

Subject Commerce Finance

Bill H.F. 4

Analyst Larie Ann Pampuch (larie.pampuch@house.mn.gov)  
Ben Johnson (ben.johnson@house.mn.gov)

Date July 15, 2025

## Overview

This is the commerce omnibus finance and policy act.

## Article 1: Commerce Finance

### Section Description – Article 1: Commerce Finance

---

- 1 **Appropriations.**  
Provides technical language for appropriations in this article.
- 2 **Department of Commerce.**  
Appropriates money in fiscal years 2026 and 2027 to the Department of Commerce relating to financial institutions, administrative services, enforcement, insurance, telecommunications, and weights and measures.
- 3 **Office of Cannabis Management.**  
Appropriates money in fiscal years 2026 and 2027 relating to cannabis.
- 4 **Office of Cannabis Management.**  
Establishes that a fiscal year 2025 appropriation of \$1,000,000 for the Office of Cannabis Management to issue community renewal grants is available until June 30, 2026.  
**Effective date.** This section is effective the day following final enactment.
- 5 **Legislative Coordinating Commission.**  
Appropriates money in fiscal year 2025 to the Legislative Coordinating Commission to administer the task force on homeowners and commercial property insurance.  
**Effective date.** This section is effective the day following final enactment.

## Article 2: Financial Institutions Policy

| Section | Description – Article 2: Financial Institutions Policy  |
|---------|---|
| 1       | <b>Exceptions and exemptions.</b><br>Corrects cross-reference.  |
| 2       | <b>Definitions.</b><br>States that a loan that meets the Federal Qualified Mortgage standards in the Code of Federal Regulations is not subject to the service charge limitations in this section.  |
| 3       | <b>Maximum interest rate.</b><br>Updates the index that is referenced to determine the average prime rate for purposes of real property loans.  |
| 4       | <b>Conventional loan provisions.</b><br>Allows a lender making a mortgage loan to give notice of default via first-class mail (instead of certified) and electronically, if agreed to by the borrower and lender in writing.  |
| 5       | <b>Transfer of accounts prohibited; notice on closing.</b><br>Allows a financial institution, if notice is provided, to close a deposit account if the holder has engaged harassment towards the financial institution’s employees or customers.  |
| 6       | <b>Maintenance of permissible investments.</b><br>Corrects cross-reference.   |
| 7       | <b>Safe deposit lease; automatic renewal.</b><br>Allows a safe deposit lease to renew automatically at the end of the lease’s term.<br>Allows a consumer to terminate a lease at any time in writing, or as otherwise provided in the lease.  |
| 8       | <b>Lender.</b><br>Corrects cross-reference.   |
| 9       | <b>Additional broker’s license.</b><br>Amends the requirements for the issuance of an additional broker’s license and states that a broker must have at least 20 percent ownership interest in each business entity that the broker may hold a broker’s license for. Amends the definition of “affiliated business entity.” |

**Section Description – Article 2: Financial Institutions Policy**

---

- 10      **Contracts of \$100,000 or more.**  
Makes technical change.
- 11      **Certain compliance optional.**  
States that a lender’s compliance with section 47.20, subdivision 8, is optional for conventional mortgages.

**Article 3: Insurance**

**Section Description – Article 3: Insurance**

---

- 1      **Availability of other coverage; presumption.**  
Removes the requirement that the required value of a property be changed annually, based on the consumer price index for Minneapolis-St. Paul.
- 2      **FAIR plan coverage; notice.**  
Requires surplus line brokers to provide notice on the face of the policy, that the insure may be eligible for FAIR plan coverage.
- 3      **Applicability.**  
Removes an obsolete reference from the “applicability” provision of section 62A.65 for the Comprehensive Health Association.
- 4      **Guaranteed renewal.**  
Allows a health carrier to refuse to renew an individual health plan under certain circumstances.
- 5      **Discontinuing of individual health plan.**  
Allows a health carrier to discontinue a specific type of individual health plan if certain notification and purchase option requirements are met.
- 6      **Coverage cancellation; nonrenewal.**  
Adds cross-reference and clarifying language.
- 7      **Coverage cancellation; nonrenewal.**  
Adds cross-reference and clarifying language.
- 8      **Replacement coverage.**  
Adds clarifying language.

