

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 2393

(SENATE AUTHORS: FRENTZ and Xiong)		
DATE	D-PG	OFFICIAL STATUS
03/10/2025	719	Introduction and first reading
		Referred to Commerce and Consumer Protection
03/13/2025	777	Withdrawn and re-referred to Energy, Utilities, Environment, and Climate
04/10/2025	1743a	Comm report: To pass as amended and re-refer to Finance

1.1

A bill for an act

1.2

relating to commerce; establishing a biennial budget for commerce and energy;

1.3

modifying provisions governing consumer small loans and lending; modifying the

1.4

Minnesota premium security plan; requiring submission of a state innovation

1.5

waiver; modifying provisions governing renewable energy, energy conservation,

1.6

and energy efficiency; regulating retail electric vehicle supply equipment; modifying

1.7

provisions governing certain cannabis licenses; imposing assessments and fees;

1.8

appropriating money; authorizing administrative rulemaking; amending Minnesota

1.9

Statutes 2024, sections 47.60, subdivisions 1, 3, 4, 5, 8, by adding a subdivision;

1.10

47.601, subdivisions 1, 5a, 7; 62E.21, by adding a subdivision; 62E.23, subdivisions

1.11

1, 2, 3; 62E.24, subdivisions 1, 2; 62E.25, subdivision 1, by adding a subdivision;

1.12

80A.58; 80A.65, subdivision 2, by adding a subdivision; 116C.7792; 216C.09;

1.13

216C.10; 216C.11; 216C.12; 216C.391, subdivisions 1, 3; 342.17; 342.37, by

1.14

adding subdivisions; Laws 2023, chapter 63, article 9, section 5; proposing coding

1.15

for new law in Minnesota Statutes, chapters 62E; 239.

1.16

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

1.17

ARTICLE 1

1.18

COMMERCE FINANCE

1.19

Section 1. APPROPRIATIONS.

1.20

The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.21

and for the purposes specified in this article. The appropriations are from the general fund,

1.22

or another named fund, and are available for the fiscal years indicated for each purpose.

1.23

The figures "2026" and "2027" used in this article mean that the appropriations listed under

1.24

them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

1.25

"The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"

1.26

is fiscal years 2026 and 2027. If an appropriation in this act is enacted more than once in

1.27

the 2025 legislative session or a special session, the appropriation must be given effect only

1.28

once.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2026</u>	<u>2027</u>
2.5	Sec. 2. <u>DEPARTMENT OF COMMERCE</u>		
2.6	Subdivision 1. <u>Total Appropriation</u>	<u>\$ 42,163,000</u>	<u>\$ 42,750,000</u>
2.7	<u>Appropriations by Fund</u>		
2.8		<u>2026</u>	<u>2027</u>
2.9	<u>General</u>	<u>39,191,000</u>	<u>39,842,000</u>
2.10	<u>Workers'</u>		
2.11	<u>Compensation Fund</u>	<u>815,000</u>	<u>815,000</u>
2.12	<u>Special Revenue</u>	<u>2,093,000</u>	<u>2,093,000</u>
2.13	<u>Family Medical</u>		
2.14	<u>Benefit Insurance</u>	<u>64,000</u>	<u>-0-</u>
2.15	<u>The amounts that may be spent for each</u>		
2.16	<u>purpose are specified in the following</u>		
2.17	<u>subdivisions.</u>		
2.18	Subd. 2. <u>Financial Institutions</u>	<u>3,227,000</u>	<u>3,227,000</u>
2.19	<u>(a) \$400,000 each year is for a grant to Prepare</u>		
2.20	<u>and Prosper to develop, market, evaluate, and</u>		
2.21	<u>distribute a financial services inclusion</u>		
2.22	<u>program that (1) assists low-income and</u>		
2.23	<u>financially underserved populations to build</u>		
2.24	<u>savings and strengthen credit, and (2) provides</u>		
2.25	<u>services to assist low-income and financially</u>		
2.26	<u>underserved populations to become more</u>		
2.27	<u>financially stable and secure. Money</u>		
2.28	<u>remaining after the first year is available for</u>		
2.29	<u>the second year.</u>		
2.30	<u>(b) \$254,000 each year is to administer</u>		
2.31	<u>Minnesota Statutes, chapter 58B.</u>		
2.32	Subd. 3. <u>Administrative Services</u>	<u>11,300,000</u>	<u>11,978,000</u>
2.33	<u>(a) \$353,000 each year is for system</u>		
2.34	<u>modernization and cybersecurity upgrades for</u>		
2.35	<u>the unclaimed property program.</u>		

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

3.3 (c) \$500,000 each year is to create and
3.4 maintain the Prescription Drug Affordability
3.5 Board established under Minnesota Statutes,
3.6 section 62J.87.

3.7 (d) \$12,000 each year is for the intermediate
3.8 blends of gasoline and biofuels report under
3.9 Minnesota Statutes, section 239.791,
3.10 subdivision 8.

