

Subject Commerce Omnibus Policy Bill

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Date April 3, 2025

Article 1: Financial Institutions

Section Description - Article 1: Financial Institutions

- 1 **Exceptions and exemptions.**
Corrects cross-reference.
- 2 **Definitions.**
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 **Maximum interest rate.**
Updates the index that is referenced to determine the average prime rate for purposes of real property loans.
- 4 **Conventional loan provisions.**
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 **Transfer of accounts prohibited; notice on closing.**
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 - 21 **Uniform Special Deposits Act.**
This is a Uniform Law Commission model act relating to special deposits. "Special deposits" are money deposited with a bank for a particular purpose and the beneficiary of the account is only determined after a specified event occurs. The model act creates an optional framework for banks and customers to use to treat a deposit as special and clarifies how a special deposit will be treated under a variety of circumstances (bankruptcy of depositor, bank's right of setoff, etc.)
- 22 **Maintenance of permissible investments.**
Corrects cross-reference.

Section Description - Article 1: Financial Institutions

23 Safe deposit lease; automatic renewal.

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.

24 Lender.

Corrects cross-reference.

25 Contracts of \$100,000 or more.

Makes technical change.

26 Postponement by mortgage.

Allows a mortgagee (the lender or financial institution holding the mortgage) to postpone a foreclosure in a foreclosure by action (a foreclosure that was brought in court), using the same process as a sale is postponed in a foreclosure that does not go through the court.

Effective date. Effective August 1, 2025.

27 Postponement by mortgagor or owner.

Allows a homeowner or the person responsible for the mortgage to postpone a foreclosure sale in a foreclosure by action (a foreclosure that was brought in court), in the same way it would be done in a foreclosure that does not go through the court.

Effective date. Effective August 1, 2025.

28 Application, certain sections.

Clarifies that the postponement of foreclosure sale statutes that apply to nonjudicial foreclosure also apply to judicial foreclosures.

29 Certain compliance optional.

States that a lender's compliance with section 47.20, subdivision 8, is optional for conventional mortgage documents dated between August 1, 2024, and July 31, 2025.

Effective date. This section is effective retroactively from July 31, 2024.

Article 2: Insurance

Section Description - Article 2: Insurance

- 1 **Further definition.**
Allows the Minnesota Insurance Guarantee Association to request financial information from an insured to establish net worth under certain circumstances. Provides that if an insured fails to provide the requested financial information the association will deem the insured's net worth to exceed \$25 million. Requires the association to disclose to the insured the consequences of failing to provide the requested financial information.

- 2 **Guaranteed renewal.**
Allows a health carrier to refuse to renew an individual health plan under certain circumstances.

- 3 **Discontinuing of individual health plan.**
Allows a health carrier to discontinue a specific type of individual health plan with the commissioner of commerce's approval if certain notification and purchase option requirements are met.

- 4 **Coverage cancellation; nonrenewal.**
Adds cross-reference and clarifying language.

- 5 **Cancellation or nonrenewal notice.**
Adds cross-reference.

- 6 **Replacement coverage.**
Adds clarifying language.

- 7 **Contract.**
Allows the commissioners of health and commerce to contract with more than one (versus a minimum of 3) businesses to provide independent external reviews of adverse determinations.

- 8 **Participation ratio.**
Makes clarifying change.

- 9 **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).

Section Description - Article 2: Insurance

- 10 **Distribution of private passenger, nonfleet auto risks.**
Allows the facility to provide for members to share premiums, losses, costs, and expenses.
- 11 **Private passenger; nonfleet auto coverage.**
Makes clarifying change.
- 12 **Other auto coverage.**
Requires the facility to provide for the equitable sharing of premiums, losses costs, and expenses.
- 13 **Termination of eligibility.**
Makes technical change.
- 14 **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 copy within 21 days of the request and can provide it in paper form, electronically, or via website.
- 15 **Repealer.**
Repeals section 65B.10, subd. 3.

Article 3: Limited Long-Term Care Insurance

Section Description - Article 3: Limited Long-Term Care Insurance

- 1 **[62A.481] Limited long-term care insurance.**
This is the NAIC model Limited Long-Term Care Insurance Act. Limited long-term care insurance is insurance that provides coverage for less than 12 months and covers diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services. Policies can be issued to individuals or groups and the act contains requirements related to cancelation and termination, waiting periods, conversion of coverage, and disclosures.

