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

Subd. 2a. **Discontinuing individual health plan.** (a) In order to discontinue a particular type of individual health plan in Minnesota for purposes of subdivision 2, clause (4), a health carrier must:

(1) provide written notice to the commissioner that approves the individual health plan's policy forms and filings, in a form and manner approved by the commissioner, regarding the health carrier's intent to discontinue a particular type of individual health plan in Minnesota. The notice must be provided no later than May 1 of the year before the date the individual health plan intends to discontinue the particular type of individual health plan;

(2) provide written notice to each individual enrolled in the individual health plan no later than 90 days before the date the coverage is discontinued;

(3) offer to each individual covered by the individual health plan that the health carrier intends to discontinue the option to purchase on a guaranteed issue basis any other individual health plan currently offered by the health carrier for individuals in the individual market; and

(4) act uniformly without regard to any health status factor of a covered individual or a dependent of a covered individual who may become eligible for coverage.

(b) Subject to paragraph (d), the commissioner may disapprove a health carrier discontinuing a particular type of individual health plan within 60 days after receiving notice under paragraph (a) if the commissioner determines discontinuing the plan is not in Minnesota policyholders' best interest. When making the determination under this paragraph, the commissioner may consider the plan's enrollment size, the availability of comparable individual health plan options offered by the health carrier in Minnesota, or any other factor the commissioner deems relevant.

(c) A health carrier may appeal the commissioner's determination made under paragraph (b) to disapprove the health carrier's plan to discontinue a particular type of individual health plan in Minnesota. An appeal under this paragraph is subject to the contested case procedures under chapter 14 and must be made within 30 days of the date the commissioner makes a written determination under paragraph (b).

(d) A health carrier may discontinue an individual health plan without commissioner approval if the individual health plan is not a catastrophic or platinum-level health plan, as defined in United States Code, title 42, section 18022, and the plan:

(1) has fewer than 25 enrollees; or

(2) is a grandfathered plan, as defined in section 62A.011, subdivision 1b.

Sec. 6. Minnesota Statutes 2024, section 62D.12, subdivision 2, is amended to read:

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

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

Subd. 2a. **Cancellation or nonrenewal notice.** Enrollees shall be given 30 days' notice of any cancellation or nonrenewal, except that: (1) enrollees in a plan terminated under section 62A.65, subdivisions 2, clause (4), and 2a, must receive the 90 days' notice required under section 62A.65, subdivision 2a, paragraph (a), clause (2); and (2) enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, shall receive 90 days' notice as provided under section 62D.121, subdivision 5.

Sec. 8. Minnesota Statutes 2024, section 62D.121, subdivision 1, is amended to read:

Subdivision 1. **Replacement coverage.** When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to ~~make co-payments required by~~ pay premiums as provided by the terms of the health care plan, including timeliness requirements; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Sec. 9. Minnesota Statutes 2024, section 62J.26, subdivision 3, is amended to read:

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

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

(c) If the evaluation of multiple proposals are required, the commissioner must consult with the chairs of the standing legislative committees having jurisdiction over the subject matter of the mandated health benefit proposals to prioritize the evaluations and establish a reporting date for each proposal to be evaluated.

(d) The commissioner must maintain the ability to conduct an evaluation for one mandated health benefit proposal per even-numbered year that is introduced or offered by a legislator who was not seated by the deadline for notification under paragraph (a). The commissioner must conduct an evaluation of the mandated health benefit proposal offered or introduced pursuant to this paragraph in an expedited manner, taking into consideration the complexity of the proposal.

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

Subd. 6. **Adoption of forms.** (a) No later than July 1, 2026, the commissioner of commerce must adopt forms for:

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

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

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

Sec. 11. Minnesota Statutes 2024, section 62Q.73, subdivision 4, is amended to read:

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

Sec. 12. Minnesota Statutes 2024, section 65B.02, subdivision 7, is amended to read:

Subd. 7. **Participation ratio.** "Participation ratio" means the ratio of the member's Minnesota premiums, or other measure of business written approved by the commissioner, in relation to the comparable statewide totals for all members.

(1) For private passenger nonfleet automobile insurance coverages the participation ratio shall be based on voluntary car years written in this state for the calendar year ending December 31 of the second prior year, as reported by the statistical agent of each member as private passenger nonfleet exposures.

(2) For insurance coverages on all other automobiles, including insurance for fleets, commercial vehicles, public vehicles and garages, the ratio shall be based on the total Minnesota gross, direct automobile insurance premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, and less the amount of such premiums reported as received for insurance on private passenger nonfleet vehicles, for the calendar year ending December 31 of the second prior year.

(3) For the purpose of determining each member's responsibility for expenses and assessments to operate the facility, the ratio shall be based on each member's total Minnesota car years and gross, direct premiums written, including both policy and membership fees less return premiums and premiums on policies not taken, without including reinsurance assumed and without deducting reinsurance ceded, for the calendar year ending December 31 of the second prior year, provided, however, that the preliminary determination of each member's responsibility for expenses and assessments may use the calendar year ending December 31 of the third prior year.

Sec. 13. Minnesota Statutes 2024, section 65B.05, is amended to read:

65B.05 POWER OF FACILITY, GOVERNING COMMITTEE.

(a) The facility is authorized to: (1) issue or cause to be issued insurance policies in the name of the Minnesota automobile insurance plan to applicants for the types of insurance available under the plan, subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to the plan; and (3) retain, hire, or appoint an individual or company to perform a function under clause (1) or (2).

(b) The governing committee shall have the power to direct the operation of the facility in all pursuits consistent with the purposes and terms of sections 65B.01 to 65B.12, including but not limited to ~~the following~~:

(1) ~~To sue and be~~ suing and being sued in the name of the facility and ~~to~~ assess each member in accord with its participation ratio to pay any judgment against the facility as an entity, provided, however, that no judgment against the facility shall create any liabilities in one or more members disproportionate to their participation ratio or an individual representing members on the governing committee~~.~~;

(2) ~~To delegate~~ delegating ministerial duties, ~~to hire~~ hiring a manager, and ~~to contract~~ contracting for goods and services from others~~.~~;

(3) ~~To assess~~ assessing members on the basis of participation ratios to cover anticipated costs of operation and administration of the facility~~.~~; and

(4) ~~To impose~~ imposing limitations on cancellation or nonrenewal by members of insureds covered pursuant to placement through the facility in addition to the limitations imposed by chapter 72A and sections 65B.1311 to 65B.21.

Sec. 14. Minnesota Statutes 2024, section 65B.06, subdivision 1, is amended to read:

Subdivision 1. **Distribution of private passenger, nonfleet auto risks.** With respect to private passenger, nonfleet automobiles, the facility shall provide for ~~the equitable distribution of qualified applicants to~~ members to share premium, losses, costs, and expenses in accordance with the participation ratio ~~or among these insurance companies as selected under the provisions of the plan of operation~~.

Sec. 15. Minnesota Statutes 2024, section 65B.06, subdivision 2, is amended to read:

Subd. 2. **Private passenger; nonfleet auto coverage.** With respect to private passenger, nonfleet automobiles, the facility shall provide for the issuance of policies of automobile insurance ~~by members~~ with coverage as follows:

(1) bodily injury liability and property damage liability coverage in the minimum amounts specified in section 65B.49, subdivision 3;

(2) uninsured and underinsured motorist coverages as required by section 65B.49, subdivisions 3a and 4a;

(3) a reasonable selection of higher limits of liability coverage up to $50,000 because of bodily injury to or death of one person in any one accident and, subject to such limit for one person, up to $100,000 because of bodily injury to or death of two or more persons in any one accident, and up to $25,000 because of injury to or destruction of property of others in any one accident, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(4) basic economic loss benefits, as required by section 65B.44, and other optional coverages as recommended by the governing committee and approved by the commissioner; and

(5) automobile physical damage coverage, including coverage of loss by collision, subject to deductible options.

Sec. 16. Minnesota Statutes 2024, section 65B.06, subdivision 3, is amended to read:

Subd. 3. **Other auto coverage.** With respect to all automobiles not included in subdivisions 1 and 2, the facility shall provide:

(1) the minimum limits of coverage required by section 65B.49, subdivisions 2, 3, 3a, and 4a, or higher limits of liability coverage as recommended by the governing committee and approved by the commissioner;

(2) for the equitable ~~distribution of qualified applicants~~ sharing of premium, losses, costs, and expenses for this coverage among the members in ~~accord~~ accordance with the applicable participation ratio~~, or among these insurance companies as selected under the provisions of the plan of operation~~; and

(3) for a school district or contractor transporting school children under contract with a school district, that amount of automobile liability insurance coverage, not to exceed $1,000,000, required by the school district by resolution or contract, or that portion of such $1,000,000 of coverage for which the school district or contractor applies and for which it is eligible under section 65B.10.