3.11	<u>Subd. 4. Enforcement</u>	<u>7,751,000</u>	<u>7,751,000</u>
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3.12	<u>Appropriations by Fund</u>		
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3.13	<u>General</u>	<u>7,536,000</u>	<u>7,536,000</u>
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3.14	<u>Workers'</u>		
3.15	<u>Compensation</u>	<u>215,000</u>	<u>215,000</u>

3.16 (a) \$811,000 each year is for five additional
3.17 peace officers in the Commerce Fraud Bureau.
3.18 Money under this paragraph is transferred
3.19 from the general fund to the insurance fraud
3.20 prevention account under Minnesota Statutes,
3.21 section 45.0135, subdivision 6.

3.22 (b) \$21,000 each year is for body cameras
3.23 worn by Commerce Fraud Bureau agents.

3.24 (c) \$215,000 each year is from the workers'
3.25 compensation fund.

3.26 (d) \$225,000 each year is to create and
3.27 maintain the Mental Health Parity and
3.28 Substance Abuse Accountability Office under
3.29 Minnesota Statutes, section 62Q.465.

3.30 (e) \$197,000 each year is to create and
3.31 maintain a student loan advocate position
3.32 under Minnesota Statutes, section 58B.011.

4.1 (f) \$283,000 each year is for law enforcement
4.2 salary increases authorized under Laws 2021,
4.3 First Special Session chapter 4, article 9,
4.4 section 1.

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

4.6 Appropriations by Fund

4.7 General 1,142,000 1,142,000

4.8 Special Revenue 2,093,000 2,093,000

4.9 \$2,093,000 each year is from the
4.10 telecommunications access Minnesota fund
4.11 under Minnesota Statutes, section 237.52,
4.12 subdivision 1, in the special revenue fund for
4.13 the following transfers:

4.14 (1) \$1,620,000 each year is to the
4.15 commissioner of human services to
4.16 supplement the ongoing operational expenses
4.17 of the Commission of Deaf, DeafBlind, and
4.18 Hard-of-Hearing Minnesotans. This transfer
4.19 is subject to Minnesota Statutes, section
4.20 16A.281;

4.21 (2) \$290,000 each year is to the chief
4.22 information officer to coordinate technology
4.23 accessibility and usability;

4.24 (3) \$133,000 each year is to the Legislative
4.25 Coordinating Commission for captioning
4.26 legislative coverage. This transfer is subject
4.27 to Minnesota Statutes, section 16A.281; and

4.28 (4) \$50,000 each year is to the Office of
4.29 MN.IT Services for a consolidated access fund
4.30 to provide grants or services to other state
4.31 agencies related to accessibility of web-based
4.32 services.

5.1	<u>Subd. 6. Insurance</u>		<u>13,753,000</u>	<u>13,483,000</u>
5.2	<u>Appropriations by Fund</u>			
5.3	<u>General</u>	<u>13,089,000</u>	<u>12,883,000</u>	
5.4	<u>Workers'</u>			
5.5	<u>Compensation</u>	<u>600,000</u>	<u>600,000</u>	
5.6	<u>Family and Medical</u>			
5.7	<u>Benefit Insurance</u>	<u>64,000</u>	<u>-0-</u>	
5.8	<u>(a) \$136,000 each year is to advance</u>			
5.9	<u>standardized health plan options.</u>			
5.10	<u>(b) \$105,000 each year is to evaluate</u>			
5.11	<u>legislation for new mandated health benefits</u>			
5.12	<u>under Minnesota Statutes, section 62J.26.</u>			
5.13	<u>(c) \$600,000 each year is from the workers'</u>			
5.14	<u>compensation fund.</u>			
5.15	<u>(d) \$42,000 each year is to ensure health plan</u>			
5.16	<u>company compliance with Minnesota Statutes,</u>			
5.17	<u>section 62Q.47, paragraph (h).</u>			
5.18	<u>(e) \$25,000 each year is to evaluate existing</u>			
5.19	<u>statutory health benefit mandates.</u>			
5.20	<u>The general fund base is \$8,914,000 in fiscal</u>			
5.21	<u>year 2028 and \$8,914,000 in fiscal year 2029.</u>			
5.22	<u>Subd. 7. Weights and Measures Division</u>		<u>2,897,000</u>	<u>3,076,000</u>
5.23	<u>Sec. 3. OFFICE OF CANNABIS</u>			
5.24	<u>MANAGEMENT</u>	<u>\$</u>	<u>37,189,000</u>	<u>\$ 40,096,000</u>
5.25	<u>\$15,000,000 each year is for cannabis industry</u>			
5.26	<u>community renewal grants under Minnesota</u>			
5.27	<u>Statutes, section 342.70. Of this amount, up</u>			
5.28	<u>to three percent may be used to pay for</u>			
5.29	<u>administrative expenses incurred by the Office</u>			
5.30	<u>of Cannabis Management.</u>			
5.31	<u>\$1,000,000 each year is for transfer to the</u>			
5.32	<u>CanGrow revolving loan account established</u>			
5.33	<u>under Minnesota Statutes, section 342.73,</u>			
5.34	<u>subdivision 4. Of this amount, up to three</u>			

6.1 percent may be used to pay for administrative
 6.2 expenses incurred by the Office of Cannabis
 6.3 Management.

