

Senator moves to amend S.F. No. 2216 as follows:

Delete everything after the enacting clause and insert:

"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.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2026</u>	<u>2027</u>

Sec. 2. DEPARTMENT OF COMMERCE

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>42,163,000</u>	<u>\$</u>	<u>42,750,000</u>
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<u>Appropriations by Fund</u>		
	<u>2026</u>	<u>2027</u>
<u>General</u>	<u>39,191,000</u>	<u>39,842,000</u>
<u>Workers' Compensation Fund</u>	<u>815,000</u>	<u>815,000</u>
<u>Special Revenue</u>	<u>2,093,000</u>	<u>2,093,000</u>
<u>Family Medical Benefit Insurance</u>	<u>64,000</u>	<u>-0-</u>

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

<u>Subd. 2. Financial Institutions</u>	<u>3,227,000</u>	<u>3,227,000</u>
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(a) \$400,000 each year is for a grant to Prepare and Prosper to develop, market, evaluate, and distribute a financial services inclusion

2.1	<u>program that (1) assists low-income and</u>		
2.2	<u>financially underserved populations to build</u>		
2.3	<u>savings and strengthen credit, and (2) provides</u>		
2.4	<u>services to assist low-income and financially</u>		
2.5	<u>underserved populations to become more</u>		
2.6	<u>financially stable and secure. Money</u>		
2.7	<u>remaining after the first year is available for</u>		
2.8	<u>the second year.</u>		
2.9	<u>(b) \$254,000 each year is to administer</u>		
2.10	<u>Minnesota Statutes, chapter 58B.</u>		
2.11	<u>Subd. 3. Administrative Services</u>	<u>11,300,000</u>	<u>11,978,000</u>
2.12	<u>(a) \$353,000 each year is for system</u>		
2.13	<u>modernization and cybersecurity upgrades for</u>		
2.14	<u>the unclaimed property program.</u>		
2.15	<u>(b) \$249,000 each year is for the senior safe</u>		
2.16	<u>fraud prevention program.</u>		
2.17	<u>(c) \$500,000 each year is to create and</u>		
2.18	<u>maintain the Prescription Drug Affordability</u>		
2.19	<u>Board established under Minnesota Statutes,</u>		
2.20	<u>section 62J.87.</u>		
2.21	<u>(d) \$12,000 each year is for the intermediate</u>		
2.22	<u>blends of gasoline and biofuels report under</u>		
2.23	<u>Minnesota Statutes, section 239.791,</u>		
2.24	<u>subdivision 8.</u>		
2.25	<u>Subd. 4. Enforcement</u>	<u>7,751,000</u>	<u>7,751,000</u>
2.26	<u>Appropriations by Fund</u>		
2.27	<u>General</u>	<u>7,536,000</u>	<u>7,536,000</u>
2.28	<u>Workers'</u>		
2.29	<u>Compensation</u>	<u>215,000</u>	<u>215,000</u>
2.30	<u>(a) \$811,000 each year is for five additional</u>		
2.31	<u>peace officers in the Commerce Fraud Bureau.</u>		
2.32	<u>Money under this paragraph is transferred</u>		
2.33	<u>from the general fund to the insurance fraud</u>		

3.1 prevention account under Minnesota Statutes,

3.2 section 45.0135, subdivision 6.

3.3 (b) \$21,000 each year is for body cameras

3.4 worn by Commerce Fraud Bureau agents.

3.5 (c) \$215,000 each year is from the workers'

3.6 compensation fund.

3.7 (d) \$225,000 each year is to create and

3.8 maintain the Mental Health Parity and

3.9 Substance Abuse Accountability Office under

3.10 Minnesota Statutes, section 62Q.465.

3.11 (e) \$197,000 each year is to create and

3.12 maintain a student loan advocate position

3.13 under Minnesota Statutes, section 58B.011.

3.14 (f) \$283,000 each year is for law enforcement

3.15 salary increases authorized under Laws 2021,

3.16 First Special Session chapter 4, article 9,

3.17 section 1.

3.18 Subd. 5. Telecommunications

3,235,0003,235,000

3.19 Appropriations by Fund

3.20 General

1,142,0001,142,000

3.21 Special Revenue

2,093,0002,093,000

3.22 \$2,093,000 each year is from the

3.23 telecommunications access Minnesota fund

3.24 under Minnesota Statutes, section 237.52,

3.25 subdivision 1, in the special revenue fund for

3.26 the following transfers:

3.27 (1) \$1,620,000 each year is to the

3.28 commissioner of human services to

3.29 supplement the ongoing operational expenses

3.30 of the Commission of Deaf, DeafBlind, and

3.31 Hard-of-Hearing Minnesotans. This transfer

3.32 is subject to Minnesota Statutes, section

3.33 16A.281;

4.1 (2) \$290,000 each year is to the chief
 4.2 information officer to coordinate technology
 4.3 accessibility and usability;

4.4 (3) \$133,000 each year is to the Legislative
 4.5 Coordinating Commission for captioning
 4.6 legislative coverage. This transfer is subject
 4.7 to Minnesota Statutes, section 16A.281; and

4.8 (4) \$50,000 each year is to the Office of
 4.9 MN.IT Services for a consolidated access fund
 4.10 to provide grants or services to other state
 4.11 agencies related to accessibility of web-based
 4.12 services.

