



S.F. No. 2216 – Commerce Budget and Policy Omnibus Bill (1st Engrossment)

Author: Senator Matt D. Klein

Prepared by: Olivia Syverson, Senate Counsel (olivia.syverson@mnsenate.gov)
Nolan Hudalla, Senate Counsel (nolan.hudalla@mnsenate.gov)
Krista Rohan Boyd, Fiscal Analyst (krista.boyd@mnsenate.gov)

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Article 1: Commerce Finance

Section 1 (Appropriations) provides technical language for the appropriations in this Article.

Section 2 (Department of Commerce) appropriates money to the Department of Commerce for the divisions of Financial Institutions, Administrative Services, Enforcement, Telecommunications, Insurance, and Weights and Measures.

Section 3 (Office of Cannabis Management) appropriates money to the Office of Cannabis Management.

Section 4 amends Laws 2023, chapter 63, article 9, section 5, to extend the availability of a \$1 million general fund appropriation in FY 2025 for cannabis industry community renewal grants. The new cancellation date is the end of FY 2026.

Article 2: Finance Institutions

Section 1 (SF 2476, as amended by the a1, amends section 45.24) changes language to make it permissive, instead of obligatory, for the commissioner of commerce to increase or decrease the license and technology fee surcharge if the related special revenue fund is too low or too high, but it cannot exceed \$2 million.

Section 2 (SF 2476, as amended by the a1, amends section 46A.04) corrects a cross-reference.

Section 3 (SF 2296, as amended by the a1, amends section 47.20, subdivision 2) states that a “conventional loan” does not include a loan where the interest and fees are equal or less than those required under Code of Federal Regulations, title 12, section 1026.43(e)(3).

Section 4 (SF 2822, amends section 47.20, subdivision 8) allows for a lender to provide notice of default and foreclosure to a borrower by sending notice via first-class mail (versus certified mail) and electronically if agreed to by both the lender and the borrower in writing.

Section 5 (SF 2476, as amended by the a1, amends section 47.77) allows a financial institution, if notice is provided, to close a deposit account if the holder has engaged in disruptive, hostile, or harassing behavior towards the financial institution’s employees or customers.

Section 6 (SF 2476, as amended by the a1, amends section 53B.61) corrects a cross reference.

Section 7 (SF 2476, as amended by the a1, amends section 55.07, subdivision 3) allows a safe deposit lease to renew automatically at the end of the lease’s term. Allows a consumer to terminate a lease at any time in writing, or as otherwise provided in the lease.

Section 8 (SF 2476, as amended by the a1, amends section 58B.02, subdivision 8a) corrects a cross reference.

Section 9 (amends section 58B.051) makes a technical change.

Section 10 (SF 1758, amends section 60C.09, subdivision 2) allows the board of directors of the Minnesota Insurance Guarantee Association to request financial information from an insured to determine the insured’s net worth.

Section 11 (SF 2476, as amended by the a1, amends section 62Q.73, subdivision 4) removes reference to the commissioner of administration, and requires the commissioners of health and commerce to contract with more than one organization to provide independent external reviews of adverse determinations.

Section 12 (SF 2216, amends section 80A.65, subdivision 2) changes the amount of a transfer fee.

Section 13 (SF 2476, as amended by the a1, amends section 80A.66) adds reference to the North American Securities Administrators Association and commissioner of commerce.

Section 14 (Application of Minnesota Statutes, Section 65A.3025) clarifies that section 65A.3025 only applies to policies issued or renewed on or after August 1, 2024.

Section 15 (SF 2822, Certain Compliance Optional) provides that a lender’s compliance with section 1 is optional for conventional mortgage documents dated between August 1, 2024, and July 31, 2025.

Article 3: Health Insurance

Section 1 (SF 2477-2, amends section 62A.31, subdivision 1r) adds a new factor which health insurers may include in their determination of the “community rate” for coverage supplementing Medicare and certain Part A rate calculations. Specifically, this section permits health insurers offering such coverage to also factor “premium increases in recognition of late enrollment or reenrollment” into the community rate.