Sec. 17. Minnesota Statutes 2024, section 65B.10, subdivision 2, is amended to read:

Subd. 2. **Termination of eligibility.** Eligibility for placement through the facility will terminate if an insured is offered equivalent coverage in the voluntary market at a rate lower than the facility rate. ~~If the member that is required to provide coverage by the facility makes such an offer after giving 30 days' advance written notice to the agent of record before making the offer, the member shall have no further obligation to the agent of record.~~

Sec. 18. Minnesota Statutes 2024, section 72A.20, is amended by adding a subdivision to read:

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

Sec. 19. **APPLICATION OF MINNESOTA STATUTES, SECTION 65A.3025.**

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

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

Sec. 20. **TASK FORCE ON HOMEOWNERS AND COMMERCIAL PROPERTY INSURANCE.**

Subdivision 1. **Establishment.** A task force is established to evaluate issues and provide recommendations relating to insurance affordability of single-family housing, common interest communities, and multifamily rental housing and for preventing disruptions or loss to the development, preservation, and long-term sustainability of Minnesota's housing infrastructure.

Subd. 2. **Membership.** (a) The task force consists of the following:

(1) one member appointed by the commissioner of commerce;

(2) one member appointed jointly by the speaker of the house and the speaker emerita of the house;

(3) one member appointed jointly by the senate majority leader and the senate minority leader;

(4) one member appointed by the Minnesota Consortium of Community Developers;

(5) two members appointed by the Insurance Federation of Minnesota, including one member with expertise in homeowners insurance and one member with expertise in commercial insurance;

(6) one member appointed by Big I Minnesota;

(7) one member appointed by the Minnesota Association of Farm Mutual Insurance Companies;

(8) one member appointed by the Community Associations Institute;

(9) one member appointed by the Contractors Association of Minnesota;

(10) one member appointed by the Minnesota Multi Housing Association;

(11) one member appointed by the Housing Justice Center; and

(12) one member appointed by Ceres with expertise in climate risk mitigation and insurance markets.

(b) The appointing authorities must make the appointments by August 15, 2025.

Subd. 3. **Duties.** (a) The task force must identify recommendations to strengthen and stabilize the homeowners and commercial property insurance industry.

(b) The task force must consult with the commissioner of the Housing Finance Agency, the commissioner of employment and economic development, other relevant state and local agencies, and key stakeholders in the insurance and housing industries.

(c) The task force must review:

(1) risk mitigation and property resilience to natural hazards, and the effect on insurance costs;

(2) the effect of liability laws on insurance costs and whether tort reform could reduce costs;

(3) minimum notice for coverage changes, including enforcement and oversight;

(4) public reporting of aggregated data relating to insurance plan costs and coverage;

(5) the reinsurance market for homeowners and commercial property insurance;

(6) the current state-supported insurance program and the potential to expand the program to include a catastrophic reinsurance fund and a self-insured pool;

(7) factors that increase claim costs, including but not limited to post-loss contractors, fraudulent claims, climate, inflation, and discontinued building materials;

(8) regulatory factors that increase insurance costs or decrease access to insurance products; and

(9) other areas that would strengthen and stabilize the homeowners and commercial property insurance industry.

Subd. 4. **Administration.** The Legislative Coordinating Commission must provide administrative support to the task force. Upon request of the task force, the commissioners of commerce, the Housing Finance Agency, and employment and economic development must provide technical support and expertise.

Subd. 5. **Meetings.** (a) The Legislative Coordinating Commission must ensure the first meeting of the task force convenes no later than September 15, 2025, and must provide accessible physical or virtual meeting space as necessary for the task force to conduct work.

(b) At the first meeting, the task force must elect a chair or cochairs from the members appointed by the house and senate by a majority vote of those members present and may elect a vice-chair as necessary.

(c) The task force must establish a schedule for meetings and must meet as necessary to accomplish the duties under subdivision 3.

(d) The task force is subject to Minnesota Statutes, chapter 13D.

Subd. 6. **Report required.** (a) The task force must submit a report to the commissioners of commerce, the Housing Finance Agency, and employment and economic development and the chairs and ranking minority members of the legislative committees having jurisdiction over the agencies listed in this paragraph by February 15, 2026.

(b) The report must:

(1) summarize the activities of the task force;

(2) provide findings and recommendations adopted by the task force;

(3) make recommendations related to tort reform that could reduce insurance costs;

(4) include any draft legislation required to implement recommendations; and

(5) include other information the task force believes is necessary to report.

Subd. 7. **Expiration.** The task force expires upon submission of the report required under subdivision 6.

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

ARTICLE 4

INSURANCE HOLDING COMPANY SYSTEMS

Section 1. Minnesota Statutes 2024, section 60D.09, is amended by adding a subdivision to read:

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

Sec. 2. Minnesota Statutes 2024, section 60D.15, subdivision 4, is amended to read:

Subd. 4. **Control.** The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with~~,~~ or corporate office held by~~, or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support ~~such~~ the determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 3. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

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

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

Sec. 5. Minnesota Statutes 2024, section 60D.15, is amended by adding a subdivision to read:

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

Sec. 6. Minnesota Statutes 2024, section 60D.15, subdivision 7, is amended to read:

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

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

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

Sec. 8. Minnesota Statutes 2024, section 60D.16, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

Sec. 9. Minnesota Statutes 2024, section 60D.17, subdivision 1, is amended to read:

Subdivision 1. **Filing requirements.** (a) No person other than the issuer shall: (1) make a tender offer for or a request or invitation for tenders of, or enter into any agreement to exchange securities ~~or~~ for, seek

to acquire, or acquire, in the open market or otherwise, any voting security of a domestic insurer if, after the consummation thereof, the person would, directly or indirectly, or by conversion or by exercise of any right to acquire, be in control of the insurer; or (2) enter into an agreement to merge with or otherwise to acquire control of a domestic insurer or any person controlling a domestic insurer unless, at the time the offer, request, or invitation is made or the agreement is entered into, or before the acquisition of the securities if no offer or agreement is involved, the person has filed with the commissioner and has sent to the insurer, a statement containing the information required by this section and the offer, request, invitation, agreement, or acquisition has been approved by the commissioner in the manner prescribed in this section.

(b) For purposes of this section, a controlling person of a domestic insurer seeking to divest its controlling interest in the domestic insurer, in any manner, shall file with the commissioner, with a copy to the insurer, confidential notice of its proposed divestiture at least 30 days before the cessation of control. The commissioner shall determine those instances in which the party or parties seeking to divest or to acquire a controlling interest in an insurer will be required to file for and obtain approval of the transaction.

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

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

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

Sec. 10. Minnesota Statutes 2024, section 60D.18, subdivision 3, is amended to read:

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

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

(c) The waiting period required begins on the date of receipt of the commissioner of a preacquisition notification and ends on the earlier of the 30th day after the date of its receipt, or termination of the waiting

period by the commissioner. Before the end of the waiting period, the commissioner on a onetime basis may require the submission of additional needed information relevant to the proposed acquisition, in which event the waiting period shall end on the earlier of the 30th day after receipt of the additional information by the commissioner or termination of the waiting period by the commissioner.

Sec. 11. Minnesota Statutes 2024, section 60D.19, subdivision 4, is amended to read:

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

Sec. 12. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

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

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

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

(3) an insurance holding company system whose non-United States groupwide supervisor is located within a reciprocal jurisdiction as described in section 60A.092, subdivision 10b, that recognizes the United States state regulatory approach to group supervision and group capital; or

(4) an insurance holding company system:

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

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

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

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

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

Sec. 13. Minnesota Statutes 2024, section 60D.19, is amended by adding a subdivision to read:

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

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

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

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

Sec. 14. **[60D.195] GROUP CAPITAL CALCULATION.**

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

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

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

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

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

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

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

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

(2) the insurance holding company system:

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

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

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

Subd. 3. **Previous exemption; required filing.** For an insurance holding company that has previously met an exemption with respect to the group capital calculation under subdivision 1 or 2, the commissioner may at any time require the ultimate controlling person to file an annual group capital calculation, completed in accordance with the NAIC group capital calculation instructions, if:

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

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

(3) an insurer within the insurance holding company system otherwise exhibits qualities of a troubled insurer, as determined by the commissioner based on unique circumstances, including but not limited to the

type and volume of business written, ownership and organizational structure, federal agency requests, and international supervisor requests.