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

4.14 Appropriations by Fund

4.15 General 13,089,000 12,883,000

4.16 Workers'
 4.17 Compensation 600,000 600,000

4.18 Family and Medical
 4.19 Benefit Insurance 64,000 -0-

4.20 (a) \$136,000 each year is to advance
 4.21 standardized health plan options.

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

4.25 (c) \$600,000 each year is from the workers'
 4.26 compensation fund.

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

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

4.32 The general fund base is \$8,914,000 in fiscal
 4.33 year 2028 and \$8,914,000 in fiscal year 2029.

5.1	<u>Subd. 7. Weights and Measures Division</u>		<u>2,897,000</u>		<u>3,076,000</u>
5.2	<u>Sec. 3. OFFICE OF CANNABIS</u>				
5.3	<u>MANAGEMENT</u>	<u>\$</u>	<u>37,189,000</u>	<u>\$</u>	<u>40,096,000</u>
5.4	<u>\$15,000,000 each year is for cannabis industry</u>				
5.5	<u>community renewal grants under Minnesota</u>				
5.6	<u>Statutes, section 342.70. Of this amount, up</u>				
5.7	<u>to three percent may be used to pay for</u>				
5.8	<u>administrative expenses incurred by the Office</u>				
5.9	<u>of Cannabis Management.</u>				
5.10	<u>\$1,000,000 each year is for transfer to the</u>				
5.11	<u>CanGrow revolving loan account established</u>				
5.12	<u>under Minnesota Statutes, section 342.73,</u>				
5.13	<u>subdivision 4. Of this amount, up to three</u>				
5.14	<u>percent may be used to pay for administrative</u>				
5.15	<u>expenses incurred by the Office of Cannabis</u>				
5.16	<u>Management.</u>				
5.17	<u>Sec. 4. TRANSFERS.</u>				
5.18	<u>With advance approval from the commissioner of management and budget, the director</u>				
5.19	<u>of the Office of Cannabis Management may transfer positions, salary money, and nonsalary</u>				
5.20	<u>administrative money within the Office of Cannabis Management as the director of the</u>				
5.21	<u>Office of Cannabis Management determines is necessary. The director of the Office of</u>				
5.22	<u>Cannabis Management must inform the chairs and ranking minority members of the</u>				
5.23	<u>legislative committees with jurisdiction over commerce quarterly regarding transfers made</u>				
5.24	<u>under this section.</u>				
5.25	Sec. 5. Laws 2023, chapter 63, article 9, section 5, is amended to read:				
5.26	<u>Sec. 5. OFFICE OF CANNABIS</u>				
5.27	<u>MANAGEMENT</u>	<u>\$</u>	<u>21,614,000</u>	<u>\$</u>	<u>17,953,000</u>
5.28	The base for this appropriation is \$35,587,000				
5.29	in fiscal year 2026 and \$38,144,000 in fiscal				
5.30	year 2027.				
5.31	\$1,000,000 the second year is for cannabis				
5.32	industry community renewal grants under				
5.33	Minnesota Statutes, section 342.70. Of these				

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

ARTICLE 2

FINANCIAL INSTITUTIONS POLICY

Section 1. Minnesota Statutes 2024, section 47.60, subdivision 1, is amended to read:

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

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

for a fee or a charge identified under paragraph (c), including on a borrower's future potential money source, including but not limited to future pay, salary, or pension income.

(b) "Consumer small loan lender" is a financial institution as defined in section 47.59 or a business entity registered with the commissioner and engaged in the business of making consumer small loans.

(c) "Annual percentage rate" means a measure of the cost of credit, expressed as a yearly rate, that relates the amount and timing of value received by the consumer to the amount and timing of payments made. The cost or credit reflected in an annual percentage rate includes all amounts paid by a consumer or on a consumer's behalf in connection or concurrent with a consumer small loan, including: (1) interest, finance charges, and fees; (2) a charge for any ancillary product, membership, or service sold; (3) an amount offered or agreed to by a borrower to obtain credit or provide compensation to use money; (4) a voluntary or other fee charged that a borrower agrees to or pays; (5) a tip, voluntary payment, contribution, and similar amount solicited from or paid by a borrower; or (6) a charge to expedite an advance or other convenience charge. The annual percentage rate must be determined in accordance with either the actuarial method or the United States Rule method.

Sec. 2. Minnesota Statutes 2024, section 47.60, subdivision 3, is amended to read:

Subd. 3. **Filing License; fees.** (a) Before a business entity other than a financial institution as defined by section 47.59 engages in the business of making consumer small loans to Minnesota residents, the business entity ~~shall file with the commissioner as~~ must obtain a consumer small loan lender license issued by the commissioner.