Section 2 (SF 2477-2, amends section 62A.31, subdivision 1w) prohibits a Medicare Supplement policy or certificate from being sold or issued to an individual outside of the time periods described in subdivision 1h of section 62A.31. The time periods described in that subdivision 1h relate to eligible time periods for enrollment in Medicare Supplement policies without being subject to preexisting condition limitations and are generally tied to the enrollment periods for Medicare Part B plans.

Section 3 (SF 2457-1, [62A.481] Limited Long-Term Care Insurance) establishes the Limited Long-Term Care Insurance Act. This section defines several terms including “limited long-term care insurance” which means an insurance policy offered for less than 12 months for one or more necessary or medically necessary diagnostic, preventive, therapeutic, or personal care service in a setting other than a hospital’s acute care unit. Applies to policies issued or delivered in Minnesota on or after January 1, 2026. Provides for the terms and conditions of limited long-term care insurance.

Section 4 (SF 2477-2, amends section 62A.65, subdivision 1) removes an exception from the “applicability” provision of section 62A.65 for the Comprehensive Health Association, such that the Association now becomes subject to the provisions of the section.

Section 5 (SF 2477-2, amends section 62A.65, subdivision 2) modifies renewal requirements for individual health plans. Existing law prohibits a health carrier from refusing to renew an individual health plan, except for nonpayment of premiums, fraud, or misrepresentation. This section updates that list of exceptions to nonpayment of premiums, fraud, or intentional misrepresentation of a material fact. The section further permits health carriers to elect to discontinue individual health plans if:

- (1) the carrier is ceasing to offer individual health plan coverage in the individual market;
- (2) if the individual no longer resides, lives, or works in the service area of the carrier for network plans; or
- (3) upon a decision by the carrier to discontinue offering a particular type of plan, subject to certain notice and other conditions.

Section 6 (SF 2477-2, amends section 62A.65, subdivision 2a) prohibits a health carrier from modifying a health plan in the individual market uniformly for all individuals with that product, unless done at the time of plan renewal. This section further specifies the criteria for such a uniform modification to a health plan.

Section 7 (SF 2477-2, amends section 62D.12, subdivision 2) permits a health maintenance organization to cancel or fail to renew coverage of an enrollee if the enrollee fails to pay premiums as provided by the terms of the plan, including timeliness requirements. The

section further subjects the ability of an HMO to terminate a health plan to the requirements set forth in section 62A.65, subdivisions 2 and 2a (as amended earlier in this article of the bill, in sections 5 and 6)

Section 8 (SF 2477-2, amends section 62D.12, subdivision 2a) provides an exception from the standard 30-day notice period for a health maintenance organization's plan cancellation or nonrenewal, such that enrollees in certain terminated plans must receive 90 days advance notice.

Section 9 (SF 2477-2, amends section 62D.121, subdivision 1) permits health maintenance organizations to terminate membership of an enrollee with individual health coverage for failure to pay premiums as provided by the terms of the health care plan, including timeliness requirements, without needing to offer or arrange to offer replacement coverage.

Section 10 (SF 1407-2, amends section 62J.26, subdivision 1) Existing state law requires "mandated health benefit proposals" to undergo an extensive evaluation process administered by the Department of Commerce. This section modifies the definition of "mandated health benefit proposal" to remove from the definition legislative proposals to impose on a health plan particular benefit designs, cost-sharing conditions, or limits or conditions on provider contracts. It also clarifies that proposals applying solely to Minnesota health care programs are not included in this definition.

Section 11 (SF 1407-2, amends section 62J.26, subdivision 2) This section clarifies that a thorough evaluation of the mandated health benefit proposal's impact on the state's public health care programs must be included in the evaluation and accordingly includes the commissioner of human services in the evaluation process. It also requires the commissioner of commerce to publish each completed evaluation on a publicly available website within 30 days of its completion.