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

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

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

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

(2) provides confirmation by a competent regulatory authority in the non-United States jurisdiction that information regarding an insurer and the insurer's parent, subsidiary, or affiliated entities, if applicable, must be provided to the commissioner in accordance with a memorandum of understanding or similar document between the commissioner and the non-United States jurisdiction, including but not limited to the International Association of Insurance Supervisors Multilateral Memorandum of Understanding or other multilateral memoranda of understanding coordinated by the NAIC. The commissioner must determine, in consultation with the NAIC committee process, if the information sharing agreement requirements are effective.

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

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

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

(d) Upon a determination by the commissioner that a non-United States jurisdiction no longer meets one or more of the requirements to recognize and accept the group capital calculation, the commissioner

may provide a recommendation to the NAIC that the non-United States jurisdiction be removed from the list of jurisdictions that recognize and accept the group capital calculation.

Sec. 15. Minnesota Statutes 2024, section 60D.20, subdivision 1, is amended to read:

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

(1) the terms shall be fair and reasonable;

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

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

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

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

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

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

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

restrict the use of the data by the affiliate if the affiliate is not operating the insurer's business. The affiliate must provide a waiver of any landlord lien or other encumbrance to provide the insurer access to all records and data in the event the affiliate defaults under a lease or other agreement; and

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

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

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

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

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

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

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

(6) direct or indirect acquisitions or investments in a person that controls the insurer or in an affiliate of the insurer in an amount which, together with its present holdings in the investments, exceeds 2-1/2 percent of the insurer's surplus to policyholders. Direct or indirect acquisitions or investments in subsidiaries acquired

pursuant to section 60D.16, as otherwise authorized under this chapter, or in nonsubsidiary insurance affiliates that are subject to the provisions of sections 60D.15 to 60D.29, are exempt from this requirement; and

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

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

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

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

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

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

Sec. 16. Minnesota Statutes 2024, section 60D.217, is amended to read:

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

(a) The commissioner is authorized to act as the groupwide supervisor for any internationally active insurance group in accordance with the provisions of this section. However, the commissioner may otherwise acknowledge another regulatory official as the groupwide supervisor where the internationally active insurance group:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) governance, risk assessment, and management;

(ii) capital adequacy; and

(iii) material intercompany transactions;

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

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2024, section 60D.22, subdivision 1, is amended to read:

Subdivision 1. **Classification protection and use of information by commissioner.** (a) Documents, materials, or other information in the possession or control of the department that are obtained by or disclosed to the commissioner or any other person in the course of an examination or investigation made pursuant to section 60D.21 and all information reported pursuant to sections 60D.17, except as provided in section 60D.17, subdivision 1, paragraph (e); 60D.18; 60D.19; ~~and~~ 60D.20~~,~~; and 60D.217, are classified as confidential or protected nonpublic or both, are not subject to subpoena, and are not subject to discovery or admissible in evidence in a private civil action. However, the commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's official duties. The commissioner shall not otherwise make the documents, materials, or other information public without the prior written consent of the insurer to which it pertains unless the commissioner, after giving the insurer and its affiliates who would be affected by this action notice and opportunity to be heard, determines that the interest of policyholders, shareholders, or the public ~~will be~~ is served by the publication of it, in which event the commissioner may publish all or any part in the manner the commissioner deems appropriate.

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

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

Sec. 18. Minnesota Statutes 2024, section 60D.22, subdivision 3, is amended to read:

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

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

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

(3) may receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information from the NAIC and ~~its~~ the NAIC's affiliates and subsidiaries and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and shall maintain as confidential, protected nonpublic, or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and

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

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

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

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

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

~~(iv)~~ (v) require the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner to consent to intervention by an insurer in any judicial or administrative action in which the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner may be required to disclose confidential or protected nonpublic information about the insurer shared with the NAIC ~~and its affiliates and subsidiaries~~ or a third-party consultant designated by the commissioner pursuant to sections 60D.15 to 60D.29~~.~~; and

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

Sec. 19. Minnesota Statutes 2024, section 60D.22, subdivision 6, is amended to read:

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

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

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

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

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

Sec. 21. Minnesota Statutes 2024, section 60D.24, subdivision 2, is amended to read:

Subd. 2. **Voting of securities; when prohibited.** No security that is the subject of any agreement or arrangement regarding acquisition, or that is acquired or to be acquired, in contravention of the provisions of this chapter or of any rule or order issued by the commissioner may be voted at any shareholder's meeting,

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

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

60D.25 RECEIVERSHIP.

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

Sec. 23. Minnesota Statutes 2024, section 62D.221, is amended by adding a subdivision to read:

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

ARTICLE 5

MEDICARE SUPPLEMENT INSURANCE

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

Subd. 1b. **Preexisting condition coverage.** (a) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage.

(b) The policy must cover preexisting conditions if the insured meets the requirements under subdivision 1r, paragraph (c).

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

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

Subd. 1f. **Suspension based on entitlement to medical assistance.** (a) The policy or certificate must provide that benefits and premiums under the policy or certificate shall be suspended for any period that may be provided by federal regulation at the request of the policyholder or certificate holder for the period, not to exceed 24 months, in which the policyholder or certificate holder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder

or certificate holder notifies the issuer of the policy or certificate within 90 days after the date the individual becomes entitled to this assistance.

(b) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy or certificate shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder or certificate holder provides notice of loss of the entitlement within 90 days after the date of the loss and pays the premium attributable to the period, effective as of the date of termination of entitlement.

(c) The policy must provide that upon reinstatement (1) there is no waiting period if the enrollee meets the requirements under subdivision 1r, paragraph (c), with respect to treatment of preexisting conditions, (2) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension. If the suspended policy provided coverage for outpatient prescription drugs, reinstitution of the policy for Medicare Part D enrollees must be without coverage for outpatient prescription drugs and must otherwise provide coverage substantially equivalent to the coverage in effect before the date of suspension, and (3) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended.

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

Sec. 3. Minnesota Statutes 2024, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. **Limitations on denials, conditions, and pricing of coverage.** (a) No health carrier issuing Medicare-related coverage in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any such coverage available for sale in this state, nor may it discriminate in the pricing of such coverage, because of the health status, claims experience, receipt of health care, medical condition, or age of an applicant where an application for such coverage is submitted: (1) prior to or during the six-month period beginning with the first day of the month in which an individual first enrolled for benefits under Medicare Part B; or (2) during the open enrollment period. if the applicant:

(i) is age 65 to 70 and the applicant is applying for coverage during the open enrollment period for the first time; and

(ii) meets the requirements under subdivision 1r, paragraph (c).

(b) Notwithstanding paragraph (a), the premium increases permitted under subdivision 1r are allowed.

(c) This subdivision applies to each Medicare-related coverage offered by a health carrier regardless of whether the individual has attained the age of 65 years.

(d) If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for another six-month enrollment period provided under this subdivision beginning the first day of the month in which the individual later becomes eligible for and enrolls again in Medicare Part B and during the open enrollment period. An individual who is or was previously enrolled in Medicare Part B due to disability status is eligible for another six-month enrollment period under this subdivision beginning the first day of the month in which the individual has attained the age of 65 years and either maintains enrollment in, or enrolls again in, Medicare Part B ~~and during the open enrollment period~~. If an individual enrolled in Medicare Part B voluntarily disenrolls from Medicare Part B because the individual becomes enrolled under an employee welfare benefit plan, the individual is eligible for another six-month enrollment period, as provided in this subdivision, beginning the first day of the month

in which the individual later becomes eligible for and enrolls again in Medicare Part B ~~and during the open enrollment period~~.

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

Sec. 4. Minnesota Statutes 2024, section 62A.31, subdivision 1p, is amended to read:

Subd. 1p. **Renewal or continuation provisions.** (a) Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy or certificate, and shall include any reservation by the issuer of the right to change premiums. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy or certificate, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy or certificate after the date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy or certificate shall require a signed acceptance by the insured. After the date of policy or certificate issue, a rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy or certificate term shall be agreed to in writing and signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy, declaration page, or certificate. If a Medicare supplement policy or certificate contains limitations with respect to preexisting conditions, the limitations must appear as a separate paragraph of the policy or certificate and be labeled as "preexisting condition limitations."

(b) Issuers of accident and sickness policies or certificates that provide hospital or medical expense coverage on an expense incurred or indemnity basis to persons eligible for Medicare shall provide to those applicants a "Guide to Health Insurance for People with Medicare" in the form developed by the Centers for Medicare and Medicaid Services and in a type size no smaller than 12-point type. Delivery of the guide must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this section and section 62A.3099. Except in the case of direct response issuers, delivery of the guide must be made to the applicant at the time of application, and acknowledgment of receipt of the guide must be obtained by the issuer. Direct response issuers shall deliver the guide to the applicant upon request, but no later than the time at which the policy is delivered.