**Section Description – Article 3: Insurance**

---

- 9        **Requirements for evaluation.**  
Requires the commissioner of commerce to maintain the ability to conduct one mandated health benefit proposal review for a member who has not been seated by August 1.
- 10       **Adoption of forms.**  
Requires the commissioner of commerce to adopt, by July 1, 2026, standardized forms for the legislator’s notice to the committee chair and the committee chair’s notice to the commissioner. The forms must include all information needed for the commissioner to conduct the 62J evaluation.
- 11       **Contract.**  
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.
- 12       **Participation ratio.**  
Makes clarifying change.
- 13       **Power of facility, governing committee.**  
Allows the facility to: (1) issue policies or cause policies to be issued in the name of the Minnesota automobile insurance plan to applicants; (2) underwrite insurance and adjust and pay losses; and (3) retain, hire, or appoint persons to perform the functions under clauses (1) and (2).
- 14       **Distribution of private passenger, nonfleet auto risks.**  
Allows the facility to provide for members to share premiums, losses, costs, and expenses.
- 15       **Private passenger; nonfleet auto coverage.**  
Makes clarifying change.
- 16       **Other auto coverage.**  
Requires the facility to provide for the equitable sharing of premiums, losses costs, and expenses.
- 17       **Termination of eligibility.**  
Makes technical change.
- 18       **Availability of current policy.**  
Requires an insurer that issues an auto or homeowner’s policy to provide the insured with a copy of the policy if requested by the insured. The insurer must provide the

**Section Description – Article 3: Insurance**

---

- copy within 21 days of the request and can provide it in paper form, electronically, or via website.
- 19     **Application of Minnesota Statutes, section 65A.3025.**  
Clarifies what policies section 65A.3025 applies to.  
  
Effective date. This section is effective retroactively from August 1, 2024.
- 20     **Task force on homeowners and commercial property insurance.**  
    **Subd. 1. Establishment.** Creates a task force to evaluate issues relating to insurance affordability for single-family housing, common interest communities, and multifamily rental housing  
  
    **Subd. 2. Membership.** Requires 13 members with various backgrounds to be appointed by August 15, 2025.  
  
    **Subd. 3. Duties.** Requires the task force to review listed information and methodology and consult with the commissioners of the Minnesota Housing Finance Agency and the Department of Employment and Economic Development.  
  
    **Subd. 4. Administration.** Requires the Legislative Coordinating Commission to provide administrative report for the task force.  
  
    **Subd. 5. Meetings.** Requires the Legislative Coordinating Commissioner to ensure the first meeting convenes no later than September 15, 2025. Requires chairs to be elected and for a meeting schedule to be created.  
  
    **Subd. 6. Report required.** Requires the task force to submit a report to the commissioners of the Department of Commerce, the Minnesota Housing Finance Agency, the Department of Employment and Economic Development, and standing legislative committees with jurisdiction. The report must contain listed information and be submitted by February 15, 2026.  
  
    **Subd. 7. Expiration.** The task force expires after the report under subdivision 6 is submitted.  
  
**Effective date.** This section is effective the day following final enactment.

## Article 4: Insurance Holding Company Systems

These sections modify the National Association of Insurance Commissioners (NAIC) model Insurance Holding Company System Regulatory Act. The sections add group capital calculation and liquidity stress test frameworks that the commissioner of commerce can use to understand the financial condition of insurance holding companies and the related insurance companies.

## Article 5: Medicare Supplement Insurance

### Section Description – Article 5: Medicare Supplement Insurance

---

**1 Preexisting condition coverage.**

Requires preexisting conditions to be covered if the insured qualifies for the penalty under subdivision 1r, paragraph (c).

**Effective date.** This section is effective August 1, 2026.

**2 Suspension based on entitlement to medical assistance.**

Prohibits insurers from applying a preexisting condition treatment waiting period for reinstated policies if the enrollee qualifies for the penalty under subdivision 1r, paragraph (c).

**Effective date.** This section is effective August 1, 2026.

**3 Limitations on denials, conditions, and pricing of coverage.**

Prohibits an insurer from applying a preexisting condition limitation if the applicant enrolls during the open enrollment period, is aged 65 to 70, is applying for coverage for the first time, and otherwise meets the requirements of subdivision 1r, paragraph (c).

Clarifies that paragraph (a) does not prohibit the penalties allowed under subdivision 1r.

**Effective date.** This section is effective August 1, 2026.

**4 Renewal or continuation provisions.**

Reinstates statutory language from 2022 requiring policies that contain preexisting condition limitations to appear as separate paragraphs in the policy and be labeled.