Section 12 (SF 1407-2, amends section 62J.26, subdivision 3) This section exempts freshman members from the 62J evaluation timeline, as such members would not typically be seated by the existing August 1 deadline for notice under the law. It also requires the commissioner to complete an evaluation of any enacted mandate for which an evaluation was not conducted before enactment, with the evaluation due by December 31 of the same year in which the mandate was passed.

Section 13 (SF 1407-2, amends section 62J.26, subdivision 6) This new subdivision clarifies that a mandated health benefit proposal enacted into law remains effective regardless of whether the process in section 62J.26 was properly followed.

Section 14 (SF 1407-2, amends section 62J.26, subdivision 7) This new subdivision of law requires the commissioner of commerce to adopt, by July 1, 2026, standardized forms for the legislator's notice to the committee chair (due by August 1 preceding the legislative session in which the legislator intends to offer the mandated health benefit proposal) and the committee chair's notice to the commissioner (due within 15 days after receipt of notification of the mandated health benefit proposal). The forms must include all information needed for the commissioner to conduct the 62J evaluation.

Article 4: General Insurance

Section 1 (SF 2457-1, amends section 45.027, subdivision 1) allows the commissioner of commerce to issue data calls.

Section 2 (SF 2457-1, amends section 45.027, subdivision 1b) provides that information provided in response to data calls be treated as nonpublic data and is not subject to subpoena.

Section 3 (SF 2457-1, amends section 45.027, subdivision 2) allows the commissioner to issue data calls for the purpose of an investigation.

Section 4 (SF 2794-1, amends section 47.20, subdivision 4a) modifies the maximum interest rate for certain loans and contract for deeds.

Section 5 (amends section 60A.21, subdivision 2) makes a technical change and removes the requirement that value of an owner-occupied dwelling that has a rebuttable presumption of coverage changes annually based on the Minneapolis-St. Paul Metropolitan Consumer Price Index.

Section 6 (amends section 60A.201, subdivision 7) creates a notice requirement for FAIR plan coverage.

Section 7 (SF 2794-1, amends section 60D.09, subdivision 5) states that a violation of section 60D.17 may be an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision under chapter 60B.

Section 8 (SF 2794-1, amends section 60D.15, subdivision 4) removes a court appointed person from the exception in the definition of “control.”

Section 9 (SF 2794-1, amends section 60D.15, subdivision 4c) defines “group capital calculations instructions.”

Section 10 (SF 2794-1, amends section 60D.15, subdivision 6b) defines “NAIC.”

Section 11 (SF 2794-1, amends section 60D.15, subdivision 6c) defines “NAIC liquidity stress test framework.”

Section 12 (SF 2794-1, amends section 60D.15, subdivision 7) amends the definition of “person” to include a limited liability company.

Section 13 (SF 2794-1, amends section 60D.15, subdivision 7a) defines “scope criteria.”

Section 14 (SF 2794-1, amends section 60D.16, subdivision 2) makes technical changes and excludes investments in health maintenance organizations from the calculation of the percentage that an insurer’s assets are investments.

Section 15 (SF 2794-1, amends section 60D.17, subdivision 1) requires that notice from a controlling person to divest its controlling interest that is filed with the commissioner must be kept confidential.

Section 16 (SF 2794-1, amends section 60D.18, subdivision 3) corrects a cross reference.

Section 17 (SF 2794-1, amends section 60D. 19, subdivision 4) provides that the definition of “materiality” does not apply for the purposes of the group capital calculation or the NAIC liquidity stress test framework.

Section 18 (SF 2794-1, amends section 60D.19, subdivision 11b) requires the ultimate controlling person of every insurer to file an annual group capital calculation when registering. Several insurance holding company systems are exempt from this requirement.

Section 19 (SF 2794-1, amends section 60D.19, subdivision 11c) requires the ultimate lead controlling person of every insurer to file the results of the years specific NAIC stress test. The NAIC liquidity stress test framework includes scope criteria applicable to a specific data year. Every insurer that triggers at least one threshold of the scope criteria must complete the NAIC stress test.