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

Sec. 5. Minnesota Statutes 2024, section 62A.31, subdivision 1r, is amended to read:

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

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

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

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

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

(4) for coverage that supplements Medicare, premium increases on an individual who enrolls in a Medicare supplement policy outside of the individual's initial enrollment period in Medicare Part B. This paragraph does not apply to individuals who enroll in a Medicare supplement policy pursuant to subdivision 1u, paragraph (b), clauses (1) to (8). The increases described in paragraph (c) apply each year an individual is enrolled in a Medicare supplement policy and are in addition to any standard increases in community rate.

(c) The premium increases permitted under paragraph (b), clause (4):

(1) apply to an individual age 65 to 70;

(2) apply to an individual who enrolls in a Medicare supplement policy pursuant to subdivision 1h, paragraph (a), clause (2);

(3) apply only the first time the individual enrolls;

(4) apply for the duration of time the policy is in force; and

(5) must equal:

(i) for an individual who enrolls during the 2026 open enrollment period, 15 percent;

(ii) for an individual who enrolls during the 2027 open enrollment period, 20 percent;

(iii) for an individual who enrolls during the 2028 open enrollment period, 25 percent;

(iv) for an individual who enrolls during the 2029 open enrollment period, 30 percent;

(v) for an individual who enrolls during the 2030 open enrollment period, 35 percent; and

(vi) for an individual who enrolls during an open enrollment period after 2029, 35 percent.

If an individual age 65 to 70 enrolls in a subsequent Medicare supplement policy that is not a replacement or renewal, the individual is not subject to the premium increases as described in paragraph (b), clause (4).

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

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

~~premium adjustment attributable to medical cost inflation or any other lawful factor and is intended to describe only the premium difference attributable to the transition to the community rate; and~~

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

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

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

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

Sec. 6. Minnesota Statutes 2024, section 62A.31, subdivision 1u, is amended to read:

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

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

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

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

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

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

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

timely basis or has engaged in disruptive behavior as specified in standards under section 1856 of the federal Social Security Act, United States Code, title 42, section 1395w-26), or the plan is terminated for all individuals within a residence area;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) ~~For all individuals described in paragraph (b), the open enrollment period is a guaranteed issue period.~~ For an individual described in paragraph (b), clause (9), the guarantee issue period is the open enrollment period.

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

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

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

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

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

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

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

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

(3) paragraph (b), clause (6), is any Medicare supplement policy offered by any issuer;

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

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

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

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

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

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

Sec. 7. Minnesota Statutes 2024, section 62A.31, subdivision 4, is amended to read:

Subd. 4. **Prohibited policy provisions.** (a) A Medicare supplement policy or certificate in force in the state shall not contain benefits that duplicate benefits provided by Medicare or contain exclusions on coverage that are more restrictive than those of Medicare. Duplication of benefits is permitted to the extent permitted under subdivision 1s, paragraph (a), for benefits provided by Medicare Part D.

(b) No Medicare supplement policy or certificate may use waivers to exclude, limit, or reduce coverage or benefits for specifically named or described preexisting diseases or physical conditions, except as permitted under subdivision 1h.

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

Sec. 8. Minnesota Statutes 2024, section 62A.44, subdivision 2, is amended to read:

Subd. 2. **Questions.** (a) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant has another Medicare supplement or other health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and agent containing the questions and statements may be used.

"(1) You do not need more than one Medicare supplement policy or certificate.

(2) If you purchase this policy, you may want to evaluate your existing health coverage and decide if you need multiple coverages.

(3) You may be eligible for benefits under Medicaid and may not need a Medicare supplement policy or certificate.

(4) The benefits and premiums under your Medicare supplement policy or certificate can be suspended, if requested, during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be reinstated if requested within 90 days of losing Medicaid eligibility.

(5) Counseling services may be available in Minnesota to provide advice concerning medical assistance through state Medicaid, Qualified Medicare Beneficiaries (QMBs), and Specified Low-Income Medicare Beneficiaries (SLMBs).

To the best of your knowledge:

(1) Do you have another Medicare supplement policy or certificate in force?

(a) If so, with which company?

(b) If so, do you intend to replace your current Medicare supplement policy with this policy or certificate?

(2) Do you have any other health insurance policies that provide benefits which this Medicare supplement policy or certificate would duplicate?

(a) If so, please name the company.

(b) What kind of policy?

(3) Are you covered for medical assistance through the state Medicaid program? If so, which of the following programs provides coverage for you?

(a) Specified Low-Income Medicare Beneficiary (SLMB),

(b) Qualified Medicare Beneficiary (QMB), or

(c) full Medicaid Beneficiary?"

(b) Agents shall list any other health insurance policies they have sold to the applicant.

(1) List policies sold that are still in force.

(2) List policies sold in the past five years that are no longer in force.

(c) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer on delivery of the policy or certificate.

(d) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the agent, except where the coverage is sold without an agent, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy or certificate the notice regarding replacement of Medicare supplement coverage.

(e) The notice required by paragraph (d) for an issuer shall be provided in substantially the following form in no less than 12-point type:

"NOTICE TO APPLICANT REGARDING REPLACEMENT

OF MEDICARE SUPPLEMENT INSURANCE

(Insurance company's name and address)

SAVE THIS NOTICE! IT MAY BE IMPORTANT TO YOU IN THE FUTURE.

According to (your application) (information you have furnished), you intend to terminate existing Medicare supplement insurance and replace it with a policy or certificate to be issued by (Company Name) Insurance Company. Your new policy or certificate will provide 30 days within which you may decide without cost whether you desire to keep the policy or certificate.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. If, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision you should terminate your present Medicare supplement policy. You should evaluate the need for other accident and sickness coverage you have that may duplicate this policy.

STATEMENT TO APPLICANT BY ISSUER, AGENT, (BROKER OR OTHER REPRESENTATIVE): I have reviewed your current medical or health insurance coverage. To the best of my knowledge this Medicare supplement policy will not duplicate your existing Medicare supplement policy because you intend to terminate the existing Medicare supplement policy. The replacement policy or certificate is being purchased for the following reason(s) (check one):

..... Additional benefits

..... No change in benefits, but lower premiums

..... Fewer benefits and lower premiums

..... Other (please specify)

.....

.....

.....

(1) Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy or certificate. This could result in denial or delay of a claim for benefits under the new policy or certificate, whereas a similar claim might have been payable under your present policy or certificate.

(2) State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent the time was spent (depleted) under the original policy or certificate.

(3) If you still wish to terminate your present policy or certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy or certificate had never been in force. After the application has been completed and before you sign it,

review it carefully to be certain that all information has been properly recorded. (If the policy or certificate is guaranteed issue, this paragraph need not appear.)

Do not cancel your present policy or certificate until you have received your new policy or certificate and you are sure that you want to keep it.

.....

(Signature of Agent, Broker, or Other Representative)*

.....

(Typed Name and Address of Issuer, Agent, or Broker)

.....

(Date)

.....

(Applicant's Signature)

.....

(Date)

*Signature not required for direct response sales."

(f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

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

Sec. 9. **REPEALER.**

Laws 2023, chapter 57, article 2, sections 13, as amended by Laws 2024, chapter 114, article 6, section 7; and 66, as amended by Laws 2025, chapter 20, section 290, are repealed.

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

ARTICLE 6

REINSURANCE

Section 1. Minnesota Statutes 2024, section 60A.052, subdivision 1, is amended to read:

Subdivision 1. **Grounds.** The commissioner may by order take any or all of the following actions: (a) deny, suspend, or revoke a certificate of authority; (b) censure the insurance company; (c) impose a civil penalty as provided for in section 45.027, subdivision 6; or (d) under a written agreement with the insurance company based upon the company's financial condition, impose conditions or restrictions on the insurance company's authority to transact business in Minnesota. In order to take this action the commissioner must find that the order is in the public interest, and the insurance company:

(1) has a board of directors or principal management that is incompetent, untrustworthy, or so lacking in insurance company managerial experience as to make its operation hazardous to policyholders, its stockholders, or to the insurance buying public;

(2) is controlled directly or indirectly through ownership, management, reinsurance transactions, or other business relations by any person or persons whose business operations are or have been marked by manipulation of any assets, reinsurance, or accounts as to create a hazard to the company's policyholders, stockholders, or the insurance buying public;

(3) is in an unsound or unsafe condition;

(4) has the actual liabilities that exceed the actual funds of the company;

(5) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it was made, contained any misrepresentation or was false, misleading, or fraudulent;

(6) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, or similar conduct;

(7) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(8) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(9) has had a certificate of authority denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state;

(10) agents, officers, or directors refuse to submit to examination or perform any related legal obligation; ~~or~~

(11) has violated or failed to comply with, any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters; or

(12) has failed to pay the assessment imposed under section 62E.23, subdivision 1a.