6.4 Sec. 4. TRANSFERS.

6.5 With advance approval from the commissioner of management and budget, the director
 6.6 of the Office of Cannabis Management may transfer positions, salary money, and nonsalary
 6.7 administrative money within the Office of Cannabis Management as the director of the
 6.8 Office of Cannabis Management determines is necessary. The director of the Office of
 6.9 Cannabis Management must inform the chairs and ranking minority members of the
 6.10 legislative committees with jurisdiction over commerce quarterly regarding transfers made
 6.11 under this section.

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

6.13 **Sec. 5. OFFICE OF CANNABIS**
 6.14 **MANAGEMENT**

\$ 21,614,000 \$ 17,953,000

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

6.18 ~~\$1,000,000 the second year is for cannabis~~
 6.19 ~~industry community renewal grants under~~
 6.20 ~~Minnesota Statutes, section 342.70. Of these~~
 6.21 ~~amounts, up to three percent may be used for~~
 6.22 ~~administrative expenses. The base for this~~
 6.23 ~~appropriation is \$15,000,000 in fiscal year~~
 6.24 ~~2026 and each fiscal year thereafter.~~

6.25 \$1,000,000 the second year is for cannabis
 6.26 industry community renewal grants under
 6.27 Minnesota Statutes, section 342.70.

6.28 Notwithstanding Minnesota Statutes, section
 6.29 16A.28, this appropriation is available until
 6.30 June 30, 2026. Of this amount, up to three
 6.31 percent may be used to pay for administrative
 6.32 expenses incurred by the Office of Cannabis
 6.33 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

CLIMATE AND ENERGY 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 article is enacted more than once in the 2025 regular or a special legislative 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. <u>DEPARTMENT OF COMMERCE</u>			
Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>15,843,000</u>	<u>\$</u> <u>15,843,000</u>
<u>Appropriations by Fund</u>			
	<u>2026</u>	<u>2027</u>	
<u>General</u>	<u>14,246,000</u>	<u>14,246,000</u>	
<u>Petroleum Tank</u>	<u>1,597,000</u>	<u>1,597,000</u>	
The amounts that may be spent for each purpose are specified in the following subdivisions.			

8.1	<u>Subd. 2. Energy Resources</u>	<u>14,246,000</u>	<u>14,246,000</u>
8.2	<u>(a) \$150,000 the first year and \$150,000 the</u>		
8.3	<u>second year are to remediate vermiculite</u>		
8.4	<u>insulation from households that are eligible</u>		
8.5	<u>for weatherization assistance under</u>		
8.6	<u>Minnesota's weatherization assistance program</u>		
8.7	<u>state plan under Minnesota Statutes, section</u>		
8.8	<u>216C.264. Remediation must be performed in</u>		
8.9	<u>conjunction with federal weatherization</u>		
8.10	<u>assistance program services.</u>		
8.11	<u>(b) \$189,000 each year is for activities</u>		
8.12	<u>associated with a utility's implementation of</u>		
8.13	<u>a natural gas innovation plan under Minnesota</u>		
8.14	<u>Statutes, section 216B.2427.</u>		
8.15	<u>(c) \$3,199,000 each year is for weatherization</u>		
8.16	<u>and preweatherization work to serve additional</u>		
8.17	<u>households and allow for services that would</u>		
8.18	<u>otherwise be denied due to current federal</u>		
8.19	<u>limitations related to the federal weatherization</u>		
8.20	<u>assistance program. Money under this</u>		
8.21	<u>paragraph is transferred from the general fund</u>		
8.22	<u>to the preweatherization account in the special</u>		
8.23	<u>revenue fund under Minnesota Statutes,</u>		
8.24	<u>section 216C.264, subdivision 1c.</u>		
8.25	<u>(d) \$500,000 each year is for a grant to the</u>		
8.26	<u>clean energy resource teams under Minnesota</u>		
8.27	<u>Statutes, section 216C.385, subdivision 2, to</u>		
8.28	<u>provide additional capacity to perform the</u>		
8.29	<u>duties specified under Minnesota Statutes,</u>		
8.30	<u>section 216C.385, subdivision 3. This</u>		
8.31	<u>appropriation may be used to reimburse the</u>		
8.32	<u>reasonable costs incurred by the department</u>		
8.33	<u>to administer the grant.</u>		

9.1 (e) \$301,000 each year is to implement energy
9.2 benchmarking under Minnesota Statutes,
9.3 section 216C.331.

