

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 4427

(SENATE AUTHORS: DAHMS and by request)

DATE
04/04/2022

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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy
See HF3255

1.1 A bill for an act
1.2 relating to commerce; establishing a supplemental budget for Department of
1.3 Commerce needs; modifying financial institution fees; modifying the Minnesota
1.4 premium security plan; appropriating money; transferring money; amending
1.5 Minnesota Statutes 2020, sections 45.0135, subdivisions 2a, 2b; 46.131,
1.6 subdivisions 2, 4, 11; 48A.15, subdivision 1; 53.03, subdivisions 1, 5; 53C.02;
1.7 56.02; 62E.23, subdivisions 1, 3, by adding a subdivision; Laws 2017, chapter 13,
1.8 article 1, section 15, as amended.

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

1.10 **ARTICLE 1**
1.11 **SUPPLEMENTAL APPROPRIATIONS**

1.12 Section 1. **APPROPRIATIONS.**

1.13 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.14 and for the purposes specified in this article. The appropriations are from the general fund,
1.15 or another named fund, and are available for the fiscal years indicated for each purpose.
1.16 The figures "2022" and "2023" used in this article mean that the appropriations listed under
1.17 them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively.
1.18 "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium"
1.19 is fiscal years 2022 and 2023. If an appropriation in this act is enacted more than once in
1.20 the 2022 legislative session, the appropriation must be given effect only once. Appropriations
1.21 for the fiscal year ending June 30, 2022, are effective the day following final enactment.
1.22 The appropriations made under this article supplement, and do not supersede or replace,
1.23 the appropriations made under Laws 2021, First Special Session chapter 4, article 1.

1.24 **APPROPRIATIONS**
1.25 **Available for the Year**

	<u>Ending June 30</u>	<u>2022</u>	<u>2023</u>
2.1			
2.2			
2.3	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
2.4	<u>Subdivision 1. Total Appropriation</u>	\$ <u>108,000</u>	\$ <u>1,326,000</u>
2.5	<u>The amounts that may be spent for each</u>		
2.6	<u>purpose are specified in the following</u>		
2.7	<u>subdivisions.</u>		
2.8	<u>Subd. 2. Administrative Services</u>	<u>-0-</u>	<u>127,000</u>
2.9	<u>\$127,000 in fiscal year 2023 is for additional</u>		
2.10	<u>staff in the senior fraud prevention program.</u>		
2.11	<u>Subd. 3. Insurance</u>	<u>108,000</u>	<u>680,000</u>
2.12	<u>\$180,000 in fiscal year 2023 is for additional</u>		
2.13	<u>staff in the insurance division. The additional</u>		
2.14	<u>staff must focus on property- and</u>		
2.15	<u>casualty-related insurance products.</u>		
2.16	<u>\$500,000 in fiscal year 2023 is to conduct a</u>		
2.17	<u>study on the feasibility of offering free primary</u>		
2.18	<u>care to Minnesotans. This is a onetime</u>		
2.19	<u>appropriation.</u>		
2.20	<u>\$108,000 in fiscal year 2022 is for activities</u>		
2.21	<u>related to the state's reinsurance program. This</u>		
2.22	<u>is a onetime appropriation.</u>		
2.23	<u>Subd. 4. Enforcement</u>	<u>-0-</u>	<u>519,000</u>
2.24	<u>\$345,000 in fiscal year 2023 is for additional</u>		
2.25	<u>staff in the enforcement division. The</u>		
2.26	<u>additional staff must focus on insurance</u>		
2.27	<u>market conduct examinations.</u>		
2.28	<u>\$174,000 in fiscal year 2023 is for an</u>		
2.29	<u>additional peace officer in the Commerce</u>		
2.30	<u>Fraud Bureau.</u>		

3.1 **Sec. 3. REINSURANCE; TRANSFER.**

3.2 (a) The commissioner of management and budget shall transfer \$65,882,000 from the
 3.3 premium security plan account in Minnesota Statutes, section 62E.25, to the health care
 3.4 access fund in Minnesota Statutes, section 16A.724, by June 30, 2025. This is a onetime
 3.5 transfer.