Section 20 (SF 2794-1, [60D.195] group capital calculation) allows the lead state insurance commissioner to exempt the ultimate controlling person from filing the annual group capital calculation. The lead state insurance commissioner may accept a limited group capital filing if certain requirements are met. A non-United States Jurisdiction may recognize and accept group capital calculations.

Section 21 (SF 2794-1, amends section 60D.20, subdivision 1) allows the commissioner to require an insurer to secure and maintain either a deposit or a bond, if the commissioner determines the insurer is in a hazardous financial condition. An affiliate that is party to an agreement or contract is subject to the jurisdiction of any supervision, seizure, conservatorship, or receivership proceedings against an insurer.

Section 22 (SF 2794-1, amends section 60D.217) makes technical and conforming changes.

Section 23 (SF 2794-1, amends section 60D.22, subdivision 1) requires the commissioner to maintain the confidentiality of the group capital calculation and group capital ratio produced within the calculation and any group capital information received from an insurance holding company. The commissioner must maintain the confidentiality of the liquidity stress test results and supporting disclosures.

Section 24 (SF 2794-1, amends section 60D.22, subdivision 3) replaces “affiliates and subsidiaries” with “third-party consultant designated by the commissioner.”

Section 25 (SF 2794-1, amends section 60D.22, subdivision 6) requires information or documentation in control of a third-party consultant to be confidential.

Section 26 (SF 2794-1, amends section 60D.22) provides that the group capital calculation and liquidity stress test are not intended as a means to rank insurers or insurance holding company systems. Prohibits the publication of the group capital calculation and the liquidity stress test results.

Section 27 (SF 2794-1, amends section 60D.24, subdivision 2) corrects a cross reference.

Section 28 (SF 2794-1, amends section 60D.25) makes technical and conforming changes.

Section 29 (SF 2794-1, amends section 62D.221, subdivision 3) exempts health maintenance organizations from the oversight under section 60D.20, subdivision 1, paragraph (a), clauses (7) to (9), and paragraph (f).

Section 30 (SF 665, as amended by the a3, amends section 65A.01, subdivision 3c) amends the time requirements that a notice must be mailed to the insured before an effective cancellation date.

Section 31 (SF 2420, as amended by the a1, amends section 72A.20, subdivision 42) requires insurers to deliver a copy an insured's current policy of automobile insurance or homeowner's insurance within 21 days of the date of a request for the current policy is received.

Section 32 (SF 950-1, [168A.1502] Insurer Application for Title) permits an insurer or designated agent to apply to the commissioner of public safety for a certificate of title for a vehicle if

- (1) the insurer acquires ownership in the vehicle through payment of damages; and
- (2) the vehicle's owner fails to deliver title to the insurer within 15 days of payment of the claim.

Section 33 (SF 950-1, [168A.1503] Requirements Upon Unpaid Insurance Vehicle Claim) provides notice requirements related to salvage vehicle auctions. Insurance companies may direct a salvage vehicle auction company to release a vehicle to its owner or lienholder if the insurance company does not take ownership of the vehicle subject to an insurance claim after it has requested the auction company hold the vehicle.

Section 34 (SF 2794, amends section 334.01, subdivision 2) makes a technical and conforming change.

Article 5: Miscellaneous Commerce Policy

Section 1 (SF 1063-2, amends section 1, [45.0137] Common Interest Community Ombudsperson) establishes a common interest community ombudsperson, appointed by the governor, within the Department of Commerce to assist unit owners in enforcing their rights and to facilitate resolution of disputes between unit owners and associations.

Section 2 (SF 872, as amended by the a2, amends section 80E.12) states that it shall be unlawful for any manufacturer, distributor, or factory branch to require new motor vehicle dealers to refrain from participating in auto shows.

Section 3 (SF 872, as amended by the a2, amends section 168.27, subdivision 10a) allows a new motor vehicle to participate in an auto show, outside of the county where it is licensed to sell vehicles if several factors are met.

Section 4 (amends section 216B.40) makes a technical and conforming change.