9.4 (f) \$164,000 each year is for activities
9.5 associated with a public utility's filing a
9.6 transportation electrification plan under
9.7 Minnesota Statutes, section 216B.1615.

9.8 (g) \$77,000 each year is for activities
9.9 associated with appeals of consumer
9.10 complaints to the commission under
9.11 Minnesota Statutes, section 216B.172.

9.12 (h) \$961,000 each year is for activities
9.13 required under Minnesota Statutes, section
9.14 216B.1641, for community solar gardens. This
9.15 appropriation must be assessed directly to the
9.16 public utility subject to Minnesota Statutes,
9.17 section 116C.779.

9.18 (i) \$46,000 each year is for work to align
9.19 energy transmission and distribution planning
9.20 activities with opportunities along trunk
9.21 highway rights-of-way.

9.22 (j) \$265,000 each year is to (1) participate in
9.23 a Minnesota Public Utilities Commission
9.24 proceeding to review electric transmission line
9.25 owners' plans to deploy grid-enhancing
9.26 technologies, and (2) issue an order to
9.27 implement the plans. The base in fiscal year
9.28 2028 is \$0.

9.29 The general fund base is \$13,981,000 in fiscal
9.30 year 2028 and \$13,981,000 in fiscal year 2029.

9.31 Subd. 3. **Petroleum Tank Release Compensation**
9.32 **Board**

1,597,000

1,597,000

9.33 This appropriation is from the petroleum tank
9.34 fund.

Sec. 3. **PUBLIC UTILITIES COMMISSION** \$ 13,330,000 \$ 13,417,000

ARTICLE 3

RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS

Section 1. **RENEWABLE DEVELOPMENT FINANCE.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j), the appropriations are from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, 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 article is enacted more than once in the 2025 regular or special legislative 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**

Subdivision 1. **Total Appropriation** \$ 500,000 \$ 100,000

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

Subd. 2. **"Made in Minnesota" Administration**

\$100,000 each year is to administer the "Made in Minnesota" solar energy production incentive program under Minnesota Statutes, section 216C.417. Any unobligated amount remaining on June 30, 2027, cancels to the renewable development account.

11.1 Subd. 3. **Microgrid Research and Application**

11.2 \$400,000 the first year is for a grant to the
11.3 University of St. Thomas Center for Microgrid
11.4 Research, which must be used to:

11.5 (1) increase the center's capacity to provide
11.6 industry partners opportunities to test
11.7 near-commercial microgrid products on a
11.8 real-world scale and to multiply opportunities
11.9 for innovative research;

11.10 (2) procure advanced equipment and controls
11.11 to enable the extension of the university's
11.12 microgrid to additional buildings; and

11.13 (3) expand (i) hands-on educational
11.14 opportunities for undergraduate and graduate
11.15 electrical engineering students to increase
11.16 understanding of microgrid operations, and
11.17 (ii) partnerships with community colleges.

11.18 Sec. 3. **DEPARTMENT OF**
11.19 **ADMINISTRATION**

\$

92,000 \$

92,000

11.20 \$92,000 each year is for software and
11.21 administrative costs associated with the state
11.22 building energy conservation improvement
11.23 revolving loan program under Minnesota
11.24 Statutes, section 16B.87.

11.25 **ARTICLE 4**

11.26 **FINANCIAL INSTITUTIONS POLICY**

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

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

11.30 (a) "Consumer small loan" is a loan transaction, whether recourse or nonrecourse, in
11.31 which cash is advanced to a borrower for the borrower's own personal, family, or household
11.32 purpose. A consumer small loan is a short-term, unsecured loan to be repaid in a single
11.33 installment. The cash advance of a consumer small loan is equal to or less than \$350. A

12.1 consumer small loan includes an indebtedness evidenced by but not limited to a promissory
12.2 note or agreement to defer the presentation of a personal check or authorized account transfer
12.3 for a fee or a charge identified under paragraph (c), including on a borrower's future potential
12.4 money source, including but not limited to future pay, salary, or pension income.

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

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

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

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

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

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

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

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

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

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

13.6 ~~(4)~~ (6) evidence that the filer applicant has available for the operation of the business at
13.7 the location specified, liquid assets of at least \$50,000; and

13.8 ~~(2)~~ (7) a biographical statement on the principal person responsible for the operation
13.9 and management of the business to be certified describing any individual person in control.

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

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

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

13.16 (d) A consumer small loan lender license issued under this section expires at 11:59 p.m.
13.17 on December 31 of the year for which the application is filed and is renewable on January
13.18 1 each year after that date.