**Effective date.** This section is effective August 1, 2026.

**5 Community rate.**

Allows individuals aged 65 to 70 who want to enroll in a Medicare supplement policy outside of their initial open enrollment period to enroll without medical underwriting or preexisting condition limitations. A penalty applies to individuals who enroll in this

**Section Description – Article 5: Medicare Supplement Insurance**

---

manner, and the individual may only make this choice once during ages 65 to 70. The penalty is a 15% addition to premiums for those who enroll during open enrollment of 2026, and it increases 5% per year, with a maximum penalty of 35% applying for open enrollment 2029 into the future. The penalty will apply for the duration of the policy.

Strikes outdated language.

**Effective date.** This section is effective August 1, 2026.

**6 Guaranteed issue for eligible persons.**

Clarifies that policies issued in compliance with subdivision 1r, paragraph (c) are guaranteed issue during the open enrollment period.

**Effective date.** This section is effective August 1, 2026.

**7 Prohibited policy provisions.**

Adds cross-reference for consistency.

**Effective date.** This section is effective August 1, 2026.

**8 Questions.**

Reinstates statutory language from 2022 requiring disclosures related to medical underwriting and preexisting condition coverage.

**Effective date.** This section is effective August 1, 2026.

**9 Repealer.**

Repeals redundant or unnecessary related laws.

**Effective date.** This section is effective August 1, 2026.

## **Article 6: Reinsurance**

**Section Description – Article 6: Reinsurance**

---

**1 Grounds.**

Adds failure to pay assessment under section 62E.23, subdivision 1a, as grounds for the commissioner to take enforcement action against an insurer.

**Section Description – Article 6: Reinsurance**

---

- 2        **Assessment.**  
Provides definition.
  
- 3        **Group health carrier.**  
Defines “group health carrier” as those that offer group health insurance plans and are insurance companies licensed under chapter 60A offering accident and sickness insurance, nonprofit health service plan corporations operating under chapter 62C, or health maintenance organizations under chapter 62D.
  
- 4        **2028 assessment on group health carriers.**  
Imposes an assessment on group health carriers operating in Minnesota during benefit year 2027. Requires the association to provide an estimate of assessments and notify carriers of the assessments. Allows group health carriers to defer the payment of the assessment under certain circumstances. Deposits assessments in the premium security plan account.
  
- 5        **Payment parameters.**  
Requires the board to take into consideration the assessment in benefit year 2027 and to ensure MNsure has sufficient operating funds when setting the payment parameters.
  
- 6        **Operation.**  
Adds cross-reference.
  
- 7        **Group health carrier records; audit.**  
Requires group health carriers to maintain records substantiating the assessment amount for six years and allows the association to audit a carrier’s compliance with this section.
  
- 8        **Accounting.**  
Requires the board to include the assessment in their annual accounting.
  
- 9        **Reports.**  
Requires the board to include the assessment collected in their annual report to the commissioner and legislature.
  
- 10       **Premium security plan account.**  
Requires the commissioner of commerce to annually transfer an amount determined by the association from the premium security plan account to MNsure. Clarifies that federal funds cannot be used for this transfer.

**Section Description – Article 6: Reinsurance**

---

**Effective date.** This section is effective January 1, 2026.

**11 Data sharing.**

Allows MNsure to share data classified as private or nonpublic to the Department of Revenue to implement the reinsurance credit.

**Effective date.** This section is effective January 1, 2029.

**12 Reinsurance credit.**

Allows a taxpayer to claim a credit against premium imposed equal to the assessment paid under section 62E.23. If the amount of credit exceeds the tax liability under this chapter, the commissioner must refund the excess to the tax payer.

**Effective date.** This section is effective for taxable years beginning after December 31, 2028.

**13 Special provision; reinsurance credit.**

Clarifies that the credit allowed under section 12 is not allowed for purposes of determining the amount required in March and June installments of calendar year 2029. Allows September and December installments for calendar year 2029 to be reduced, but not below zero.

**Effective date.** This section is effective for taxable years beginning after December 31, 2028.

**14 Premium security plan account; transfer.**

Requires the commissioner of management and budget to transfer \$145,000,000 from the health care access fund to the premium security plan account.

**15 Transfer for reinsurance credit.**

Requires the commissioner of revenue to notify the commissioner of management and budget of the amount of the credit under section 12. Requires the commissioner of management and budget to transfer this amount from the general fund to the health care access fund.

**Effective date.** This section is effective the day following final enactment.

## Article 7: Commerce and Consumer Protection Policy

### Section Description – Article 7: Commerce and Consumer Protection Policy

---

- 1 **Definitions.**  
Updates cross-references to the ASTM specifications.
  
- 2 **[45.0137] Common interest community ombudsperson.**
  - Subd. 1. Definitions.** Defines “association,” “common interest community,” “governing documents,” and “unit owner.”
  