3.6 (b) The commissioner of commerce must transfer \$2,100,000 in fiscal year 2023 from
 3.7 the premium security plan account under Minnesota Statutes, section 62E.25, subdivision
 3.8 1, to the board of directors of MNsure to pay for revenue loss related to the Minnesota
 3.9 premium security plan. The base for the transfer under this paragraph is \$4,288,000 in fiscal
 3.10 year 2024, \$4,561,000 in fiscal year 2025, \$4,858,000 in fiscal year 2026, \$5,200,000 in
 3.11 fiscal year 2027, \$2,658,000 in fiscal year 2028, and \$0 in fiscal year 2029.

3.12 (c) \$216,000 in fiscal year 2023 is transferred from the premium security plan account
 3.13 under Minnesota Statutes, section 62E.25, subdivision 1, to the commissioner of commerce
 3.14 to pay for administrative costs incurred to secure a state innovation waiver and perform
 3.15 reporting functions. The base for the transfer under this paragraph is \$216,000 in fiscal
 3.16 years 2024, 2025, 2026, 2027, and 2028. The base for the transfer under this paragraph is
 3.17 \$0 in fiscal year 2029.

3.18 **EFFECTIVE DATE.** This section is effective upon federal approval of the continuation
 3.19 of the state innovation waiver submitted under Laws 2021, First Special Session chapter 7,
 3.20 article 15, section 4, that maintains federal funding for the MinnesotaCare program under
 3.21 Minnesota Statutes, chapter 256L, through the Basic Health Plan formula at levels that
 3.22 would have been received if reinsurance was not implemented. The commissioner of
 3.23 commerce must notify (1) the chairs and ranking minority members of the legislative
 3.24 committees that have jurisdiction over commerce and health and human services finance,
 3.25 and (2) the revisor of statutes when federal approval is obtained.

3.26 **ARTICLE 2**

3.27 **COMMERCE POLICY**

3.28 Section 1. Minnesota Statutes 2020, section 45.0135, subdivision 2a, is amended to read:

3.29 Subd. 2a. **Authorization.** (a) The commissioner may appoint peace officers, as defined
 3.30 in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as
 3.31 defined in section 626.84, subdivision 1, paragraph (f), known as the Commerce Fraud
 3.32 Bureau, to conduct investigations, and to make arrests under sections 629.30 and 629.34.

4.1 The primary jurisdiction of the law enforcement agency is limited to offenses ~~related to~~
 4.2 ~~insurance~~ with a nexus to insurance-related crimes or investment fraud.

4.3 (b) Upon request and at the commissioner's discretion, the Commerce Fraud Bureau
 4.4 may respond to a law enforcement agency's request to exercise law enforcement duties in
 4.5 cooperation with the law enforcement agency that has jurisdiction over the particular matter.

4.6 Sec. 2. Minnesota Statutes 2020, section 45.0135, subdivision 2b, is amended to read:

4.7 Subd. 2b. **Duties.** The Commerce Fraud Bureau shall:

4.8 (1) review notices and reports ~~of insurance fraud~~ within the Commerce Fraud Bureau's
 4.9 primary jurisdiction submitted by authorized insurers, their employees, and agents or
 4.10 producers;

4.11 (2) respond to notifications or complaints ~~of suspected insurance fraud~~ within the
 4.12 Commerce Fraud Bureau's primary jurisdiction generated by other law enforcement agencies,
 4.13 state or federal governmental units, or any other person;

4.14 (3) initiate inquiries and conduct investigations when the bureau has reason to believe
 4.15 that ~~insurance fraud~~ an offense within the Commerce Fraud Bureau's primary jurisdiction
 4.16 has been or is being committed; and

4.17 (4) report ~~incidents of alleged insurance fraud crimes~~ disclosed by its the Commerce
 4.18 Fraud Bureau's investigations to appropriate law enforcement agencies, including, but not
 4.19 limited to, the attorney general, county attorneys, or any other appropriate law enforcement
 4.20 or regulatory agency, and shall assemble evidence, prepare charges, and otherwise assist
 4.21 any law enforcement authority having jurisdiction.

4.22 Sec. 3. Minnesota Statutes 2020, section 46.131, subdivision 2, is amended to read:

4.23 Subd. 2. **Assessment authority.** Each ~~bank, trust company, savings bank, savings~~
 4.24 ~~association, regulated lender, industrial loan and thrift company, credit union, motor vehicle~~
 4.25 ~~sales finance company, debt management services provider, debt settlement services provider,~~
 4.26 ~~insurance premium finance company, and residential PACE administrator, as defined in~~
 4.27 ~~section 216C.435, subdivision 10a,~~ financial institution governed by chapters 46 to 59A,
 4.28 216C, and 332 to 332B that is organized under the laws of this state or required to be
 4.29 administered by the commissioner of commerce shall pay into the state treasury its
 4.30 proportionate share of the cost of maintaining the Department of Commerce. This subdivision
 4.31 does not apply to student loan servicers or collection agencies.