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

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

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

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

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

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

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

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

14.19 (e) A lender ~~file~~ing licensed under subdivision 3 shall display prominently, in each licensed
14.20 place of business, a full and accurate statement of the charges to be made for loans made
14.21 under this section. The statement of charges must be displayed in a notice, on plastic or
14.22 other durable material measuring at least 12 inches by 18 inches, headed "CONSUMER
14.23 NOTICE REQUIRED BY THE STATE OF MINNESOTA." The notice shall include,
14.24 immediately above the statement of charges, the following sentence, or a substantially
14.25 similar sentence approved by the commissioner: "These loan charges are higher than
14.26 otherwise permitted under Minnesota law. Minnesota law permits these higher charges only
14.27 because short-term small loans might otherwise not be available to consumers. If you have
14.28 another source of a loan, you may be able to benefit from a lower interest rate and other
14.29 loan charges." The notice must not contain any other statement or information, unless the
14.30 commissioner has determined that the additional statement or information is necessary to
14.31 prevent confusion or inaccuracy. The notice must be designed with a type size that is large
14.32 enough to be readily noticeable and legible. The form of the notice must be approved by
14.33 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;

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

16.4 ~~(2)~~ (3) disguising loan proceeds as a cash rebate for the pretextual installment sale of
16.5 goods or services; or

16.6 ~~(3)~~ (4) making, offering, assisting, or arranging for a debtor to obtain a loan with a greater
16.7 rate or amount of interest, consideration, charge, or payment than is permitted by this section
16.8 through any method, including mail, telephone, Internet, or any electronic means, regardless
16.9 of whether a person has a physical location in Minnesota.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17.29 ~~(2)~~ (3) disguising loan proceeds as a cash rebate for the pretextual installment sale of
17.30 goods or services; or

17.31 ~~(3)~~ (4) making, offering, assisting, or arranging for a debtor to obtain a loan with a greater
17.32 rate or amount of interest, consideration, charge, or payment than is permitted by this section

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

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

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

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

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

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

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

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

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

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

18.24 Subd. 7. **Attorney general Enforcement.** The commissioner of commerce must enforce
18.25 this section under section 45.027 and the attorney general shall must enforce this section
18.26 under section 8.31.

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

19.2 **80A.58 SECTION 403; INVESTMENT ADVISER REGISTRATION**
19.3 **REQUIREMENT AND EXEMPTIONS.**

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

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

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

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

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

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

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

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

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

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

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

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

19.30 (c) **Additional requirements for private fund advisers to certain 3(c)(1) funds.** In
19.31 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. 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

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

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

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

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

22.9 The amendments to Minnesota Statutes, section 47.60, in this article are effective August
22.10 1, 2025. An entity that filed and was approved under Minnesota Statutes, section 47.60,
22.11 before August 1, 2025, must file a renewal application that complies with Minnesota Statutes,
22.12 section 47.60, as amended by this article, between November 1, 2025, and December 31,
22.13 2025, for activity occurring on or after January 1, 2026.

22.14 ARTICLE 5

22.15 MINNESOTA PREMIUM SECURITY PLAN

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

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

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

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

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

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

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

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

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

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

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

Sec. 3. 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~~

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

24.2 ~~(6)~~ (7) take into account the total amount available to fund the plan.

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

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

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

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

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

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

24.26 (b) If the amount in the premium security plan account in section 62E.25, subdivision
24.27 1, is not anticipated to be adequate to fully fund the approved payment parameters as of
24.28 July 1 of the year before the applicable benefit year, the board, in consultation with the
24.29 commissioner and the commissioner of management and budget, shall propose payment
24.30 parameters within the available appropriations or assess members to obtain the necessary
24.31 funding. The commissioner must permit an eligible health carrier to revise an applicable
24.32 rate filing based on the final payment parameters for the next benefit year.

25.1 (c) Notwithstanding paragraph (a), the payment parameters for benefit years 2023 through
25.2 2027 are:

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

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

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

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

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

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

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

25.12 (3) assessments collected from eligible carriers;

25.13 ~~(3)~~ (4) reinsurance payments made to eligible health carriers; and

25.14 ~~(4)~~ (5) administrative and operational expenses incurred for the plan.

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

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

25.24 (b) The reports must include information about:

25.25 (1) the reinsurance parameters used;

25.26 (2) the metal levels affected;

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

25.29 (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 the federal and state contributions received, investment income, assessments collected from eligible carriers, and 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. 7. Minnesota Statutes 2024, section 62E.25, subdivision 1, is amended to read:

Subdivision 1. **Premium security plan account.** The premium security plan account is created in the special revenue fund of the state treasury. Funds in the account ~~are appropriated annually~~ may include annual appropriations made 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, as well as money received from assessments made under section 62E.23. 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.

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

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

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

(1) federal funding received for the plan; and

(2) assessments from eligible carriers.

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

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

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

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

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

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

ARTICLE 6

ENERGY POLICY

Section 1. Minnesota Statutes 2024, section 116C.7792, is amended to read:

116C.7792 SOLAR ENERGY PRODUCTION INCENTIVE PROGRAM.

(a) The utility subject to section 116C.779 shall operate a program to provide solar energy production incentives for solar energy systems of no more than a total aggregate nameplate capacity of 40 kilowatts alternating current per premise. The owner of a solar energy system installed before June 1, 2018, is eligible to receive a production incentive under this section for any additional solar energy systems constructed at the same customer location, provided that the aggregate capacity of all systems at the customer location does not exceed 40 kilowatts.