Sec. 2. Minnesota Statutes 2024, section 62E.21, is amended by adding a subdivision to read:

Subd. 2a. **Assessment.** "Assessment" means the amount a group health carrier must pay to the association under section 62E.23, subdivision 1a.

Sec. 3. Minnesota Statutes 2024, section 62E.21, is amended by adding a subdivision to read:

Subd. 8a. **Group health carrier.** "Group health carrier" means any of the following that offer a group health plan, as defined in section 62A.011, subdivision 1c:

(1) an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance, as defined in section 62A.01;

(2) a nonprofit health service plan corporation operating under chapter 62C; or

(3) a health maintenance organization operating under chapter 62D.

Sec. 4. Minnesota Statutes 2024, section 62E.23, is amended by adding a subdivision to read:

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

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

(c) By June 30, 2028, the association must notify each group health carrier of the carrier's assessment amount under paragraph (a). The association must determine each carrier's assessment amount, in consultation with the commissioner, based on the group health carrier's portion of the total premiums for group health plans written in Minnesota for benefit year 2027. The association must establish the assessment amount for each group health plan so that the aggregate assessment amount collected from group health plans under this subdivision equals the amount necessary for the appropriations and transfers under section 62E.25, subdivision 1.

(d) Subject to paragraph (e), each group health carrier must pay the assessment under paragraph (a) to the association by August 1, 2028. A group health plan must pay the assessment in the manner determined by the commissioner.

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

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

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

Sec. 5. Minnesota Statutes 2024, section 62E.23, subdivision 2, is amended to read:

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

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

(2) will increase participation in the individual market;

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

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

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

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

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

~~(6)~~ (8) take into account the total amount available to fund the plan.

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

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

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

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

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

Sec. 6. Minnesota Statutes 2024, section 62E.23, subdivision 3, is amended to read:

Subd. 3. **Operation.** (a) The board shall propose to the commissioner the payment parameters for the next benefit year by January 15 of the year before the applicable benefit year. The commissioner shall approve or reject the payment parameters no later than 14 days following the board's proposal. If the commissioner fails to approve or reject the payment parameters within 14 days following the board's proposal, the proposed payment parameters are final and effective.

(b) If the amount in the premium security plan account in section 62E.25, subdivision 1, is not anticipated to be adequate to fully fund the approved payment parameters as of July 1 of the year before the applicable benefit year, the board, in consultation with the commissioner and the commissioner of management and budget, shall propose payment parameters within the available appropriations or, for benefit year 2027, assess group health carriers to obtain the necessary funding. The commissioner must permit an eligible health carrier to revise an applicable rate filing based on the final payment parameters for the next benefit year.

(c) Notwithstanding paragraph (a), the payment parameters for benefit years 2023 through 2027 are:

(1) an attachment point of $50,000;

(2) a coinsurance rate of 80 percent; and

(3) a reinsurance cap of $250,000.

Sec. 7. Minnesota Statutes 2024, section 62E.23, is amended by adding a subdivision to read:

Subd. 5a. **Group health carrier records; audit.** (a) A group health carrier must maintain documents and records, whether paper, electronic, or in other media, sufficient to substantiate the amount assessed, paid, or deferred under subdivision 1a. The documents and records must be maintained for at least six years. A group health carrier must make documents and records maintained under this subdivision available to the commissioner upon the commissioner's request.

(b) Effective January 1, 2028, the association may have a group health carrier audited to assess the carrier's compliance with this section. The group health carrier must ensure that the group health carrier's contractors, subcontractors, and agents cooperate with any audit under this paragraph.

Sec. 8. Minnesota Statutes 2024, section 62E.24, subdivision 1, is amended to read:

Subdivision 1. **Accounting.** The board must keep an accounting for each benefit year of all:

(1) funds appropriated for reinsurance payments and administrative and operational expenses;

(2) requests for reinsurance payments received from eligible health carriers;

(3) for benefit year 2027, assessments collected and deferred under section 62E.23, subdivision 1a;

~~(3)~~ (4) reinsurance payments made to eligible health carriers; and

~~(4)~~ (5) administrative and operational expenses incurred for the plan.

Sec. 9. Minnesota Statutes 2024, section 62E.24, subdivision 2, is amended to read:

Subd. 2. **Reports.** (a) The board must submit to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over commerce and health and make available to the public quarterly reports on plan operations and an annual report summarizing the plan operations for each benefit year. All reports must be made public by posting the report on the Minnesota Comprehensive Health Association website. The annual summary must be made available by November 1 of the year following the applicable benefit year or 60 calendar days following the final disbursement of reinsurance payments for the applicable benefit year, whichever is later.

(b) The reports must include information about:

(1) the reinsurance parameters used;

(2) the metal levels affected;

(3) the number of claims payments estimated and submitted for payment per products offered on-exchange and off-exchange and per eligible health carrier;

(4) the estimated reinsurance payments by plan type based on carrier-submitted templates;

(5) funds appropriated for reinsurance payments and administrative and operational expenses for each year, including: (i) the federal and state contributions received~~,~~; (ii) investment income~~,~~; (iii) for benefit year 2027, assessments collected under section 62E.23, subdivision 1a; and (iv) any other revenue or funds received;

(6) the total amount of reinsurance payments made to each eligible health carrier; and

(7) administrative and operational expenses incurred for the plan, including the total amount incurred and as a percentage of the plan's operational budget.

Sec. 10. Minnesota Statutes 2024, section 62E.25, subdivision 1, is amended to read:

Subdivision 1. **Premium security plan account.** (a) The premium security plan account is created in the special revenue fund of the state treasury.

(b) Funds in the account are appropriated annually to the commissioner of commerce for grants to the Minnesota Comprehensive Health Association for the operational and administrative costs and reinsurance payments relating to the ~~start-up and~~ operation of the Minnesota premium security plan. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the premium security plan account shall be credited to the premium security plan account.

(c) The commissioner of commerce must annually transfer the amount determined by the association under section 62E.23, subdivision 2, paragraph (a), clause (7), from the premium security plan account to the MNsure account established in section 62V.07.

(d) Federal funds received for the Minnesota premium security plan must not be used for the transfer under paragraph (c).

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

Sec. 11. Minnesota Statutes 2024, section 62V.06, subdivision 5, is amended to read:

Subd. 5. **Data sharing.** (a) MNsure may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that MNsure must enter into a data-sharing agreement with the agency prior to sharing data under this clause; ~~and~~

(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in MNsure, provided that MNsure must enter into a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause~~.~~; and

(6) with the Department of Revenue, as necessary, to implement the reinsurance credit under section 297I.20.

(b) MNsure may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of MNsure, provided that MNsure must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of MNsure, provided that MNsure must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of MNsure in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennessen warning required by section 13.04, subdivision 2.

(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in MNsure with MNsure, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a MNsure participant. The agency must enter into a data-sharing agreement with MNsure prior to sharing any data under this paragraph.

EFFECTIVE DATE. This section is effective January 1, 2029.

Sec. 12. Minnesota Statutes 2024, section 297I.20, is amended by adding a subdivision to read:

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

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

Sec. 13. Minnesota Statutes 2024, section 297I.40, is amended by adding a subdivision to read:

Subd. 2a. **Special provision; reinsurance credit.** The credit allowed under section 297I.20, subdivision 7, is not allowed for purposes of determining the amount of the required March and June installments in calendar year 2029. For the September and December required installments in calendar year 2029 and for all installments thereafter, the installments may be reduced, but not to an amount less than zero, by the entire amount of the credit allowed. A taxpayer may claim a refund of the amount of credit allowed under section

297I.20, subdivision 7, remaining after the December required installment. The credit must be claimed in the form and manner prescribed by the commissioner.

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

Sec. 14. **PREMIUM SECURITY PLAN ACCOUNT; TRANSFER.**

(a) The commissioner of management and budget must transfer $145,000,000 in fiscal year 2026 from the health care access fund under Minnesota Statutes, section 16A.724, subdivision 1, to the premium security plan account under Minnesota Statutes, section 62E.25, subdivision 1. This is a onetime transfer.

(b) Money transferred under paragraph (a) that remains unspent by August 31, 2027, cancels to the health care access fund under Minnesota Statutes, section 16A.724, subdivision 1.