(b) ~~The filing~~ consumer small loan lender license application must be on a form prescribed by the commissioner together with a fee of \$250 for each place of business and must contain the following information in addition to the information required by the commissioner:

(1) the applicant's full name, the address for the place of business, and any fictitious or trade name used by the applicant to conduct business;

(2) a list of the applicant's or person in control's criminal convictions, and any material litigation the applicant has been involved in during the ten-year period preceding the application submission;

(3) the addresses for all of the consumer small loan lender's offices, locations, or retail stores, if any, in Minnesota;

(4) a description of the consumer small loan activity the applicant seeks to provide in Minnesota;

(5) a schedule describing any charges the applicant proposes to charge or offer to a consumer who resides in Minnesota, as included in the cost of credit calculation under subdivision 1, paragraph (c);

~~(4)~~ (6) evidence that the ~~filer~~ applicant has available for the operation of the business at the location specified, liquid assets of at least \$50,000; and

~~(2)~~ (7) a biographical statement ~~on the principal person responsible for the operation and management of the business to be certified~~ describing any individual person in control.

(c) In addition to the information required under paragraph (b), an applicant that is a corporation, limited liability company, partnership, or other legal entity must also provide:

(1) the date the applicant was incorporated or formed, and the state or country of incorporation or formation; and

(2) if applicable, a certificate of good standing from the state or country where the applicant is incorporated or formed.

(d) A consumer small loan lender license issued under this section expires at 11:59 p.m. on December 31 of the year for which the application is filed and is renewable on January 1 each year after that date.

(e) An initial consumer small loan lender license application must be accompanied by a \$500 fee. Each subsequent renewal application must be accompanied by a \$250 fee.

(f) Section 56.09 applies to a suspension or revocation of the ~~file~~ is a consumer small loan lender license under this section in the same manner as ~~in the case of~~ a regulated lender license ~~in~~ under section 56.09.

(g) For purposes of this subdivision: (1) "business entity" includes one that does not have a physical location in Minnesota that makes a consumer small loan electronically via the Internet; and (2) "person in control" means a member of senior management, including an owner or officer, and a person who directly or indirectly possesses the power to direct or cause the direction of the applicant's or consumer small loan lender's management policies under this section, regardless of whether the person has an ownership interest in the applicant or licensee. Control is presumed to exist if a person directly or indirectly owns, controls, or holds with power to vote ten percent or more of the voting stock of an applicant or licensee or of a person who owns, controls, or holds with power to vote ten percent or more of the voting stock of an applicant or licensee.

9.1 Sec. 3. Minnesota Statutes 2024, section 47.60, subdivision 4, is amended to read:

9.2 Subd. 4. **Books of account; annual report; schedule of charges; disclosures.** (a) A
9.3 lender ~~file~~ing licensed under subdivision 3 shall keep and use in the business books, accounts,
9.4 and records as will enable the commissioner to determine whether the filer is complying
9.5 with this section.

9.6 (b) A lender ~~file~~ing licensed under subdivision 3 shall annually on or before March 15
9.7 file a report to the commissioner giving the information the commissioner reasonably
9.8 requires concerning the business and operations during the preceding calendar year, including
9.9 the information required to be reported under section 47.601, subdivision 4.

9.10 (c) A lender ~~file~~ing licensed under subdivision 3 shall display prominently in each place
9.11 of business a full and accurate schedule, to be approved by the commissioner, of the charges
9.12 to be made and the method of computing those charges. A lender shall furnish a copy of
9.13 the contract of loan to a person obligated on it or who may become obligated on it at any
9.14 time upon the request of that person. This is in addition to any disclosures required by the
9.15 federal Truth in Lending Act, United States Code, title 15.

9.16 (d) A lender ~~file~~ing licensed under subdivision 3 shall, upon repayment of the loan in
9.17 full, mark indelibly every obligation signed by the borrower with the word "Paid" or
9.18 "Canceled" within 20 days after repayment.

9.19 (e) A lender ~~file~~ing licensed under subdivision 3 shall display prominently, in each licensed
9.20 place of business, a full and accurate statement of the charges to be made for loans made
9.21 under this section. The statement of charges must be displayed in a notice, on plastic or
9.22 other durable material measuring at least 12 inches by 18 inches, headed "CONSUMER
9.23 NOTICE REQUIRED BY THE STATE OF MINNESOTA." The notice shall include,
9.24 immediately above the statement of charges, the following sentence, or a substantially
9.25 similar sentence approved by the commissioner: "These loan charges are higher than
9.26 otherwise permitted under Minnesota law. Minnesota law permits these higher charges only
9.27 because short-term small loans might otherwise not be available to consumers. If you have
9.28 another source of a loan, you may be able to benefit from a lower interest rate and other
9.29 loan charges." The notice must not contain any other statement or information, unless the
9.30 commissioner has determined that the additional statement or information is necessary to
9.31 prevent confusion or inaccuracy. The notice must be designed with a type size that is large
9.32 enough to be readily noticeable and legible. The form of the notice must be approved by
9.33 the commissioner prior to its use.

Sec. 4. Minnesota Statutes 2024, section 47.60, subdivision 5, is amended to read:

Subd. 5. **Complaints alleging violation.** A person ~~obligated to or having been obligated to a consumer small loan lender filing under subdivision 3 and having~~ that has reason to believe ~~that~~ this section has been violated may file with the commissioner a ~~written~~ complaint setting forth the details of the alleged violation. The commissioner, upon receipt of the complaint, may inspect the pertinent books, records, letters, and contracts of the lender and borrower involved. The commissioner may assess against the lender a fee covering the necessary costs of an investigation under this section. The commissioner may maintain an action for the recovery of the costs in a court of competent jurisdiction.

