

100%

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March 26, 2023

Chair Stephenson and Members of the Committee,

We are writing to express our support for three provisions in Representative Stephenson's House File 2680, the House Commerce omnibus bill, as amended in A23-0106.

Our transition to a cleaner, more equitable economy means real opportunities to improve the lives of Minnesotans. Safer homes, more secure investments, and more sustainable technology are three that House File 2680, as amended in A23-0106 will advance.

First, we support the Strengthening Minnesota Homes program (Lines 58.5-63.17). This program is a win-win-win for Minnesotans. By investing upfront in climate-adapted home improvements, we can have better, safer homes, lower homeowners insurance premiums, high-quality jobs, and smaller recovery costs after extreme weather events.

This program achieves these goals by establishing a grant program for homeowners to retrofit their homes to meet the Fortified Home: Highwind and Hail standards. The grant is awarded to eligible contractors after the program requirements are certified. These requirements will help ensure that all the stakeholders are eligible for the program and are doing their part to achieve the program's goals. The homeowner must be insured. The contractor must be qualified and complete the work to a standard verified by an independent third party. The home insurer must offer the program and, when implemented and verified, lower the premium rates of the homeowner. **This guarantee of lower insurance rates for homeowners is an essential part of the policy design, being one of the most critical incentives that will drive participation in the program. Please make sure this program works for homeowners.** These kinds of home-by-home improvements are exactly what Minnesotans need to do to prepare for a climate-adapted future.

Second, we support the provisions on Climate Risk Disclosure Surveys, from Rep. Kraft's House File 2429. (Lines 81.15-81.28). If enacted, the provisions would require financial institutions, both banks and credit unions, with more than one billion dollars in assets to complete a climate risk disclosure survey designed by the Minnesota Department of Commerce. The National Association of Insurance Commissioners started using a climate risk disclosure survey in 2010, as a tool to better understand how insurers were incorporating these risks into their risk management and investment plans. Minnesota started using the tool with insurers in 2013. Revised in 2022, this concise tool adopted the 2017 recommendations of the Task Force on Climate-related Financial Disclosures, now asking insurers four questions on four core elements of climate risk preparedness: governance, strategy, risk management, and metrics and targets.

The use of climate-related financial disclosures is growing. According to the Task Force's 2022 Status Report: "Over the past five years, the Task Force has seen significant momentum around adoption of

and support for its recommendations as detailed in previous status reports as well as in this report. In particular, the percent of companies disclosing information in line with the Task Force's recommendations has steadily increased each year as has the amount of TCFD-aligned information companies disclose."

Third, we support the Digital Fair Repair Act, or Rep. Fischer's House File 1337 (Lines 151.13-155.31). Minnesota has a waste problem. Too much waste, that might otherwise be diverted, is sent to landfills or incineration facilities. While Minnesota is not alone in this problem, Minnesota is well positioned to create a solution like the Digital Fair Repair Act. If enacted, this proposal would help move electronic waste farther up Minnesota's waste hierarchy, from recycling to reuse, a more preferred outcome. This is exactly the kind of innovation we will need more of as we transition to a net-zero emissions statewide economy by 2050.

Thank you for including these three provisions in the House Commerce omnibus bill.

Please include them in the final version of House File 2680.

Thank you for your time and consideration,

Aurora Vautrin

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