(b) The program is funded by money withheld from transfer to the renewable development account under section 116C.779, subdivision 1, paragraphs (b) and (e). Program funds must

be placed in a separate account for the purpose of the solar energy production incentive program operated by the utility and not for any other program or purpose.

(c) Funds allocated to the solar energy production incentive program in 2019 and 2020 remain available to the solar energy production incentive program.

(d) The following amounts are allocated to the solar energy production incentive program:

(1) \$10,000,000 in 2021;

(2) \$10,000,000 in 2022;

(3) \$5,000,000 in 2023;

(4) \$11,250,000 in 2024;

(5) \$6,250,000 in 2025; and

(6) \$5,000,000 each year, beginning in 2026 through 2035.

(e) Notwithstanding the Department of Commerce's November 14, 2018, decision in Docket No. E002/M-13-1015 regarding operation of the utility's solar energy production incentive program, half of the amounts allocated each year under paragraph (d), clauses (3), (4), ~~and (5)~~, and (6), must be reserved for solar energy systems whose installation meets the eligibility standards for the low-income program established in the November 14, 2018, decision or successor decisions of the department. All other program operations of the solar energy production incentive program are governed by the provisions of the November 14, 2018, decision or successor decisions of the department.

(f) Funds allocated to the solar energy production incentive program that have not been committed to a specific project at the end of a program year remain available to the solar energy production incentive program.

(g) Any unspent amount remaining on January 1, ~~2028~~ 2038, must be transferred to the renewable development account.

(h) A solar energy system receiving a production incentive under this section must be sized to less than 120 percent of the customer's on-site annual energy consumption when combined with other distributed generation resources and subscriptions provided under section 216B.1641 associated with the premise. The production incentive must be paid for ten years commencing with the commissioning of the system.

(i) The utility must file a plan to operate the program with the commissioner of commerce. The utility may not operate the program until it is approved by the commissioner. A change to the program to include projects up to a nameplate capacity of 40 kilowatts or less does

29.1 not require the utility to file a plan with the commissioner. Any plan approved by the
29.2 commissioner of commerce must not provide an increased incentive scale over prior years
29.3 unless the commissioner demonstrates that changes in the market for solar energy facilities
29.4 require an increase.

29.5 Sec. 2. Minnesota Statutes 2024, section 216C.09, is amended to read:

29.6 **216C.09 COMMISSIONER DUTIES.**

29.7 (a) The commissioner shall:

29.8 (1) manage the department as the central repository within the state government for the
29.9 collection of data on energy;

29.10 (2) prepare and adopt an emergency allocation plan specifying actions to be taken in the
29.11 event of an impending serious shortage of energy, or a threat to public health, safety, or
29.12 welfare;

29.13 (3) undertake a continuing assessment of trends in the consumption of all forms of energy
29.14 and analyze the social, economic, and environmental consequences of these trends;

29.15 (4) carry out energy conservation and efficiency measures as specified by the legislature
29.16 and recommend to the governor and the legislature additional energy policies and energy
29.17 conservation measures and efficiency programming as required to meet the objectives of
29.18 this chapter;

29.19 (5) collect and analyze data relating to present and future demands and resources for all
29.20 sources of energy;

29.21 (6) evaluate policies governing the establishment of rates and prices for energy as related
29.22 to energy conservation and energy efficiency, and other goals and policies of this chapter,
29.23 and make recommendations for changes in energy pricing policies and rate schedules;

29.24 (7) study the impact and relationship of the state energy policies to international, national,
29.25 and regional energy policies;

29.26 (8) design and implement a state program for ~~the~~ energy ~~conservation of energy and~~
29.27 efficiency; ~~this the~~ program ~~shall~~ must include but is not be limited to; general commercial,
29.28 industrial, ~~and~~ residential, and transportation areas; ~~such the~~ program ~~shall~~ must also provide
29.29 for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air
29.30 conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which ~~persons~~ Minnesotans can transition to a clean energy future, conserve energy, and save money;

(10) dispense funds made available for the purpose of research studies and projects ~~of professional and civic orientation~~, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of ~~indigenous~~ energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of primary and emerging energy sources, including but not limited to solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial ~~aid~~ resources from money received from litigation or a settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose.

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 3. Minnesota Statutes 2024, section 216C.10, is amended to read:

216C.10 COMMISSIONER POWERS.