Sec. 5. Minnesota Statutes 2024, section 47.60, is amended by adding a subdivision to read:

Subd. 5a. **Examinations.** (a) The commissioner may examine the affairs, business, office, and records of a licensee and of other persons subject to examination under this section. Examinations under this section may occur as often as is considered necessary. The commissioner may accept examination reports prepared by a state or federal agency that has comparable supervisory powers and examination procedures.

(b) The commissioner may assess a fee to cover the costs necessary to conduct an examination under this subdivision, as required under section 46.131. The fee is payable to the commissioner upon the commissioner's request for payment. The commissioner may maintain an action to recover costs under this subdivision in any court of competent jurisdiction.

(c) The commissioner may disclose information not otherwise subject to disclosure under section 46.07 to representatives of state or federal agencies pursuant to agreements or relationships with other government officials or federal and state regulatory agencies and regulatory associations in order to: (1) improve efficiencies and reduce regulatory burden by standardizing methods or procedures; and (2) share resources, records, or related information obtained under this section.

Sec. 6. Minnesota Statutes 2024, section 47.60, subdivision 8, is amended to read:

Subd. 8. **No evasion.** (a) A person must not engage in any device, subterfuge, or pretense to evade the requirements of this section, including but not limited to:

(1) making loans disguised as a personal property sale and leaseback transaction;

11.1 (2) representing that an advance is a not a loan because the advance (i) is nonrecourse,
11.2 (ii) is repaid with assigned wages or other present or future income, or (iii) may be not
11.3 subject to certain collection methods, credit reporting, or repayment demands;

11.4 ~~(2)~~ (3) disguising loan proceeds as a cash rebate for the pretextual installment sale of
11.5 goods or services; or

11.6 ~~(3)~~ (4) making, offering, assisting, or arranging for a debtor to obtain a loan with a greater
11.7 rate or amount of interest, consideration, charge, or payment than is permitted by this section
11.8 through any method, including mail, telephone, Internet, or any electronic means, regardless
11.9 of whether a person has a physical location in Minnesota.

11.10 (b) A person is a consumer small loan lender subject to the requirements of this section
11.11 notwithstanding the fact that a person purports to act as an agent or service provider, or acts
11.12 in another capacity for another person that is not subject to this section, if a person:

11.13 (1) directly or indirectly holds, acquires, or maintains the predominant economic interest,
11.14 risk, or reward in a loan or lending business; or

11.15 (2) both: (i) markets, solicits, brokers, arranges, or facilitates a loan; and (ii) holds or
11.16 holds the right, requirement, or first right of refusal to acquire loans, receivables, or other
11.17 direct or interest in a loan.

11.18 (c) A person is a consumer small loan lender subject to the requirements of this section
11.19 if the totality of the circumstances indicate that a person is a lender and the transaction is
11.20 structured to evade the requirements of this section. Circumstances that weigh in favor of
11.21 a person being a lender in a transaction include but are not limited to instances where a
11.22 person:

11.23 (1) indemnifies, insures, or protects a person not subject to this section from any costs
11.24 or risks related to a loan;

11.25 (2) predominantly designs, controls, or operates lending activity;

11.26 (3) holds the trademark or intellectual property rights in the brand, underwriting system,
11.27 or other core aspects of a lending business; or

11.28 (4) purports to act as an agent or service provider, or acts in another capacity, for a person
11.29 not subject to this section while acting directly as a lender in one or more states.

11.30 Sec. 7. Minnesota Statutes 2024, section 47.601, subdivision 1, is amended to read:

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

12.1 (b) "Annual percentage rate" has the meaning given in section 47.60, subdivision 1.

12.2 (c) "Borrower" means an individual who obtains a consumer short-term loan primarily
12.3 for personal, family, or household purposes.

12.4 (d) "Commissioner" means the commissioner of commerce.

12.5 (e) "Consumer short-term loan" means a loan to a borrower, whether recourse or
12.6 nonrecourse, including on a borrower's future potential money source, including but not
12.7 limited to future pay, salary, or pension income, which has a principal amount, or an advance
12.8 on a credit limit, of \$1,300 or less and requires a minimum payment within 60 days of loan
12.9 origination or credit advance of more than 25 percent of the principal balance or credit
12.10 advance. For the purposes of this section, each new advance of money to a borrower under
12.11 a consumer short-term loan agreement constitutes a new consumer short-term loan. A
12.12 "consumer short-term loan" does not include any transaction made under chapter 325J or
12.13 a loan made by a consumer short-term lender where, in the event of default on the loan, the
12.14 sole recourse for recovery of the amount owed, other than a lawsuit for damages for the
12.15 debt, is to proceed against physical goods pledged by the borrower as collateral for the loan.

