

Subject Commerce Supplemental Finance Bill

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Overview

This is the Commerce supplemental finance bill.

Article 1: Appropriations

Section Article 1: Appropriations

- 1 Appropriations.**
Establishes that appropriations shown in the section are for the year indicated.
- 2 Office of Cannabis Management.**
Appropriates \$2,727,000 in fiscal year 2025 to the Office of Cannabis Management. Appropriations are to enforce the temporary regulations of products with hemp-derived cannabinoids, test those products, and establish a reference laboratory.
- 3 Department of Health.**
Appropriates \$5,500,000 in fiscal year 2025 to the Department of Health for substance use treatment, recovery, and prevention grants.
- 4 Attorney general.**
Establishes base funding for the Office of the Attorney General for costs associated with the Minnesota Consumer Data Privacy Act. The base funding is \$988,000 in fiscal year 2026 and \$748,000 in fiscal year 2027.
- 5 Health.**
Reduces appropriations to the Department of Health made in 2023 and establishes specific amounts that the department can use to administer grant programs.

Section Article 1: Appropriations

6 Appropriation and base reduction.

Eliminates base reductions to the Department of Health related to the transfer of the medical cannabis program. The elimination conforms to a change in the date of transfer of the program.

7 Transfers.

Eliminates an annual transfer of \$5,500,000 to the substance use treatment, recovery, and prevention grant account.

Article 2: Cannabis and Health-Related Responsibilities

Section Article 2: Cannabis and Health-Related Responsibilities

1 Cannabis and substance misuse prevention and education programs.

Amends the statutory guidance for education programs related to cannabis use to focus on prevention for youth and pregnant or breastfeeding individuals. Specifically includes Tribal health departments in some programs. Eliminates the training required to be provided to home visiting programs and child welfare workers regarding safe and unsafe use of cannabis and related products.

2 Transmission of fees.

Establishes a cannabis business background check account in the special revenue fund. Directs the Office of Cannabis Management to deposit any fees received for an applicant's background check into the account and authorizes the office to use the account to transmit the fees to the Bureau of Criminal Apprehension.

3 Substance use treatment, recovery, and prevention grants.

Eliminates an account in the special revenue fund that was to be used for money dedicated to providing substance use treatment, recovery, and prevention grants and replaces that with a grant program. Shifts responsibility for the grants from the Office of Cannabis Management to the commissioner of health.

4 Report by the commissioner of commerce.

Directs the commissioner of commerce to report to the chairs and ranking minority members of the committees with jurisdiction over commerce, health, and human services on the balance of the premium security plan account, the estimated cost to continue the premium security plan, and the plan's future interactions with public health programs. Requires that the report include an assessment of potential alternatives that would be available upon expiration of the current waiver.

Article 3: Insurance Assessments and Fees

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- 1 **Assessment.**
Changes the assessment amount to be deposited in the insurance fraud prevention account by insurers.

Effective date. This section is effective the day following final enactment.
- 2 **Right to external review.**
Removes filing fee enrollees must pay to have an external review of an adverse determination by a health insurer.

Article 4: Consumer Data Privacy

The provisions in this article originated in H.F. 2309. This article regulates businesses' use of personal data on individuals. It also gives Minnesotans various rights regarding their personal data. These sections are modeled closely after similar comprehensive data privacy laws that have passed in 11 other states.

Section Article 4: Consumer Data Privacy

- 1 **Attorney general data coded elsewhere.**
Creates a cross-reference in the Minnesota Government Data Practices Act regarding the classification of "data privacy and protection assessments" that may be maintained by the Minnesota attorney general under section 9 of the article. That section classifies these assessments as nonpublic data.
- 2 **Citation.**
Codifies a new chapter of statute, chapter 3250, that may be referred to as the "Minnesota Consumer Data Privacy Act."
- 3 **Definitions.**
Defines key terms for the act, the following of which may be especially noteworthy.
 - "Personal data" means information that can be linked to a particular natural person. In addition, "sensitive personal" data is a defined term including certain forms of personal data in which individuals may have a heightened privacy interest.
 - "Processing" means any action performed on personal data: its collection, storage, disclosure, analysis, etc.

Section Article 4: Consumer Data Privacy

- “Profiling” means automated processing of a person’s data—through the application of algorithms or artificial intelligence, for example—to predict, evaluate, or analyze the person.
- A “controller” is an entity that determines how personal data is processed, while a “processor” is an entity that processes personal data on behalf of a controller.
- A “consumer” means a natural person residing in Minnesota. It does not include a natural person acting in a commercial or employment context.
- “Sale” means exchange of personal data for money or other consideration. Certain kinds of disclosures of personal data are exempted from the definition of sale.

4 Scope; exclusions.

Subd. 1. Scope. Specifies what kind of legal entities are subject to the act. Includes entities that conduct business in Minnesota or offer products/services to Minnesota residents. Sets a threshold based upon an entity’s level of involvement with the personal data of consumers (i.e. Minnesota residents).