Section 5 [216B.422 Electricity Sales for Charging Electric Vehicles] states that a retail seller of electricity is not in violation of section 216B.40 as long as the electricity offered for sale was provided by the utility serving the location of the charging station.

Section 6 (SF 2224-2, amends section 216B.62, subdivision 9) allows the commission to assess fees for the actual commission costs of administering the discontinuation of telecommunication services.

Section 7 (SF 2224-2, [237.181] Customer Transition Plan for Areas with VOIP Alternatives) allows a telephone company or telecommunications carrier to submit a petition to the Public Utilities Commission for approval to discontinue telecommunications services to an area that has access to one or more providers for the telecommunications service.

Section 8 (SF 2216, Article 7, [239.90] Retail Electric Vehicle Supply Equipment) establishes requirements related to sale of electric vehicle supply equipment.

Section 9 (SF 1215, as amended by the a1, a2, a3, [325E.079] Sale of Nitrous Oxide) prohibits the sale of nitrous oxide. A retailer who violates the prohibition is guilty of a misdemeanor.

Section 10 (SF 1910, as amended by the a2, [325F.677] Availability of Water at Places of Entertainment) requires a place of entertainment to provide attendees, who have a ticket, access to potable water. Exhibits, galleries, or presentation spaces that already prohibit beverages are not required to allow water into the exhibit, gallery, or presentation space.

Section 11 (amends section 325G.24, subdivision 2) amends the right of member unilateral termination. Termination of at-will membership is effective no later than 30 days from the date of a verified consumer's notice of termination. Currently, it is effective immediately.

Section 12 (SF 1063-2, Article 2, section 1 [515B.5-101] Common Interest Community Registration) requires the Department of Commerce to establish a register for common interest communities or similar associations who are governed by chapter 515B, operating within Minnesota. This language establishes an annual flat fee which is a change from the previous version which laid out a tiered fee system.

Article 6: Cannabis Finance Policy

Section 1 (SF 2216, Article 8, section 1, amends section 342.17) amends the social equity application requirements to now include applicants who received a stay of adjudication under chapter 609 or was adjudicated delinquent under chapter 260B, of an offense involving the possession or sale of cannabis or marijuana prior to May 1, 2023.

Section 2 (SF 2216, Article 8, section 2, amends section 342.37, subdivision 2a) authorizes the Office of Cannabis Management to issue or renew a cannabis testing facility license for an applicant, pending accreditation, if the applicant meets several requirements. A license holder, pending accreditation, may operate a cannabis facility for up to one year and may apply for a one-time extension. The office may revoke a cannabis testing facility license.

Section 3 (SF 2216, Article 8, section 3, amends section 342.37, subdivision 2b) requires a license holder to report loss of accreditation to the office within 24 hours of receiving notice of loss of accreditation.

Article 7: Consumer Protection

Section 1 (amends section 116.943, subdivision 1) amends the definition of “juvenile product” to exclude several vehicles made for children.

Section 2 (amends section 116.943, subdivision 5) exempts the sale of a product that contains intentionally added PFAS in internal components that do not come into direct contact with a person’s skin or mouth during reasonably foreseeable use or abuse of product.

Section 3 (SF 826-1, amends section 325E.3892, subdivision 1) excludes ink pens, mechanical pencils, professional paints, and pastels from the prohibition against importing, manufacturing, or selling products containing cadmium or lead.

Section 4 (amends section 325E.3892, subdivision 2) exempts covered products that contain lead used in internal components from the prohibition against importing, manufacturing, or selling, as long as it meets certain requirements.

Section 5 (amends section 325F.072, subdivision 3) exempts class B firefighting foam used in hangar fixed firefighting systems at an airport until January 1, 2028, from the prohibition against manufacturing, and selling class B firefighting foam containing PFAS. The commissioner of the Pollution Control Agency may provide a one-year extension upon a showing that the need for additional time is beyond the operator’s control.



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95 University Ave. W., STE 3300, Saint Paul, MN, 55155