12.16 (f) "Consumer short-term lender" means an individual or entity engaged in the business
12.17 of making or arranging consumer short-term loans, other than a state or federally chartered
12.18 bank, savings bank, or credit union. For the purposes of this paragraph, arranging consumer
12.19 short-term loans includes but is not limited to any substantial involvement in facilitating,
12.20 marketing, lead-generating, underwriting, servicing, or collecting consumer short-term
12.21 loans.

12.22 Sec. 8. Minnesota Statutes 2024, section 47.601, subdivision 5a, is amended to read:

12.23 Subd. 5a. **No evasion.** (a) A person must not engage in any device, subterfuge, or pretense
12.24 to evade the requirements of this section, including but not limited to:

12.25 (1) making loans disguised as a personal property sale and leaseback transaction;

12.26 (2) representing that an advance is not a loan because the advance (i) is nonrecourse,
12.27 (ii) is repaid with assigned wages or other present or future income, or (iii) may be not
12.28 subject to certain collection methods, credit reporting, or repayment demands;

12.29 ~~(2)~~ (3) disguising loan proceeds as a cash rebate for the pretextual installment sale of
12.30 goods or services; or

12.31 ~~(3)~~ (4) making, offering, assisting, or arranging for a debtor to obtain a loan with a greater
12.32 rate or amount of interest, consideration, charge, or payment than is permitted by this section

13.1 through any method, including mail, telephone, Internet, or any electronic means, regardless
13.2 of whether a person has a physical location in Minnesota.

13.3 (b) A person is a consumer short-term loan lender subject to the requirements of this
13.4 section notwithstanding the fact that a person purports to act as an agent or service provider,
13.5 or acts in another capacity for another person that is not subject to this section, if a person:

13.6 (1) directly or indirectly holds, acquires, or maintains the predominant economic interest,
13.7 risk, or reward in a loan or lending business; or

13.8 (2) both: (i) markets, solicits, brokers, arranges, or facilitates a loan; and (ii) holds or
13.9 holds the right, requirement, or first right of refusal to acquire loans, receivables, or other
13.10 direct or interest in a loan.

13.11 (c) A person is a consumer short-term loan lender subject to the requirements of this
13.12 section if the totality of the circumstances indicate that a person is a lender and the transaction
13.13 is structured to evade the requirements of this section. Circumstances that weigh in favor
13.14 of a person being a lender in a transaction include but are not limited to instances where a
13.15 person:

13.16 (1) indemnifies, insures, or protects a person not subject to this section from any costs
13.17 or risks related to a loan;

13.18 (2) predominantly designs, controls, or operates lending activity;

13.19 (3) holds the trademark or intellectual property rights in the brand, underwriting system,
13.20 or other core aspects of a lending business; or

13.21 (4) purports to act as an agent or service provider, or acts in another capacity, for a person
13.22 not subject to this section while acting directly as a lender in one or more states.

13.23 Sec. 9. Minnesota Statutes 2024, section 47.601, subdivision 7, is amended to read:

13.24 Subd. 7. **Attorney general Enforcement.** The commissioner of commerce must enforce
13.25 this section under section 45.027 and the attorney general shall must enforce this section
13.26 under section 8.31.

14.1 Sec. 10. Minnesota Statutes 2024, section 80A.58, is amended to read:

14.2 **80A.58 SECTION 403; INVESTMENT ADVISER REGISTRATION**
14.3 **REQUIREMENT AND EXEMPTIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

14.30 (c) **Additional requirements for private fund advisers to certain 3(c)(1) funds.** In
14.31 order to qualify for the exemption described in subsection (b)(3), a private fund adviser

15.1 who advises at least one 3(c)(1) fund that is not a venture capital fund shall, in addition to
15.2 satisfying each of the conditions specified in subsection (b)(3), comply with the following
15.3 requirements:

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

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

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

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

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

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

15.19 (d) **Federal covered investment advisers.** If a private fund adviser is registered with
15.20 the Securities and Exchange Commission, the adviser shall not be eligible for the private
15.21 fund adviser exemption under paragraph (b), clause (3), and shall comply with the state
15.22 notice filing requirements applicable to federal covered investment advisers in section
15.23 80A.58.

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

15.29 (f) **Electronic filings.** The report filings described in subsection (b)(3)(ii) shall be made
15.30 electronically through the IARD. A report shall be deemed filed when the report and the
15.31 fee required by sections 80A.60 and 80A.65 are filed and accepted by the IARD on the
15.32 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. 11. 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

17.1 fee of ~~\$25~~ \$65. A registered investment adviser representative who has terminated
17.2 employment with one investment adviser must, before beginning employment with another
17.3 investment adviser, pay a \$50 transfer fee.

17.4 Sec. 12. Minnesota Statutes 2024, section 80A.65, is amended by adding a subdivision to
17.5 read:

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

17.8 Sec. 13. **EFFECTIVE DATE; TRANSITION PROVISION.**

17.9 The amendments to Minnesota Statutes, section 47.60, in this article are effective August
17.10 1, 2025. An entity that filed and was approved under Minnesota Statutes, section 47.60,
17.11 before August 1, 2025, must file a renewal application that complies with Minnesota Statutes,
17.12 section 47.60, as amended by this article, between November 1, 2025, and December 31,
17.13 2025, for activity occurring on or after January 1, 2026.