Sec. 15. **TRANSFER FOR REINSURANCE CREDIT.**

Subdivision 1. **Notice of credit amount.** By June 1, 2030, the commissioner of revenue must notify the commissioner of management and budget of the amount of the credit under section 297I.20, subdivision 7, attributable to the tax imposed under section 297I.05, subdivision 5.

Subd. 2. **Transfer.** By June 30, 2030, the commissioner of management and budget must transfer the amount established under subdivision 1 from the general fund to the health care access fund. This is a onetime transfer.

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

ARTICLE 7

COMMERCE AND CONSUMER PROTECTION POLICY

Section 1. Minnesota Statutes 2024, section 41A.09, subdivision 2a, is amended to read:

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

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-04a~~ D4806-21a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located

in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.

Sec. 2. **[45.0137] COMMON INTEREST COMMUNITY OMBUDSPERSON.**

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

(b) "Association" means an association of apartment owners, as defined in section 515.02, subdivision 5, an association, as defined in section 515A.1-103, clause (3), and association as defined in section 515B.1-103, clause (4).

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

(d) "Governing documents" means a common interest community's declaration, articles of incorporation, bylaws, and any amendments to a common interest community's declaration, articles of incorporation, or bylaws.

(e) "Unit owner" means an apartment owner, as defined in section 515.02, subdivision 3, a unit owner under section 515A.1-103, clause (20), and a unit owner, as defined in section 515B.1-103, clause (37).

Subd. 2. **Establishment.** (a) A common interest community ombudsperson position is established within the Department of Commerce to:

(1) assist unit owners, unit owners' tenants, and associations in understanding the rights each possesses under chapter 515B and the applicable governing documents; and

(2) facilitate the resolution of disputes between unit owners and associations.

(b) The ombudsperson is appointed by the commissioner and serves in the unclassified service.

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

Subd. 4. **Duties.** (a) The ombudsperson must execute the duties under subdivision 2, paragraph (a), by taking the following actions:

(1) creating plain language explanations of common provisions in governing documents; and

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

(b) Upon the request of a unit owner or an association, the ombudsperson may provide informal mediation services in disputes concerning chapter 515B and governing documents, except where:

(1) a complaint based on the same dispute is pending in a judicial or administrative proceeding;

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

(3) the association notifies the ombudsperson that an order under section 609.748 is in effect against the unit owner.

(c) The ombudsperson must compile and analyze complaints received to identify issues and trends.

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

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

(2) a plain language explanation of common provisions of governing documents;

(3) information regarding the services provided by the common interest community ombudsperson, including assistance with dispute resolution;

(4) information and referrals regarding alternative dispute resolution methods and programs, and resources regarding the rights and responsibilities of unit owners and associations; and

(5) any other information that the ombudsperson determines is useful to unit owners, their tenants, associations, and common interest community property management companies.

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

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

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

Subd. 7. **Data.** Data identifying a unit owner, an association, a unit owner's tenant, or a common interest community that are collected, created, or maintained by the office of the ombudsperson under this section are private data on individuals or nonpublic data.

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

Sec. 3. Minnesota Statutes 2024, section 45.027, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

(9) issue data calls.

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

Sec. 4. Minnesota Statutes 2024, section 45.027, is amended by adding a subdivision to read:

Subd. 1b. **Data calls.** (a) Information provided in response to a data call issued by the commissioner: (1) must be treated as nonpublic data, as defined under section 13.02, subdivision 9; and (2) is not subject to subpoena. If the commissioner performs a data call, the commissioner may make the results available for public inspection in an aggregated format and in a manner that does not disclose the identity of a specific natural person or entity, including the name of any natural person or entity who responded to the data call. Prior to making the aggregated results of a data call available for public inspection, the commissioner must provide all natural persons and entities that responded to the data call 15 days' notice of the information to be publicly released. Nothing in this subdivision requires the commissioner to publicly release aggregated results from a data call. The results of a data call that requests data for the National Association of Insurance Commissioners' Market Conduct Annual Statement is subject to confidential treatment under section 60A.031, subdivision 4, paragraph (f).

(b) The commissioner may grant access to data submitted by insurers in response to a data call issued by the commissioner with other state, federal, and international regulatory agencies; with the National Association of Insurance Commissioners and its affiliates and subsidiaries; and with state, federal, and international law enforcement authorities if the recipient agrees in writing to maintain the data as nonpublic data and has the legal authority to maintain the data as nonpublic data.

Sec. 5. Minnesota Statutes 2024, section 45.027, subdivision 2, is amended to read:

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

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

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

(2) pursuant to court order.

Sec. 6. Minnesota Statutes 2024, section 45.24, is amended to read:

45.24 LICENSE TECHNOLOGY FEES.

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

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

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

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

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

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

Sec. 7. Minnesota Statutes 2024, section 80A.58, is amended to read:

80A.58 SECTION 403; INVESTMENT ADVISER REGISTRATION REQUIREMENT AND EXEMPTIONS.

(a) **Registration requirement.** It is unlawful for a person to transact business in this state as an investment adviser or investment adviser representative unless the person is registered under this chapter or is exempt from registration under subsection (b).

(b) **Exemptions from registration.** The following persons are exempt from the registration requirement of subsection (a):

(1) any person whose only clients in this state are:

(A) federal covered investment advisers, investment advisers registered under this chapter, or broker-dealers registered under this chapter;

(B) bona fide preexisting clients whose principal places of residence are not in this state if the investment adviser is registered under the securities act of the state in which the clients maintain principal places of residence; or

(C) any other client exempted by rule adopted or order issued under this chapter;

(2) a person without a place of business in this state if the person has had, during the preceding 12 months, not more than five clients that are resident in this state in addition to those specified under paragraph (1);

(3) A private fund ~~advisor~~ adviser, subject to the additional requirements of subsection (c), if the private fund adviser satisfies each of the following conditions:

(i) neither the private fund adviser nor any of its advisory affiliates are subject to a disqualification as described in Rule 262 of SEC Regulation A, Code of Federal Regulations, title 17, section 230.262;

(ii) the private fund adviser files with the state each report and amendment thereto that an exempt reporting adviser is required to file with the Securities and Exchange Commission pursuant to SEC Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4; ~~or~~ and

(iii) the private fund adviser pays the fees under section 80A.65, subdivision 2b; or

(4) any other person exempted by rule adopted or order issued under this chapter.

(c) **Additional requirements for private fund advisers to certain 3(c)(1) funds.** In order to qualify for the exemption described in subsection (b)(3), a private fund adviser who advises at least one 3(c)(1) fund that is not a venture capital fund shall, in addition to satisfying each of the conditions specified in subsection (b)(3), comply with the following requirements:

(1) The private fund adviser shall advise only those 3(c)(1) funds, other than venture capital funds, whose outstanding securities, other than short-term paper, are beneficially owned entirely by persons who, after deducting the value of the primary residence from the person's net worth, would each meet the definition of a qualified client in SEC Rule 205-3, Code of Federal Regulations, title 17, section 275.205-3, at the time the securities are purchased from the issuer;

(2) At the time of purchase, the private fund adviser shall disclose the following in writing to each beneficial owner of a 3(c)(1) fund that is not a venture capital fund:

(i) all services, if any, to be provided to individual beneficial owners;

(ii) all duties, if any, the investment adviser owes to the beneficial owners; and

(iii) any other material information affecting the rights or responsibilities of the beneficial owners; and

(3) The private fund adviser shall obtain on an annual basis audited financial statements of each 3(c)(1) fund that is not a venture capital fund and shall deliver a copy of such audited financial statements to each beneficial owner of the fund.

(d) **Federal covered investment advisers.** If a private fund adviser is registered with the Securities and Exchange Commission, the adviser shall not be eligible for the private fund adviser exemption under paragraph (b), clause (3), and shall comply with the state notice filing requirements applicable to federal covered investment advisers in section 80A.58.

(e) **Investment adviser representatives.** A person is exempt from the registration requirements of section 80A.58, paragraph (a), if he or she is employed by or associated with an investment adviser that is exempt from registration in this state pursuant to the private fund adviser exemption under paragraph (b), clause (3), and does not otherwise engage in activities that would require registration as an investment adviser representative.

(f) **Electronic filings.** The report filings described in subsection (b)(3)(ii) shall be made electronically through the IARD. A report shall be deemed filed when the report and the fee required by sections 80A.60 and 80A.65 are filed and accepted by the IARD on the state's behalf.

(g) **Transition.** An investment adviser who becomes ineligible for the exemption provided by this section must comply with all applicable laws and rules requiring registration or notice filing within 90 days from the date of the investment adviser's eligibility for this exemption ceases.