  - Subd. 2. Establishment.** Creates a common interest community ombudsperson position within the Department of Commerce to assist with understanding governing documents and facilitate the resolution of disputes between unit owners and associations.
  
  - Subd. 3. Qualifications.** Lists qualifications to be the ombudsperson and what constitutes a conflict of interest.
  
  - Subd. 4. Duties.** Lists duties of ombudsperson including providing reference materials, resources, resolving disputes, analyzing complaints, operating a public website, and filing reports.
  
  - Subd. 5. Powers limited.** Prohibits the ombudsperson and commissioner from providing legal advice
  
  - Subd. 6. Cooperation.** Allows unit owners and associations to participate in the dispute resolution process under this section.
  
  - Subd. 7. Data.** Classifies data received by the ombudsperson as private data on individuals or nonpublic data.
  
  - Subd. 8. Landlord and tenant law.** Clarifies that nothing in this section changes the rights and duties of landlords and tenants.
  
- 3 **General powers.**  
Allows the commissioner of commerce to issue data calls. Defines “data calls” as a written request to companies or persons to provide data or other information.
  
- 4 **Data calls.**  
Provides data classification and qualifications for access for data calls.

**Section Description – Article 7: Commerce and Consumer Protection Policy**

---

- 5      **Power to compel production of evidence.**  
Allows the commissioner of commerce to issue data calls for the purpose of any investigation, hearing, proceeding, or inquiry related to the duties and responsibilities entrusted to the commissioner.
- 6      **License technology fees.**  
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 cannot exceed \$2 million.
- 7      **Section 403; investment adviser registration requirement and exemptions.**  
Exempts private fund advisers that pay fees under section 80A.65, subdivision 2b, from registration under this section.
- 8      **Registration application and renewal filing.**  
Changes the transfer fee for a broker-dealer from \$25 to \$65 and requires registered investment advisers to pay a \$50 transfer fee.
- 9      **Private fund adviser filings.**  
Requires a private fund adviser to pay a \$100 filing fee when filing an initial or renewal notice under section 80A.59.
- 10     **Section 411; postregistration requirements.**  
Adds reference to the North American Securities Administrators Association and commissioner of commerce.
- 11     **Unlawful acts by manufacturers, distributors, or factory branches.**  
Does not allow a manufacturer, distributor, or factory branch to prohibit a new motor vehicle dealer from participating in an auto show.  
  
**Effective date.** This section is effective the day following final enactment.
- 12     **Out-of-state continuing education credit.**  
Allows a continuing education course provider to submit a form to the commissioner to receive approval for credit for a synchronous educational offering within 60 days of its occurrence.
- 13     **Participation in auto shows.**  
Allows a new motor vehicle dealer to participate in an auto show outside of the county where the dealer maintains its license to sell new vehicles without obtaining an additional license if certain requirements are met.

**Section Description – Article 7: Commerce and Consumer Protection Policy**

---

- Effective date.** This section is effective the day following final enactment.
- 14 **Exclusive service right; service extension.**  
Makes a conforming change.
- 15 **Electricity sales for charging electric vehicles.**  
Provides that a retail seller of electricity used to recharge an electric vehicle is not in violation of section 216B.40, if the electricity the retailer sells was provided by the utility serving the location of the charging station.
- 16 **Administrative costs for discontinuation of telecommunication services.**  
Allows the Public Utilities Commission to assess fees for the costs to administer the discontinuation of telecommunication services under section 237.181.
- Effective date.** This section is effective July 1, 2026.
- 17 **Customer transition plans for areas with VOIP alternatives.**
- Subd. 1. Definitions.** Defines “commission,” “voice over internet protocol,” and “alternative providers.”
  - Subd. 2. Customer transition plans.** Allows a telephone company or telecommunications carrier to petition the commission to discontinue services to an area where customers have access to other providers. Outlines what a transition plan must include.
  - Subd. 3. Commission process.** Requires the commission to provide notice and comment on the petition and provides the requirements that a telephone company or telecommunications carrier must meet in order for the transition plan to be approved.
  - Subd. 4. Obligations upon approval.** Requires the telephone company or telecommunications carrier to continue serving an area until all required actions are completed and any disputes are resolved.
  - Subd. 5. Dispute resolution.** Requires the commission to resolve any disputes over whether a location has alternate service available.
  - Subd. 6. Reinstatement of service.** Allows the commission to reinstate existing obligations on the telephone company or telecommunications carrier.
  - Subd. 7. Local exchange carrier.** States that this section does not relieve an incumbent local exchange carrier from its existing obligations.