17.14 ARTICLE 3

17.15 MINNESOTA PREMIUM SECURITY PLAN

17.16 Section 1. Minnesota Statutes 2024, section 62E.21, is amended by adding a subdivision
17.17 to read:

17.18 Subd. 2a. **Assessment.** "Assessment" means the amount an eligible carrier under the
17.19 plan must pay to the association for operational costs, administrative costs, and reinsurance
17.20 payments relating to initiating and operating the plan.

17.21 Sec. 2. Minnesota Statutes 2024, section 62E.23, subdivision 1, is amended to read:

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

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

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

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

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

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

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

18.14 (h) The association must collect assessments from eligible carriers to pay for the
18.15 Minnesota premium security plan no later than June 30 of the year following the applicable
18.16 benefit year. The association must use the assessments collected under this paragraph to
18.17 pay the operational costs, administrative costs, and reinsurance payments of the plan not
18.18 covered by federal funding for the plan. By March 1 each year, the association must provide
18.19 each member with an estimate of the member's assessment for the upcoming applicable
18.20 benefit year. The association must notify each member of the member's assessment for the
18.21 applicable benefit year not later than June 30 of the year following the applicable benefit
18.22 year.

18.23 Sec. 3. Minnesota Statutes 2024, section 62E.23, subdivision 2, is amended to read:

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

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

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

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

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

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

19.1 (6) take into account assessments imposed on eligible carriers; and

19.2 ~~(6)~~ (7) take into account the total amount available to fund the plan.

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

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

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

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

19.19 Sec. 4. Minnesota Statutes 2024, section 62E.23, subdivision 3, is amended to read:

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

19.26 (b) If the amount in the premium security plan account in section 62E.25, subdivision
19.27 1, is not anticipated to be adequate to fully fund the approved payment parameters as of
19.28 July 1 of the year before the applicable benefit year, the board, in consultation with the
19.29 commissioner and the commissioner of management and budget, shall propose payment
19.30 parameters within the available appropriations or assess members to obtain the necessary
19.31 funding. The commissioner must permit an eligible health carrier to revise an applicable
19.32 rate filing based on the final payment parameters for the next benefit year.

20.1 (c) Notwithstanding paragraph (a), the payment parameters for benefit years 2023 through
20.2 2027 are:

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

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

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

20.6 Sec. 5. Minnesota Statutes 2024, section 62E.24, subdivision 1, is amended to read:

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

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

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

20.12 (3) assessments collected from eligible carriers;

20.13 ~~(3)~~ (4) reinsurance payments made to eligible health carriers; and

20.14 ~~(4)~~ (5) administrative and operational expenses incurred for the plan.

20.15 Sec. 6. Minnesota Statutes 2024, section 62E.24, subdivision 2, is amended to read:

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

20.24 (b) The reports must include information about:

20.25 (1) the reinsurance parameters used;

20.26 (2) the metal levels affected;

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

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

21.1 (5) funds appropriated for reinsurance payments and administrative and operational
21.2 expenses for each year, including the federal and state contributions received, investment
21.3 income, assessments collected from eligible carriers, and any other revenue or funds received;

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

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

21.7 Sec. 7. Minnesota Statutes 2024, section 62E.25, subdivision 1, is amended to read:

21.8 Subdivision 1. **Premium security plan account.** The premium security plan account is
21.9 created in the special revenue fund of the state treasury. Funds in the account ~~are appropriated~~
21.10 ~~annually~~ may include annual appropriations made to the commissioner of commerce for
21.11 grants to the Minnesota Comprehensive Health Association for the operational and
21.12 administrative costs and reinsurance payments relating to the start-up and operation of the
21.13 Minnesota premium security plan, as well as money received from assessments made under
21.14 section 62E.23. Notwithstanding section 11A.20, all investment income and all investment
21.15 losses attributable to the investment of the premium security plan account shall be credited
21.16 to the premium security plan account.

21.17 Sec. 8. Minnesota Statutes 2024, section 62E.25, is amended by adding a subdivision to
21.18 read:

21.19 Subd. 4. **Assessments.** (a) The association must deposit assessments collected from
21.20 eligible carriers into the security plan account under subdivision 1 to pay for operational
21.21 costs, administrative costs, and reinsurance payments relating to initiating and operating
21.22 the plan.

21.23 (b) The association must pay for operational costs, administrative costs, and reinsurance
21.24 payments relating to initiating and operating the plan using available money in the security
21.25 plan account, subject to the following order of the deposited money's source:

21.26 (1) federal funding received for the plan; and

21.27 (2) assessments from eligible carriers.

21.28 Sec. 9. **[62E.26] STATE INNOVATION WAIVER.**

21.29 Subdivision 1. **Waiver application submission.** The commissioner of commerce must
21.30 apply to the United States Secretary of Health and Human Services and the United States
21.31 Secretary of the Treasury under United States Code, title 42, section 18052, for a state

22.1 innovation waiver to extend the Minnesota premium security plan for benefit years beginning
22.2 January 1, 2028, and future years to maximize federal funding. The waiver application must
22.3 clearly state that operation of the Minnesota premium security plan is contingent on approval
22.4 of the waiver request and receipt of federal funding for the basic health program in an
22.5 amount that is no less than the amount that the basic health program otherwise would have
22.6 received absent the waiver.