(a) The commissioner may:

(1) adopt rules under chapter 14 as necessary to carry out the purposes of this chapter;

(2) make all contracts under this chapter and do all things necessary to cooperate with the United States government, and to qualify for, accept, and disburse any grant intended to administer this chapter;

31.1 (3) provide on-site technical assistance to units of local government in order to enhance
31.2 local capabilities ~~for dealing with energy problems~~ to provide energy-related financial
31.3 resources, planning, outreach, and engagement;

31.4 (4) administer for the state, energy programs under federal law, regulations, or guidelines,
31.5 and coordinate the programs and activities with other state agencies, units of local
31.6 government, and educational institutions;

31.7 (5) develop a state energy investment plan with yearly energy conservation and alternative
31.8 energy development goals, investment targets, and marketing strategies;

31.9 (6) perform market analysis studies relating to conservation, alternative and renewable
31.10 energy resources, and energy recovery;

31.11 (7) assist with the preparation of proposals for innovative conservation, renewable,
31.12 alternative, or energy recovery projects;

31.13 (8) manage and disburse funds made available for the purpose of research studies or
31.14 demonstration projects related to energy conservation or other activities deemed appropriate
31.15 by the commissioner;

31.16 (9) intervene in certificate of need proceedings before the Public Utilities Commission;

31.17 (10) collect fees from recipients of loans, grants, or other financial aid from money
31.18 received from litigation or settlement of alleged violations of federal petroleum-pricing
31.19 regulations, which fees must be used to pay the department's costs in administering those
31.20 financial aids; and

31.21 (11) collect fees from proposers and operators of conservation and other energy-related
31.22 programs that are reviewed, evaluated, or approved by the department, other than proposers
31.23 that are political subdivisions or community or nonprofit organizations, to cover the
31.24 department's cost in making the reviewal, evaluation, or approval and in developing additional
31.25 programs for others to operate.

31.26 (b) Notwithstanding any other law, the commissioner is designated the state agent to
31.27 apply for, receive, and accept federal or other funds made available to the state for the
31.28 purposes of this chapter.

31.29 Sec. 4. Minnesota Statutes 2024, section 216C.11, is amended to read:

31.30 **216C.11 ENERGY CONSERVATION INFORMATION CENTER.**

31.31 (a) The commissioner ~~shall~~ must establish an Energy Information Center in the
31.32 ~~department's offices in St. Paul~~ department. The information center ~~shall~~ must maintain a

32.1 ~~toll-free telephone information service and disseminate printed materials on energy~~
32.2 ~~conservation topics, including but not limited to, availability of loans and other public and~~
32.3 ~~private financing methods for energy conservation physical improvements, the techniques~~
32.4 ~~and materials used to conserve energy in buildings, including retrofitting or upgrading~~
32.5 ~~insulation and installing weatherstripping, the projected prices and availability of different~~
32.6 ~~sources of energy, and alternative sources of energy~~ physical, virtual, and mobile information
32.7 service that collects, analyzes, and disseminates energy resources, data, technical assistance
32.8 and expertise, financial assistance, connections, and information on a variety of energy
32.9 topics relevant to Minnesota consumers, businesses, Tribal and local governments, and
32.10 community organizations. The information center must be accessible and responsive to
32.11 public inquiries, and must conduct proactive outreach.

32.12 ~~The Energy Information Center shall serve as the official Minnesota Alcohol Fuels~~
32.13 ~~Information Center and shall disseminate information, printed, by the toll-free telephone~~
32.14 ~~information service, or otherwise on the applicability and technology of alcohol fuels.~~

32.15 ~~The information center shall include information on the potential hazards of energy~~
32.16 ~~conservation techniques and improvements in the printed materials disseminated. The~~
32.17 ~~commissioner shall not be liable for damages arising from the installation or operation of~~
32.18 ~~equipment or materials recommended by the information center.~~

32.19 (b) The information center shall must use the information collected under section
32.20 216C.02, subdivision 1, to maintain a central source of information on energy conservation,
32.21 energy efficiency, and other energy-related programs, including both programs required by
32.22 law or rule and programs developed and carried on voluntarily.

32.23 Sec. 5. Minnesota Statutes 2024, section 216C.12, is amended to read:

32.24 **216C.12 ENERGY CONSERVATION PUBLICITY LITERACY.**

32.25 (a) The commissioner, in consultation with other affected agencies or departments shall,
32.26 must develop informational materials, pamphlets and radio and television messages and
32.27 messaging on energy conservation and housing energy efficiency programs available in
32.28 Minnesota, renewable energy resources, and energy supply and demand. The printed materials
32.29 shall include information on available tax credits for residential energy conservation
32.30 measures, residential retrofitting loan and grant programs, and data on the economics of
32.31 energy conservation and renewable resource measures. Copies of printed materials shall be
32.32 distributed to members of the appropriate standing committees of the legislature. The
32.33 commissioner must use modern and current outreach strategies and media to distribute the
32.34 informational materials and messaging to the widest possible audience.

(b) The informational materials must promote energy literacy for individuals and communities to help individuals and communities make informed decisions on topics ranging from smart energy use at home and consumer choices to national and international energy policy. The informational materials must include but are not limited to information on energy sources, energy generation, energy use, energy conservation strategies, the energy workforce sector, and state and federal energy-related programs administered by the department.