**Section Description – Article 7: Commerce and Consumer Protection Policy**

---

**Subd. 8. No relinquishment of ETC status.** An approved petition is not a relinquishment of any eligible telecommunications carrier designation.

**Effective date.** This section is effective July 1, 2026.

18 **Gasoline.**

Updates cross-references to the ASTM specifications.

19 **Gasoline blended with ethanol; general.**

Updates cross-references to the ASTM specifications.

20 **Denatured ethanol.**

Updates cross-references to the ASTM specifications.

21 **Gasoline blended with nonethanol oxygenate.**

Updates cross-references to the ASTM specifications.

22 **Exemption for motor sports racing.**

Allows a retail gasoline station to have one storage tank for nonoxygenated motor sports racing fuel. Requires the pump stand to have a sign stating: "FOR USE IN OFF-HIGHWAY MOTOR SPORTS ENGINES ONLY."

23 **Retail electric vehicle supply equipment.**

**Subd. 1. Definitions.** Defines "electric vehicle supply equipment," "electricity sold as vehicle fuel," "fixed service," "nominal power," and "variable service."

**Subd. 2. Inspection; fees.** Requires the director of the weights and measures division to inspect retail EVSEs annually. The EVSE owner must pay a \$100 fee.

**Subd. 3. EVSE program account; appropriations.** Establishes an EVSE program account in the special revenue fund.

**Subd. 4. Method of sale.** Requires electrical energy offered for sale or sold to be expressed in kilowatt-hour units.

**Subd. 5. Labeling.** Outlines several labeling requirements for computing EVSEs and fixed service applications.

**Subd. 6. Advertising; sign prices.** Outlines several advertising requirements.

**Subd. 7. Administrative rulemaking.** Allows the commissioner to use the expedited rulemaking process to adopt administrative rules to incorporate the 2025 NIST Handbook 44 into rules.

**Section Description – Article 7: Commerce and Consumer Protection Policy**

---

- 24     **Ethanol, denatured.**  
Updates cross-references to the ASTM specifications.
- 25     **Gasoline.**  
Updates cross-references to the ASTM specifications.
- 26     **Gasoline blended with nonethanol oxygenate.**  
Updates cross-references to the ASTM specifications.
- 27     **Definitions.**  
Amends the definition of “covered products” to exclude ink pens, mechanical pencils, and professional artist paint materials.  
  
Defines “pastels.”  
  
**Effective date.** This section is effective the day following final enactment.
- 28     **Prohibition.**  
Creates an exception for products that contain lead in internal components as long as the manufacturer meets certain requirements. Creates an exception for keys under certain circumstances. Creates an exception for pots and pans if they meet certain requirements.  
  
**Effective date.** This section is effective day following final enactment.
- 29     **Prohibition.**  
Until January 1, 2028, the prohibition provided in this subdivision does not apply to the manufacture, sale, distribution, or use of class B firefighting foam for use in hangar fixed firefighting systems at an airport.
- 30     **[325F.677] Availability of water at places of entertainment.**  
    **Subd. 1. Definition.** Defines “place of entertainment.”  
  
    **Subd. 2. Available water requirement.** Requires places of entertainment to allow water, provide water, or allow empty water bottles to be filled, when there are more than 100 attendees and tickets are required.  
  
    **Subd. 3. Exceptions.** Allows exhibits, galleries, and presentation spaces to prohibit water if water is available at no cost outside that area.

**Section Description – Article 7: Commerce and Consumer Protection Policy**

---

**31 Right of member unilateral termination.**

Termination of an at-will membership, without a defined membership term, is effective after 30 days from the date of notice.

**Effective date.** This section is effective July 1, 2025, and applies to contracts entered into, modified, or renewed on or after that date.

**32 Limitation on levy on earnings.**

Corrects cross-reference.

**33 Limitation on levy on earnings.**

Corrects cross-reference.

**34 Limitation on wage garnishment.**

Corrects cross-reference.

**35 Securities broker-dealer conduct; expedited rulemaking.**

Requires the commissioner of commerce to amend rules reflecting that NASD (National Association of Securities Dealers) is now FINRA (Financial Industry Regulatory Authority). Allows the commissioner to use the expedited rulemaking process.



**MN HOUSE  
RESEARCH**

*Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.*

[www.house.mn.gov/hrd](http://www.house.mn.gov/hrd) | 651-296-6753 | Third Floor, Centennial Office Building | St. Paul, MN 55155