22.7 Subd. 2. **Consultation.** When developing the waiver application under this section, the
22.8 commissioner must consult with the commissioner of human services, the commissioner
22.9 of health, and the director of MNsure.

22.10 Subd. 3. **Notification.** The commissioner must notify the chairs and ranking minority
22.11 members of the legislative committees with jurisdiction over health and human services
22.12 and insurance, and the board of directors of the Minnesota Comprehensive Health
22.13 Association, regarding (1) the commissioner's intent to submit a waiver application, and
22.14 (2) federal action taken with respect to the waiver request.

22.15 Subd. 4. **Waiver denial; plan implementation prohibition.** If the state innovation
22.16 waiver request submitted under subdivision 1 is not approved or if the federal funding for
22.17 the basic health program is less than the amount that the basic health program otherwise
22.18 would have received absent the waiver, the association is prohibited from administering the
22.19 plan and providing reinsurance payments to eligible health carriers.

22.20 ARTICLE 4

22.21 WEIGHTS & MEASURES POLICY

22.22 Section 1. **[239.90] RETAIL ELECTRIC VEHICLE SUPPLY EQUIPMENT.**

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

22.25 (b) "Electric vehicle supply equipment" or "EVSE" means a conductor, including an
22.26 ungrounded, grounded, and equipment grounding conductor, electric vehicle connector,
22.27 attachment plug, and other fitting, device, power outlet, or apparatus installed specifically
22.28 to measure, deliver, and compute the price of electrical energy delivered to an electric
22.29 vehicle.

22.30 (c) "Electricity sold as vehicle fuel" means electrical energy transferred to or stored
22.31 onboard an electric vehicle primarily to propel the electric vehicle.

23.1 (d) "Fixed service" means a service that continuously provides the nominal power that
23.2 is possible with the equipment as installed.

23.3 (e) "Nominal power" means the intended, named, or stated, as opposed to the actual,
23.4 rate of electrical energy transfer.

23.5 (f) "Variable service" means a service that may be controlled, resulting in periods of
23.6 reduced or interrupted transfer of electrical energy.

23.7 Subd. 2. **Inspection; fees.** The director must inspect a retail EVSE annually or as often
23.8 as is possible given budgetary and staffing limitations. The director must charge an EVSE
23.9 owner a \$100 fee to inspect and test each EVSE charging port.

23.10 Subd. 3. **EVSE program account; appropriation.** An EVSE program account is created
23.11 in the special revenue fund of the state treasury. The commissioner must credit to the account
23.12 fees collected from inspections under this section and appropriations and transfers made to
23.13 the account. Earnings, including interest, dividends, and any other earnings arising from
23.14 assets of the account, must be credited to the account. Money in the account is appropriated
23.15 to the commissioner to pay for operations of the EVSE program.

23.16 Subd. 4. **Method of sale.** (a) Electrical energy kept, offered, or exposed for sale and
23.17 sold at retail as a vehicle fuel must be expressed in kilowatt-hour units.

23.18 (b) In addition to the price per kilowatt-hour for the quantity of electrical energy sold,
23.19 a fee may be assessed for other services. A fee assessed for another service may be a fixed
23.20 fee or may be based on time measurement.

23.21 Subd. 5. **Labeling.** (a) A computing EVSE must display the unit price in whole cents
23.22 or tenths of one cent, based on the price per kilowatt-hour. If the electrical energy is unlimited
23.23 or free of charge, the computing EVSE must clearly indicate that the electrical energy is
23.24 unlimited or free of charge in lieu of the unit price.

23.25 (b) For a fixed service application, the following information must be conspicuously
23.26 displayed or posted on the face of the device:

23.27 (1) the level of electric vehicle service, expressed as the nominal power transfer; and

23.28 (2) the type of electrical energy transfer.

23.29 (c) If a fee is assessed for other services in direct connection with fueling the vehicle,
23.30 including but not limited to a fee based on time measurement or a fixed fee, the additional
23.31 fee must be displayed.

24.1 (d) An EVSE must be labeled in a manner that complies with Federal Trade
24.2 Commissioner labeling requirements for alternative fuels and alternative fueled vehicles,
24.3 Code of Federal Regulations, title 16, part 309.

24.4 (e) An EVSE must be listed and labeled in a manner that complies with the National
24.5 Electric Code NFPA 70, Article 625, Electric Vehicle Charging Systems.

24.6 Subd. 6. **Advertising; sign prices.** (a) When a sign or device is used to advertise the
24.7 price of electricity to fuel a vehicle, the price for electrical energy must be expressed in
24.8 price per kilowatt-hour, in whole cents or tenths of one cent. If the electrical energy is
24.9 unlimited or free of charge, advertising or sign must clearly indicate that the electrical energy
24.10 is unlimited or free of charge in lieu of the unit price.