(h) **Grandfathering for investment advisers to 3(c)(1) funds with nonqualified clients.** An investment adviser to a 3(c)(1) fund (other than a venture capital fund) that has one or more beneficial owners who are not qualified clients as described in paragraph (c), clause (1), is eligible for the exemption contained in paragraph (b), clause (3), if the following conditions are satisfied:

(1) the subject fund existed prior to August 1, 2013;

(2) as of August 1, 2013, the subject fund ceases to accept beneficial owners who are not qualified clients, as described in paragraph (c), clause (1);

(3) the investment adviser discloses in writing the information described in paragraph (c), clause (2), to all beneficial owners of the fund; and

(4) as of August 1, 2013, the investment adviser delivers audited financial statements as required by paragraph (c), clause (3).

(i) **Limits on employment or association.** It is unlawful for an investment adviser, directly or indirectly, to employ or associate with an individual to engage in an activity related to investment advice in this state if the registration of the individual is suspended or revoked or the individual is barred from employment or association with an investment adviser, federal covered investment adviser, or broker-dealer by an order under this chapter, the Securities and Exchange Commission, or a self-regulatory organization, unless the investment adviser did not know, and in the exercise of reasonable care could not have known, of the suspension, revocation, or bar. Upon request from the investment adviser and for good cause, the administrator,

by order, may waive, in whole or in part, the application of the prohibitions of this subsection to the investment adviser.

Sec. 8. Minnesota Statutes 2024, section 80A.65, subdivision 2, is amended to read:

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

Sec. 9. Minnesota Statutes 2024, section 80A.65, is amended by adding a subdivision to read:

Subd. 2b. **Private fund adviser filings.** A private fund adviser must pay a $100 filing fee when filing an initial or renewal notice required under section 80A.58.

Sec. 10. Minnesota Statutes 2024, section 80A.66, is amended to read:

80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.

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

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

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

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

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

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

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

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

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

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

(A) the amount of assets under management;

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

(C) counterparty credit risk exposure;

(D) trading and investment positions;

(E) valuation policies and practices of the fund;

(F) types of assets held;

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

(H) trading practices; and

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

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

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

(f) **Custody and discretionary authority bond or insurance.** Subject to Section 15(h) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may require a broker-dealer or investment adviser that has custody of or discretionary authority over funds or securities of a customer

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

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

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

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

Sec. 11. Minnesota Statutes 2024, section 80E.12, is amended to read:

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

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

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

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

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

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

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

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

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

(h) refrain from participation in the management of, investment in, or the acquisition of, any other line of new motor vehicle or related products or establishment of another make or line of new motor vehicles in the same dealership facilities as those of the manufacturer; provided, however, that this clause does not apply unless the new motor vehicle dealer maintains a reasonable line of credit for each make or line of new motor vehicle, and that the new motor vehicle dealer remains in substantial compliance with the terms and conditions of the franchise and with any reasonable facilities requirements of the manufacturer and that the acquisition or addition is not unreasonable in light of all existing circumstances; provided further that if a manufacturer determines to deny a dealer's request for a change described in this paragraph, such denial must be in writing, must offer an analysis of the grounds for the denial addressing the criteria contained in this paragraph, and must be delivered to the new motor vehicle dealer within 60 days after the manufacturer receives the completed application or documents customarily used by the manufacturer for dealer actions described in this paragraph. If a denial that meets the requirements of this paragraph is not sent within this period, the manufacturer shall be deemed to have given its consent to the proposed change.

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

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

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

constituted courts of this state or the United States, if the referral would be binding upon the new motor vehicle dealer~~.~~; or

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

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

Sec. 12. Minnesota Statutes 2024, section 82B.19, subdivision 5, is amended to read:

Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision, the following terms have the meanings given:

(1) "asynchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board; and

(2) "synchronous educational offering" has the meaning given in the most recent version of the Real Property Appraiser Qualification Criteria, as established by the Appraiser Qualifications Board, and includes an educational process based on live or real-time instruction where there is no geographic separation of instructor and student.

(b) Notwithstanding section 45.30, subdivisions 1 and 6, a real estate appraiser or course provider may submit, in a form prescribed by the commissioner, an application for continuing education credit for a synchronous educational offering that has not been submitted for prior approval in Minnesota. The commissioner must grant a real estate appraiser continuing education credit if:

(1) the application is submitted on or before August 1 of the year in which the real estate appraiser license is due for renewal;

(2) the synchronous educational offering has been approved for continuing education credit by the regulator of real estate appraisers in at least one other state or United States territory; and

(3) an application is submitted by the real estate appraiser or course provider to the commissioner within ~~30~~ 60 days of successful completion of the synchronous educational offering.

(c) The application must include a certificate of successful completion from the synchronous educational offering provider. The commissioner must grant a real estate appraiser the same number of continuing education credits for the successful completion of the synchronous educational offering as was approved for the offering by the out-of-state real estate appraiser regulatory authority. The commissioner must grant a real estate appraiser continuing education credit within 60 days of the submission of the completed application for out-of-state continuing education credit.

(d) The commissioner may charge a fee to a real estate appraiser, in an amount to be determined by the commissioner, to submit an application under this subdivision.

(e) This subdivision does not apply to asynchronous educational offerings.

Sec. 13. Minnesota Statutes 2024, section 168.27, is amended by adding a subdivision to read:

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

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

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

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

(4) the auto show expressly prohibits:

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

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

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

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

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

(b) The auto show may permit:

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

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

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

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

Sec. 14. Minnesota Statutes 2024, section 216B.40, is amended to read:

216B.40 EXCLUSIVE SERVICE RIGHT; SERVICE EXTENSION.

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

Sec. 15. **[216B.422] ELECTRICITY SALES FOR CHARGING ELECTRIC VEHICLES.**

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

Sec. 16. Minnesota Statutes 2024, section 216B.62, is amended by adding a subdivision to read:

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

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

Sec. 17. **[237.181] CUSTOMER TRANSITION PLANS FOR AREAS WITH VOIP ALTERNATIVES.**

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

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

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

(d) "Alternative providers" means: (1) one or more providers the Federal Communications Commission has identified through Broadband Data Collection, location fabric data, or a successor data program as having a provider offering wireline broadband access service through fiber optic cable to the home capable of carrying VOIP of at least 25 megabits per second download speed and three megabit per second upload speed and offers VOIP services at a rate no more than 120 percent of the current rate for local flat-rated voice service; or (2) upon a request by a telephone company or telecommunications carrier, a Federal Communications Commission-approved adequate replacement provider if the requesting telephone company or telecommunications carrier meets the requirements of this section.

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

(b) The proposed customer transition plan must:

(1) clearly identify the area and affected customers;

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

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

(4) include draft consumer dispute forms for commission approval;

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

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

(7) describe plans to transition or maintain critical government lines for which VOIP service is not a reasonable alternative.

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

(1) has met the telephone company's or telecommunications carrier's burden of demonstrating to the commission that customers in the affected area have at least one alternative provider available to those customers;

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

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

Subd. 4. **Obligations upon approval.** (a) Upon approval of a petition for a customer transition plan under this section, the telephone company or telecommunications carrier that proposed the petition must continue to serve an affected customer until (1) the telephone company or telecommunications carrier completes the required actions in subdivision 2, and (2) any disputes brought before the commission by the customer are resolved.

(b) Nothing in this section relieves a telephone company or telecommunications carrier from their obligations under current law, rule, and commission order for customers for whom the commission has not granted approval of a transition plan pursuant to subdivision 3.

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

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

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

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

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

(1) provide notice and conduct a hearing; and

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

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

Subd. 7. **Local exchange carrier.** Nothing in this section relieves an incumbent local exchange carrier, as defined under United States Code, title 47, section 251(h)(1), of the incumbent local exchange carrier's

existing interconnection obligations or terminates existing interconnection agreements in a manner other than according to the terms of the existing interconnection agreements or other existing law.

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

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

Sec. 18. Minnesota Statutes 2024, section 239.761, subdivision 3, is amended to read:

Subd. 3. **Gasoline.** (a) Gasoline that is not blended with biofuel must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Gasoline that is not blended with biofuel must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;

(2) shall not blend the gasoline with any oxygenate other than biofuel;

(3) shall not blend the gasoline with other petroleum products that are not gasoline or biofuel;

(4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 19. Minnesota Statutes 2024, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 1090;

(2) comply with ASTM specification ~~D4814-11b~~ D4814-24a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-11b~~ D4814-24a; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 20. Minnesota Statutes 2024, section 239.761, subdivision 5, is amended to read:

Subd. 5. **Denatured ethanol.** Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 21. Minnesota Statutes 2024, section 239.761, subdivision 6, is amended to read:

Subd. 6. **Gasoline blended with nonethanol oxygenate.** (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-11b~~ D4814-24a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 22. Minnesota Statutes 2024, section 239.791, subdivision 11, is amended to read:

Subd. 11. **Exemption for motor sports racing.** (a) A person responsible for the product may offer for sale, sell, or dispense at a public or private racecourse or a retail gasoline station, gasoline that is not oxygenated in accordance with subdivision 1 if the gasoline is intended to be used exclusively as a fuel for off-highway motor sports racing events.