5.1 Sec. 4. Minnesota Statutes 2020, section 46.131, subdivision 4, is amended to read:

5.2 Subd. 4. **General assessment basis.** (a) Assessments shall be made by the commissioner
5.3 against each institution within the industry on an equitable basis, according to the total assets
5.4 or business volume of each institution as of the end of the previous calendar year.

5.5 (b) Assessments against residential PACE administrators, as defined in section 216C.435,
5.6 subdivision 10a, must be made by the commissioner according to the total business volume
5.7 as of the end of the previous calendar year.

5.8 Sec. 5. Minnesota Statutes 2020, section 46.131, subdivision 11, is amended to read:

5.9 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
5.10 account is created as a separate account in the special revenue fund. Earnings, including
5.11 interest, dividends, and any other earnings arising from account assets, must be credited to
5.12 the account.

5.13 (b) The account consists of funds received from assessments under subdivision 7,
5.14 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
5.15 the following provisions: sections 46.04; 46.041; 46.048, subdivision 1; 47.101; 47.54,
5.16 subdivision 1; 47.60, subdivision 3; 47.62, subdivision 4; 48.61, subdivision 7, paragraph
5.17 (b); 49.36, subdivision 1; 52.203; 53B.09; 53B.11, subdivision 1; 53C.02; 56.02; 58.10;
5.18 58A.045, subdivision 2; ~~and~~ 59A.03; 216C.437, subdivision 12; 332A.04; and 332B.04.

5.19 (c) Funds in the account are annually appropriated to the commissioner of commerce
5.20 for activities under this section.

5.21 Sec. 6. Minnesota Statutes 2020, section 48A.15, subdivision 1, is amended to read:

5.22 Subdivision 1. **Authorization.** (a) A trust company organized under the laws of this
5.23 state or a state bank and trust may, after completing the notification procedure required by
5.24 this subdivision, establish and maintain a trust service office at any office in this state or of
5.25 any other state or national bank. A state bank may, after completing the notification procedure
5.26 required by this subdivision, permit a trust company organized under the laws of this state
5.27 or a state bank and trust or a national bank in this state that is authorized to exercise trust
5.28 powers to establish and maintain a trust service office at any of its banking offices.

5.29 (b) The trust company or state bank and trust and a state bank at which a trust service
5.30 office is to be established according to this section shall jointly file, on forms provided by
5.31 the commissioner, a notification of intent to establish a trust service office. The notification
5.32 must be accompanied by a filing fee of \$100 payable to the commissioner, to be deposited

6.1 in the ~~general fund of the state~~ financial institutions account under section 46.131, subdivision
6.2 11. No trust service office shall be established according to this section if disallowed by
6.3 order of the commissioner within 30 days of the filing of a complete and acceptable
6.4 notification of intent to establish a trust service office. An order of the commissioner to
6.5 disallow the establishment of a trust service office under this section is subject to judicial
6.6 review under sections 14.63 to 14.69.

6.7 Sec. 7. Minnesota Statutes 2020, section 53.03, subdivision 1, is amended to read:

6.8 Subdivision 1. **Application, fee, notice.** Any corporation hereafter organized as an
6.9 industrial loan and thrift company, shall, after compliance with the requirements set forth
6.10 in sections 53.01 and 53.02, file a written application with the Department of Commerce
6.11 for a certificate of authorization. A corporation that will not sell or issue thrift certificates
6.12 for investment as permitted by this chapter need not comply with subdivision 2b. The
6.13 application must be in the form prescribed by the Department of Commerce. The application
6.14 must be made in the name of the corporation, executed and acknowledged by an officer
6.15 designated by the board of directors of the corporation, requesting a certificate authorizing
6.16 the corporation to transact business as an industrial loan and thrift company, at the place
6.17 and in the name stated in the application. At the time of filing the application the applicant
6.18 shall pay \$1,500 filing fee if the corporation will not sell or issue thrift certificates for
6.19 investment, and a filing fee of \$8,000 if the corporation will sell or issue thrift certificates
6.20 for investment. The fees must be ~~turned over by the commissioner to the commissioner of~~
6.21 ~~management and budget and credited to the general fund~~ collected by the commissioner
6.22 and deposited in the financial institutions account under section 46.131, subdivision 11.
6.23 The applicant shall also submit a copy of the bylaws of the corporation, its articles of
6.24 incorporation and all amendments thereto at that time. An application for powers under
6.25 subdivision 2b must also require that a notice of the filing of the application must be
6.26 published once within 30 days of the receipt of the form prescribed by the Department of
6.27 Commerce, at the expense of the applicant, in a qualified newspaper published in the
6.28 municipality in which the proposed industrial loan and thrift company is to be located, or,
6.29 if there be none, in a qualified newspaper likely to give notice in the municipality in which
6.30 the company is proposed to be located. If the Department of Commerce receives a written
6.31 objection to the application from any person within 15 days of the notice having been fully
6.32 published, the commissioner shall proceed in the same manner as required under section
6.33 46.041, subdivisions 3 and 4, relating to state banks.