24.11 (b) If more than one electrical energy unit price may apply over the duration of a single
24.12 transaction or sale to the general public, the terms and conditions that determine each unit
24.13 price and the times each unit price apply must be clearly displayed.

24.14 (c) For a fixed service application, the following information must be conspicuously
24.15 displayed or posted:

24.16 (1) the level of electric vehicle service, expressed as the nominal power transfer; and

24.17 (2) the type of electrical energy transfer.

24.18 (d) For a variable service application, the following information must be conspicuously
24.19 displayed or posted:

24.20 (1) the type of delivery;

24.21 (2) the minimum and maximum power transfer that may occur during a transaction,
24.22 including whether service may be reduced to zero;

24.23 (3) the conditions under which a variation in electrical energy transfer occurs; and

24.24 (4) the type of electrical energy transfer.

24.25 (e) If a fee is assessed for other services in direct connection with the fueling of the
24.26 vehicle, including but not limited to a fee based on time measurement or a fixed fee, the
24.27 additional fee must be included on all street signs or other advertising.

24.28 Subd. 7. **Administrative rulemaking.** For purposes of this section, the commissioner
24.29 may use the expedited rulemaking process under section 14.389 to adopt administrative
24.30 rules that incorporate the 2025 version of NIST Handbook 44 into Minnesota Rules, chapter
24.31 7601.

ARTICLE 5**CANNABIS POLICY**

Section 1. Minnesota Statutes 2024, section 342.17, is amended to read:

342.17 SOCIAL EQUITY APPLICANTS.

(a) An applicant qualifies as a social equity applicant if the applicant:

(1) was convicted of, received a stay of adjudication under chapter 609 for, or was adjudicated delinquent under chapter 260B of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(3) was a dependent of an individual who was convicted of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

(4) is a military veteran, including a service-disabled veteran, current or former member of the national guard;

(5) is a military veteran or current or former member of the national guard who lost honorable status due to an offense involving the possession or sale of cannabis or marijuana;

(6) has been a resident for the last five years of one or more subareas, such as census tracts or neighborhoods:

(i) that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the office pursuant to section 342.04, paragraph (b), or another report based on federal or state data on arrests or convictions;

(ii) where the poverty rate was 20 percent or more;

(iii) where the median family income did not exceed 80 percent of the statewide median family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide median family income or 80 percent of the median family income for that metropolitan area;

(iv) where at least 20 percent of the households receive assistance through the Supplemental Nutrition Assistance Program; or

(v) where the population has a high level of vulnerability according to the Centers for Disease Control and Prevention and Agency for Toxic Substances and Disease Registry (CDC/ATSDR) Social Vulnerability Index; or

(7) has participated in the business operation of a farm for at least three years and currently provides the majority of the day-to-day physical labor and management of a farm that had gross farm sales of at least \$5,000 but not more than \$100,000 in the previous year.

(b) The qualifications described in paragraph (a) apply to each individual applicant or, in the case of a business entity, apply to at least 65 percent of the controlling ownership of the business entity.

Sec. 2. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to read:

Subd. 2a. Cannabis testing facility licenses. (a) Pending an applicant's accreditation by a laboratory accrediting organization approved by the office, the office may issue or renew a cannabis testing facility license for an applicant that is a person, cooperative, or business if the applicant:

(1) submits documentation to the office demonstrating that the applicant has a signed contract with a laboratory accreditation organization approved by the office, has scheduled an audit, and is making progress toward accreditation by a laboratory accrediting organization approved by the office according to the standards of the most recent edition of ISO/IEC 17025: General Requirements for the Competence of Testing and Calibration Laboratories;

(2) passes a final site inspection conducted by the office; and

(3) meets all other licensing requirements according to chapter 342 and Minnesota Rules.

(b) After receiving a license under this section, a license holder may operate a cannabis testing facility up to one year with pending accreditation status.

(c) If, after one year, a license holder continues to have pending accreditation status, the license holder may apply for a onetime extension to continue operations for up to six months. The office may grant an extension under this paragraph to a license holder if the license holder:

(1) passes a follow-up site inspection conducted by the office;

(2) submits an initial audit report from a laboratory accrediting organization approved by the office; and

(3) submits any additional information requested by the office.

(d) The office may revoke a cannabis testing facility license held by a license holder with pending accreditation status if the office determines or has reason to believe that the license holder:

27.1 (1) is not making progress toward accreditation; or

27.2 (2) has violated a cannabis testing requirement, an ownership requirement, or an
27.3 operational requirement in chapter 342 or Minnesota Rules.

27.4 (e) The office must not issue or renew a cannabis testing facility license under this
27.5 subdivision for a license holder if the license holder's accreditation has been suspended or
27.6 revoked by a laboratory accrediting organization.

27.7 Sec. 3. Minnesota Statutes 2024, section 342.37, is amended by adding a subdivision to
27.8 read:

27.9 Subd. 2b. **Loss of accreditation.** (a) A license holder must report loss of accreditation
27.10 to the office within 24 hours of receiving notice of the loss of accreditation.

27.11 (b) The office must immediately revoke a license holder's license upon receiving notice
27.12 that the license holder has lost accreditation."

27.13 Amend the title accordingly