Subd. 2. Exclusions. Excludes certain types of entities and data from the act. Government entities and Indian Tribes are excluded. Also, in general, processing of personal data that is already subject to heightened privacy regulation at the federal level (e.g. health data, certain financial data, etc.) is excluded.

5 Responsibility according to role.

Places certain obligations on controllers and processors, regarding their relationship to each other and regarding individuals whose personal data is being processed. This includes implementing data security measures and ensuring compliance with the act. How to determine whether a person is a controller or a processor with respect to certain data is addressed in paragraph (g).

6 Consumer personal data rights.

Subd. 1. Consumer rights provided. Gives consumers six rights regarding their personal data:

- 1) a right to know and access personal data processed by a controller;
- 2) a right to correct inaccurate personal data;
- 3) a right to delete personal data;
- 4) a right to obtain a copy of the consumer’s personal data;
- 5) a right to opt out of:
 - i) the processing of personal data for purposes of targeted advertising;
 - ii) the sale of personal data; or

Section Article 4: Consumer Data Privacy

- iii) profiling that has certain significant consequences;
- 6) a right to review, understand, question, and correct how personal data has been profiled; and
- 7) a right to obtain a list of third parties to which the consumer’s personal data has been disclosed.

Subd. 2. Exercising consumer rights. Allows the consumer to exercise rights provided under subdivision 1 by sending a request to controller.

Subd. 3. Universal opt-out mechanisms. Requires controllers to honor consumer requests sent via an external “universal” platform, technology, or mechanism.

Subd. 4. Controller response to consumer requests. Requires controllers to provide a reliable, accessible way for consumers to exercise their rights under subdivision 1. Sets a 45-day time limit for complying with a request to exercise consumer rights. Allows controllers to deny fraudulent requests and charge fees before responding to certain unfounded or excessive requests.

Subd. 5. Appeal process required. Requires a controller to establish an internal appeal process if a consumer’s request to exercise a right is denied. Sets a 45-to-105-day time limit for appeals. If a consumer appeal is denied, the controller must provide information on how to file a complaint with the Minnesota attorney general.

7 Processing deidentified or pseudonymous data.

“Deidentified data” and “pseudonymous data” are defined terms in the act. This section essentially allows a controller to create and utilize deidentified or pseudonymous data derived from personal data, and limits consumer’s ability to exercise rights over such truly deidentified or pseudonymous data.

8 Responsibilities of controllers.

Subd. 1. Transparency obligations. Requires a controller to provide consumers with a privacy notice explaining: what personal data are processed, sold, shared, or profiled by the controller; how long personal data is retained by the controller; and the consumer’s rights over their personal data. Sets other requirements for the privacy notice.

Subd. 2. Use of data. Limits a controller’s ability to collect and use personal data. Requires appropriate data security practices. Prohibits the processing of sensitive data (a defined term) without consumer consent, which may be revoked. For children between 13 and 16, prohibits targeted advertising and prohibits the sale of personal data without consent.

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Subd. 3. Nondiscrimination. Prohibits controllers from processing of personal data based on certain protected classifications (race, gender, etc.) in a way that discriminates against consumers of that class in certain significant areas (housing, employment, public accommodation, etc.). Prohibits controllers from discriminating against consumers for exercising their rights under this act. Limits the sale of personal data as part of a controller’s loyalty, rewards, and benefits program.

Subd. 4. Waiver of rights unenforceable. Prohibits contracts that seek to have consumers waive their rights under the act.

9 Requirements for a small business.

Prohibits a small business from selling a consumer’s “sensitive data,” a defined term under the act, without the consumer’s permission. Penalties and enforcement provisions of the act generally apply to a small business that violates this section.

Small businesses are exempt from the act generally under section 4, subdivision 2, but this section applies specifically to them.

10 Data privacy and protection assessments.

Requires controllers to create “data privacy and protection assessments” to describe policies and procedures that show compliance with the act. Sets requirements for the assessment. Allows the attorney general to request copies of the assessments that relate to ongoing investigations.

11 Limitations and applicability.

Limits the application of the act to avoid conflict with certain other laws or interference with certain appropriate business practices.

12 Attorney general enforcement.

Allows the attorney general to bring a civil lawsuit under its existing authority against a controller or processor that violates the act. Provides civil penalties of up to \$7,500 for each violation. Requires the attorney general to issue a warning letter and provide an opportunity to cure the violation before bringing the civil lawsuit.

13 Preemption of local law; severability.

Supersedes and preempts any local laws regarding the processing of personal data by controllers and processors. If a portion of the act is found invalid by the courts, allows the remainder of the act to stay in force.

Section Article 4: Consumer Data Privacy

14 Effective date.

Provides an effective date of July 31, 2025. Postsecondary institutions are not required to comply until July 31, 2029.



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