7.1 Sec. 8. Minnesota Statutes 2020, section 53.03, subdivision 5, is amended to read:

7.2 Subd. 5. **Place of business.** Not more than one place of business may be maintained
7.3 under any certificate of authorization issued subsequent to the enactment of Laws 1943,
7.4 chapter 67, pursuant to the provisions of this chapter, but the Department of Commerce
7.5 may issue more than one certificate of authorization to the same corporation upon compliance
7.6 with all the provisions of this chapter governing an original issuance of a certificate of
7.7 authorization. To the extent that previously filed applicable information remains unchanged,
7.8 the applicant need not refile this information, unless requested. The filing fee for a branch
7.9 application shall be \$500 and the investigation fee \$250. An industrial loan and thrift
7.10 corporation with deposit liabilities may change one or more of its locations upon the written
7.11 approval of the commissioner of commerce. A fee of \$100 must accompany each application
7.12 to the commissioner for approval to change the location of an established office. An industrial
7.13 loan and thrift corporation that does not sell and issue thrift certificates for investment may
7.14 change one or more locations by giving 30 days' written notice to the Department of
7.15 Commerce which shall promptly amend the certificate of authorization accordingly. No
7.16 change in place of business of a company to a location outside of its current trade area or
7.17 more than 25 miles from its present location, whichever distance is greater, shall be permitted
7.18 under the same certificate unless all of the applicable requirements of this section have been
7.19 met. All money collected by the commissioner under this chapter must be deposited into
7.20 the financial institutions account under section 46.131, subdivision 11.

7.21 Sec. 9. Minnesota Statutes 2020, section 53C.02, is amended to read:

7.22 **53C.02 SALES FINANCE COMPANY; LICENSE, FEES, REFUND.**

7.23 (a) No person shall engage in the business of a sales finance company in this state without
7.24 a license therefor as provided in sections 53C.01 to 53C.14 provided, however, that no bank,
7.25 trust company, savings bank, savings association, or credit union, whether state or federally
7.26 chartered, industrial loan and thrift company, or licensee under the Minnesota Regulated
7.27 Loan Act authorized to do business in this state shall be required to obtain a license under
7.28 sections 53C.01 to 53C.14.

7.29 (b) The application for a license shall be in writing, under oath and in the form prescribed
7.30 by the commissioner. The application shall contain the name of the applicant; date of
7.31 incorporation, if incorporated; the address where the business is or is to be conducted and
7.32 similar information as to any branch office of the applicant; the name and resident address
7.33 of the owner or partners, or, if a corporation or association, of the directors, trustees and
7.34 principal officers, and other pertinent information the commissioner requires.

8.1 (c) The licensee fee for the fiscal year beginning July 1 and ending June 30 of the
8.2 following year, or any part thereof shall be the sum of \$250 for the principal place of business
8.3 of the licensee, and the sum of \$125 for each branch of the licensee. Any licensee who
8.4 proves to the satisfaction of the commissioner, by affidavit or other proof satisfactory to
8.5 the commissioner, that during the 12 calendar months of the immediately preceding fiscal
8.6 year, for which the license has been paid that the licensee has not held retail installment
8.7 contracts exceeding \$15,000 in amount, shall be entitled to a refund of that portion of each
8.8 license fee paid in excess of \$25. The commissioner shall certify ~~to the commissioner of~~
8.9 ~~management and budget~~ that the licensee is entitled to a refund, and payment ~~thereof~~ of the
8.10 refund shall be made by the commissioner ~~of management and budget~~. The amount necessary
8.11 to pay for the refundment of the license fee is appropriated ~~out of the general fund~~ from the
8.12 financial institutions account under section 46.131, subdivision 11. All license fees received
8.13 by the commissioner under sections 53C.01 to 53C.14 shall be deposited with the
8.14 commissioner of management and budget.