(b) No more than one storage tank on the premises of a retail gasoline station may be used to store nonoxygenated motor sports racing gasoline that is offered for sale, sold, or dispensed at the station. The pump stand at the station must be posted with a permanent, conspicuously placed notice in full view of consumers stating: "FOR USE IN OFF-HIGHWAY MOTOR SPORTS ENGINES ONLY."

Sec. 23. **[239.90] RETAIL ELECTRIC VEHICLE SUPPLY EQUIPMENT.**

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) the type of electrical energy transfer.

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

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

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

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

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

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

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

(2) the type of electrical energy transfer.

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

(1) the type of delivery;

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

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

(4) the type of electrical energy transfer.

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

Subd. 7. **Administrative rulemaking.** For purposes of this section, the commissioner may use the expedited rulemaking process under section 14.389 to adopt administrative rules that incorporate the 2025 version of NIST Handbook 44 into Minnesota Rules, chapter 7601.

Sec. 24. Minnesota Statutes 2024, section 296A.01, subdivision 20, is amended to read:

Subd. 20. **Ethanol, denatured.** "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-11a~~ D4806-21a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 25. Minnesota Statutes 2024, section 296A.01, subdivision 23, is amended to read:

Subd. 23. **Gasoline.** (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-11b~~ D4814-24a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-11b~~ D4814-24a and the volatility requirements in Code of Federal Regulations, title 40, part 1090.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 26. Minnesota Statutes 2024, section 296A.01, subdivision 24, is amended to read:

Subd. 24. **Gasoline blended with nonethanol oxygenate.** "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-11b~~ D4814-24a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 27. Minnesota Statutes 2024, section 325E.3892, subdivision 1, is amended to read:

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

(b) "Covered product" means any of the following products or product components:

(1) jewelry;

(2) toys;

(3) cosmetics and personal care products;

(4) puzzles, board games, card games, and similar games;

(5) play sets and play structures;

(6) outdoor games;

(7) school supplies, except ink pens and mechanical pencils;

(8) pots and pans;

(9) cups, bowls, and other food containers;

(10) craft supplies and jewelry-making supplies;

(11) chalk, crayons, children's paints, and other art supplies except professional artist materials, including but not limited to oil-based paints, water-based paints, paints, pastels, pigments, ceramic glazes, markers, and encaustics;

(12) fidget spinners;

(13) costumes, costume accessories, and children's and seasonal party supplies;

(14) keys, key chains, and key rings; and

(15) clothing, footwear, headwear, and accessories.

(c) "Pastels" means a crayon composed of powdered pigments bonded with gum or resin.

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

Sec. 28. Minnesota Statutes 2024, section 325E.3892, subdivision 2, is amended to read:

Subd. 2. **Prohibition.** (a) A person must not import, manufacture, sell, hold for sale, or distribute or offer for use in this state any covered product containing:

(1) lead at more than 0.009 percent by total weight (90 parts per million); or

(2) cadmium at more than 0.0075 percent by total weight (75 parts per million).

(b) This section does not apply to:

(1) covered products containing lead or cadmium, or both, when regulation is preempted by federal law.;

(2) covered products that contain lead only in solder used in internal components if:

(i) the product is not imported, manufactured, sold, held for sale, distributed, or offered for use in this state after July 1, 2028; and

(ii) the manufacturer of the product submits biennial reports to the commissioner of the Pollution Control Agency that explain the barriers to removing lead from the product, progress towards adoption of lead-free alternatives, and a timeline to fully adopt a lead-free alternative;

(3) keys that contain lead and are imported, manufactured, sold, held for sale, distributed, or offered for use in Minnesota before July 1, 2028;

(4) keys that contain lead equal to or less than 1.5 percent by total weight and are imported, manufactured, sold, held for sale, distributed, or offered for use in Minnesota after July 1, 2028; or

(5) pots and pans, if the pot or pan:

(i) is made of cast iron or steel;

(ii) has cadmium contained only in a vitreous enamel that does not come into contact with food; and

(iii) does not contain lead in concentration greater than the limit established in subdivision 2, paragraph (a).

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

Sec. 29. Minnesota Statutes 2024, section 325F.072, subdivision 3, is amended to read:

Subd. 3. **Prohibition.** (a) No person, political subdivision, or state agency shall manufacture or knowingly sell, offer for sale, distribute for sale, or distribute for use in this state, and no person shall use in this state, class B firefighting foam containing PFAS chemicals.

(b) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for which the inclusion of PFAS chemicals is required by federal law, including but not limited to Code of Federal Regulations, title 14, section 139.317. If a federal requirement to include PFAS chemicals

in class B firefighting foam is revoked after January 1, 2024, class B firefighting foam subject to the revoked requirements is no longer exempt under this paragraph effective one year after the day of revocation.

(c) This subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for purposes of use at an airport, as defined under section 360.013, subdivision 39, until the state fire marshal makes a determination that:

(1) the Federal Aviation Administration has provided policy guidance on the transition to fluorine-free firefighting foam;

(2) a fluorine-free firefighting foam product is included in the Federal Aviation Administration's Qualified Product Database; and

(3) a firefighting foam product included in the database under clause (2) is commercially available in quantities sufficient to reliably meet the requirements under Code of Federal Regulations, title 14, part 139.

(d) Until the state fire marshal makes a determination under paragraph (c), the operator of an airport using class B firefighting foam containing PFAS chemicals must, on or before December 31 each calendar year, submit a report to the state fire marshal regarding the status of the airport's conversion to class B firefighting foam products without intentionally added PFAS, the disposal of class B firefighting foam products with intentionally added PFAS, and an assessment of the factors listed in paragraph (c) as applied to the airport.

(e) Until January 1, 2028, this subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for use in fixed firefighting systems in a hangar at an airport. The commissioner of the Pollution Control Agency, in consultation with the state fire marshal, may issue a hangar operator one-year extensions beyond January 1, 2028, if the commissioner determines (1) the need for additional time is beyond the operator's control, and (2) public safety and the environment is sufficiently protected during each extension period.

Sec. 30. **[325F.677] AVAILABILITY OF WATER AT PLACES OF ENTERTAINMENT.**

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

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

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

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

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

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

Sec. 31. Minnesota Statutes 2024, section 325G.24, subdivision 2, is amended to read:

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

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

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

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

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

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

Sec. 32. Minnesota Statutes 2024, section 550.136, subdivision 3, is amended to read:

Subd. 3. **Limitation on levy on earnings.** (a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the greater of: (i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a), clause ~~(3)~~ (4); or (ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(b) If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

Execution levies under this section on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(c) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 33. Minnesota Statutes 2024, section 551.06, subdivision 3, is amended to read:

Subd. 3. **Limitation on levy on earnings.** (a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the greater of: (i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a), clause ~~(3)~~ (4); or (ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(b) If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

Execution levies under this section on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(c) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 34. Minnesota Statutes 2024, section 571.922, is amended to read:

571.922 LIMITATION ON WAGE GARNISHMENT.

(a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to garnishment may not exceed the lesser of:

(1) 25 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 80 times the greater of the hourly wage described in paragraph (b);

(2) 15 percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 60 times, but is less than or equal to 80 times, the greater of the hourly wages described in paragraph (b); or

(3) ten percent of the debtor's disposable earnings, if the debtor's weekly income exceeds 40 times, but is less than or equal to 60 times, the greater of the hourly wages described in paragraph (b).

(b) The amount by which the debtor's disposable earnings exceed the greater of:

(i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a), clause ~~(3)~~ (4); or

(ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1). The calculation of the amount that is subject to garnishment must be based on the hourly wage in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(c) If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received).

Wage garnishments on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(d) No court may make, execute, or enforce an order or any process in violation of this section.

Sec. 35. **SECURITIES BROKER-DEALER CONDUCT; EXPEDITED RULEMAKING.**

The commissioner of commerce must adopt rules amending Minnesota Rules, part 2876.5021, to reflect that NASD is now referred to as FINRA and to comply with FINRA's new securities broker-dealer conduct rules. The commissioner of commerce may use the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend Minnesota Rules, part 2876.5021, under this section.

Presented to the governor June 12, 2025

Signed by the governor June 14, 2025, 10:28 a.m.