Sec. 6. Minnesota Statutes 2024, section 216C.391, subdivision 1, is amended to read:

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

(b) "Competitive funds" means federal funds awarded to selected applicants based on the grantor's evaluation of the strength of an application measured against all other applications.

(c) "Disadvantaged community" has the meaning given by the federal agency disbursing federal funds.

(d) "Eligible entity" means an entity located in Minnesota that is eligible to receive federal funds, tax credits, loans, or an entity that has at least one Minnesota-based partner, as determined by the grantor of the federal funds, tax credits, or loans.

(e) "Federal funds" means federal formula or competitive funds available for award to applicants for energy projects under the Infrastructure Investment and Jobs Act, Public Law 117-58, or the Inflation Reduction Act of 2022, Public Law 117-169.

(f) "Formula funds" means federal funds awarded to all eligible applicants on a noncompetitive basis.

(g) "Loans" means federal loans from loan funds authorized or funded in the Inflation Reduction Act of 2022, Public Law 117-169.

(h) "Match" means the amount of ~~state~~ nonfederal money a successful grantee in Minnesota is required to contribute to a project as a condition of receiving federal funds.

(i) "Political subdivision" has the meaning given in section 331A.01, subdivision 3.

(j) "Project" means the activities proposed to be undertaken by an eligible entity awarded federal funds and are located in Minnesota or will directly benefit Minnesotans.

(k) "Tax credits" means federal tax credits authorized in the Inflation Reduction Act of 2022, Public Law 117-169.

(l) "Tribal government" has the meaning given in section 116J.64, subdivision 4.

Sec. 7. Minnesota Statutes 2024, section 216C.391, subdivision 3, is amended to read:

Subd. 3. **Grant awards; eligible entities; priorities.** (a) Grants may be awarded under this section to eligible entities in accordance with the following order of priorities:

(1) federal formula funds directed to the state that require a match;

(2) federal funds directed to a political subdivision or a Tribal government that require a match;

(3) federal funds directed to an institution of higher education, a consumer-owned utility, a business, or a nonprofit organization that require a match;

(4) federal funds directed to investor-owned utilities that require a match;

(5) federal funds directed to an eligible entity not included in clauses (1) to (4) that require a match; and

(6) all other grant opportunities directed to eligible entities that do not require a match but for which the commissioner determines that a grant made under this section is likely to enhance the likelihood of an applicant receiving federal funds, or to increase the potential amount of federal funds received.

(b) By November 15, 2023, the commissioner must develop and publicly post, and report to the chairs and ranking minority members of the legislative committees with jurisdiction over energy finance, the federal energy grant funds that are eligible for state matching funds under this section.

(c) Notwithstanding Minnesota Statutes, section 16B.98, subdivision 5, paragraph (b), a grant made under this section may exceed five years.

ARTICLE 7

WEIGHTS & MEASURES POLICY

Section 1. **[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

35.1 to measure, deliver, and compute the price of electrical energy delivered to an electric
35.2 vehicle.

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

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

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

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

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

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

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

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

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

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

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

35.32 (2) the type of electrical energy transfer.

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

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

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

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

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

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

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

36.20 (2) the type of electrical energy transfer.

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

36.23 (1) the type of delivery;

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

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

36.27 (4) the type of electrical energy transfer.

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

37.1 Subd. 7. **Administrative rulemaking.** For purposes of this section, the commissioner
37.2 may use the expedited rulemaking process under section 14.389 to adopt administrative
37.3 rules that incorporate the 2025 version of NIST Handbook 44 into Minnesota Rules, chapter
37.4 7601.

37.5 **ARTICLE 8**
37.6 **CANNABIS POLICY**

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

37.8 **342.17 SOCIAL EQUITY APPLICANTS.**

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

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

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

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

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

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

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

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

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

37.27 (iii) where the median family income did not exceed 80 percent of the statewide median
37.28 family income or, if in a metropolitan area, did not exceed the greater of 80 percent of the
37.29 statewide median family income or 80 percent of the median family income for that
37.30 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;

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

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

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

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

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

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

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

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

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

APPENDIX
Article locations for 25-04463

ARTICLE 1	COMMERCE FINANCE.....	Page.Ln 1.17
ARTICLE 2	CLIMATE AND ENERGY FINANCE.....	Page.Ln 7.10
ARTICLE 3	RENEWABLE DEVELOPMENT ACCOUNT APPROPRIATIONS....	Page.Ln 10.2
ARTICLE 4	FINANCIAL INSTITUTIONS POLICY.....	Page.Ln 11.25
ARTICLE 5	MINNESOTA PREMIUM SECURITY PLAN.....	Page.Ln 22.14
ARTICLE 6	ENERGY POLICY.....	Page.Ln 27.20
ARTICLE 7	WEIGHTS & MEASURES POLICY.....	Page.Ln 34.23
ARTICLE 8	CANNABIS POLICY.....	Page.Ln 37.5