8.15 (d) Each license shall specify the location of the office or branch and must be
8.16 conspicuously displayed there. In case the location be changed, the commissioner shall
8.17 endorse the change of location on the license.

8.18 (e) Upon the filing of such application, and the payment of the fee, the commissioner
8.19 shall issue a license to the applicant to engage in the business of a sales finance company
8.20 under and in accordance with the provisions of sections 53C.01 to 53C.14 for a period which
8.21 shall expire the last day of June next following the date of its issuance. The license shall
8.22 not be transferable or assignable. No licensee shall transact any business provided for by
8.23 sections 53C.01 to 53C.14 under any other name.

8.24 (f) Section 58A.04, subdivisions 2 and 3, apply to this section.

8.25 Sec. 10. Minnesota Statutes 2020, section 56.02, is amended to read:

8.26 **56.02 APPLICATION FEE.**

8.27 (a) Application for license shall be in writing, under oath, and in the form prescribed by
8.28 the commissioner, and contain the name and the address, both of the residence and place
8.29 of business, of the applicant and, if the applicant is a copartnership or association, of every
8.30 member thereof, and if a corporation, of each officer and director thereof; also the county
8.31 and municipality, with street and number, if any, where the business is to be conducted, and
8.32 such further information as the commissioner may require. The applicant at the time of
8.33 making application, shall pay to the commissioner the sum of \$500 as a fee for investigating
8.34 the application, and the additional sum of \$250 as an annual license fee for a period

9.1 terminating on the last day of the current calendar year. In addition to the annual license
9.2 fee, every licensee hereunder shall pay to the commissioner the actual costs of each
9.3 examination, as provided for in section 56.10. All ~~moneys~~ money collected by the
9.4 commissioner under this chapter shall be ~~turned over to the commissioner of management~~
9.5 ~~and budget and credited by the commissioner of management and budget to the general~~
9.6 ~~fund of the state~~ deposited in the financial institutions account under section 46.131,
9.7 subdivision 11.

9.8 (b) Every applicant shall also prove, in form satisfactory to the commissioner, that the
9.9 applicant has available for the operation of the business at the location specified in the
9.10 application, liquid assets of at least \$50,000.

9.11 (c) Section 58A.04, subdivisions 2 and 3, apply to this section.

9.12 ARTICLE 3

9.13 REINSURANCE

9.14 Section 1. Minnesota Statutes 2020, section 62E.23, subdivision 1, is amended to read:

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

9.18 (b) The association may apply for any available federal funding for the plan. All ~~funds~~
9.19 ~~received by or appropriated to the association shall be deposited in the premium security~~
9.20 ~~plan account in section 62E.25, subdivision 1.~~ federal funding received pursuant to a 1332
9.21 state innovation waiver under United States Code, title 42, section 18052, for plan year
9.22 2023 and beyond is appropriated to the commissioner. The commissioner must transfer the
9.23 federal funding appropriated under this paragraph to the association to operate and administer
9.24 the Minnesota premium security plan under this section. The association shall notify the
9.25 chairs and ranking minority members of the legislative committees with jurisdiction over
9.26 health and human services and insurance within ten days of receiving any federal funds.

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

9.30 (d) The board must not use any funds allocated to the plan for staff retreats, promotional
9.31 giveaways, excessive executive compensation, or promotion of federal or state legislative
9.32 or regulatory changes.

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

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

10.6 (g) By August 15 of the year following the applicable benefit year, the association must
 10.7 disburse all applicable reinsurance payments to an eligible health carrier.

10.8 Sec. 2. Minnesota Statutes 2020, section 62E.23, subdivision 3, is amended to read:

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

10.15 (b) If the amount in the premium security plan account in section 62E.25, subdivision
 10.16 1, is not anticipated to be adequate to fully fund the approved payment parameters as of
 10.17 July 1 of the year before the applicable benefit year, the board, in consultation with the
 10.18 commissioner and the commissioner of management and budget, shall propose payment
 10.19 parameters within the available appropriations. The commissioner must permit an eligible
 10.20 health carrier to revise an applicable rate filing based on the final payment parameters for
 10.21 the next benefit year.

10.22 (c) Notwithstanding paragraph (a), the payment parameters for benefit year ~~2020~~ 2023
 10.23 are:

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

10.25 (2) a coinsurance rate of 80 percent; and

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

10.27 Sec. 3. Minnesota Statutes 2020, section 62E.23, is amended by adding a subdivision to
 10.28 read:

10.29 Subd. 5a. **Member assessments.** (a) Beginning in plan year 2023, the association must
 10.30 annually assess and collect from members an amount necessary to pay the state share for
 10.31 the Minnesota premium security plan under this section. Each year the association must

11.1 determine each contributing member's liability, if any. If necessary, the association may
11.2 make an annual fiscal year end assessment.

11.3 (b) Subject to approval by the commissioner, the association may also provide for interim
11.4 assessments against the contributing members whose aggregate assessments comprised a
11.5 minimum of 90 percent of the most recent prior annual assessment, if the association deems
11.6 the methodology is the most administratively efficient and cost-effective means to assess
11.7 the contributing member, and as may be necessary to ensure the association has the financial
11.8 capability to meet the incurred or estimated state share and the association's operating and
11.9 administrative expenses until the association's next annual fiscal year end assessment.

11.10 (c) A contributing member must pay an assessment under this subdivision within 30
11.11 days of the date the contributing member receives written notice of a fiscal year end
11.12 assessment or an interim assessment from the association.

11.13 (d) If a contributing member fails to tender the assessment to the association within 30
11.14 days, the contributing member's association membership may be terminated. A contributing
11.15 member that ceases to do accident and health insurance business in Minnesota remains
11.16 liable for assessments through the calendar year during which accident and health insurance
11.17 business ceased.

11.18 (e) The association may decline to levy an assessment against a contributing member if
11.19 the assessment determined under this subdivision is less than \$5,000.

11.20 Sec. 4. Laws 2017, chapter 13, article 1, section 15, as amended by Laws 2017, First
11.21 Special Session chapter 6, article 5, section 10, Laws 2019, First Special Session chapter
11.22 9, article 8, section 19, and Laws 2021, First Special Session chapter 7, article 15, section
11.23 1, is amended to read:

11.24 **Sec. 15. MINNESOTA PREMIUM SECURITY PLAN FUNDING.**

11.25 (a) The Minnesota Comprehensive Health Association shall fund the operational and
11.26 administrative costs and reinsurance payments of the Minnesota security plan and association
11.27 using the following amounts deposited in the premium security plan account in Minnesota
11.28 Statutes, section 62E.25, subdivision 1, in the following order:

11.29 (1) any federal funding available;

11.30 (2) funds deposited under article 1, sections 12 and 13;

11.31 (3) any state funds from the health care access fund; and

12.1 (4) any state funds from the general fund.

12.2 (b) The association shall transfer from the premium security plan account any remaining
12.3 state funds not used for the Minnesota premium security plan by June 30, ~~2024~~ 2029, to the
12.4 commissioner of commerce. Any amount transferred to the commissioner of commerce
12.5 shall be deposited in the health care access fund in Minnesota Statutes, section 16A.724.
12.6 Any money collected via member assessments under Minnesota Statutes, section 62E.23,
12.7 subdivision 5a, are not subject to the transfer under this paragraph.

12.8 (c) The Minnesota Comprehensive Health Association may not spend more than
12.9 \$271,000,000 for benefit year 2018 and not more than \$271,000,000 for benefit year 2019
12.10 for the operational and administrative costs of, and reinsurance payments under, the
12.11 Minnesota premium security plan.

12.12 Sec. 5. EFFECTIVE DATE.

12.13 Sections 1 to 4 are effective upon federal approval of the continuation of the state
12.14 innovation waiver submitted under Laws 2021, First Special Session chapter 7, article 15,
12.15 section 4, that maintains federal funding for the MinnesotaCare program under Minnesota
12.16 Statutes, chapter 256L, through the basic health plan formula at levels that would have been
12.17 received if reinsurance was not implemented. The commissioner of commerce must notify
12.18 (1) the chairs and ranking minority members of the legislative committees that have
12.19 jurisdiction over commerce and health and human services finance, and (2) the revisor of
12.20 statutes when federal approval is obtained.