Effective date. This section is effective January 1, 2026.
- 2 **Participation ratio.**
Makes clarifying change.

Section Description - Article 3: Limited Long-Term Care Insurance

- 3 **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).
- 4 **Distribution of private passenger, nonfleet auto risks.**
Allows the facility to provide for members to share premiums, losses, costs, and expenses.
- 5 **Private passenger; nonfleet auto coverage.**
Makes clarifying change.
- 6 **Other auto coverage.**
Requires the facility to provide for the equitable sharing of premiums, losses costs, and expenses.
- 7 **Termination of eligibility.**
Makes technical change.
- 8 **Repealer.**
Repeals section 65B.10, subdivision 3.

Article 4: Medicare Supplement Insurance

Section Description – Article 4: Medicare Supplement Insurance

- 1 **Policy requirements.**
Updates cross-reference.
- 2 **Suspension based on entitlement to medical assistance.**
Allows for a preexisting condition waiting period.
- 3 **Limitations on denials, conditions, and pricing of coverage.**
Allows a preexisting condition limitation to apply to Medicare supplement policies during the open enrollment period.

Section Description – Article 4: Medicare Supplement Insurance

- 4 **Renewal or continuation provisions.**
Requires a Medicare supplement policy that contains preexisting condition limitations to appear as a separate paragraph and be titled.
- 5 **Guaranteed issue for eligible persons.**
Removes the requirement that for certain eligible people the open enrollment period is a guaranteed issue period.
- 6 **Prohibited policy provisions.**
Updates cross-reference.
- 7 **Questions.**
Updates notice form to explain preexisting condition limitations and waiting periods.
- 8 **Repealer.**
Repeals Minnesota Statutes, section 62A.3099, subdivision 18b and section 62A.31, subdivision 1w; and Laws 2023, chapter 57, article 2, section 66.
- 9 **Effective date.**
Sections 1 to 8 are effective the day following final enactment.

Article 5: Insurance Holding Company Systems

Section Description - Article 5: Insurance Holding Company Systems

- 1 - 22 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 6: Minnesota Business Corporations Act

Section Description - Article 6: Minnesota Business Corporations Act

- 1 **Beneficial owner; beneficial ownership.**
Adds clarifying language.

Section Description - Article 6: Minnesota Business Corporations Act

- 2 **Defective corporate act.**
Provides definition.
- 3 **Emergency.**
Provides definition.
- 4 **Failure of authorization.**
Provides definition.
- 5 **Overissue.**
Provides definition.
- 6 **Putative shares.**
Provides definition.
- 7 **Time of defective corporate act.**
Provides definition.
- 8 **Validation effective time.**
Provides definition.
- 9 **Valid Shares.**
Provides definition.
- 10 **Statutory provisions that may be modified only in articles or in a shareholder control agreement.**
Adds when the corporation's business and affairs must be managed by or under the board's direction (section 302A.201).
- 11 **Emergency powers.**
Provides default requirements relating to notice for meetings of directors and shareholders in an emergency.
- 12 **[302A.166] Defective corporate acts and shares; ratification.**
 Subd. 1. Effect of ratification or validation. States that a defective corporate act or putative share is not void or voidable if it is ratified under this section or validated by a court proceeding.

 Subd. 2. Board approval; generally. Provides how a board can ratify a defective corporate act, other than ratifying an election of the first board of directors.

Section Description - Article 6: Minnesota Business Corporations Act

Subd. 3. Board approval; election of first board. Provides process to ratify a defective corporate act in respect to the election of the first board of directors.

Subd. 4. Shareholder approval; when required. Specifies when a defective corporate act must be submitted for approval by the shareholders.

Subd. 5. Shareholder approval; process. Provides process to ratify a defective corporate act that must be submitted to the shareholders.

Subd. 6. Certificate of validation. Describes circumstances under which a certificate of validation must be filed with the secretary of state. Provides requirements for contents of certificate of validation.

Subd. 7. Retroactive effect. Provides that after the validation effective time, ratified defective corporate acts and putative shares are no longer void or voidable and are effective retroactively.

Subd. 8. Postratification notice. Provides timing and content requirements for notice to shareholders of ratification of defective corporate act.

13 **[302A.167] Validity of defective corporate acts and shares; proceedings.**

Subd. 1. When permitted. Provides a system for court review of a ratification.

Subd. 2. Remedies. Provides possible court remedies for an action related to a ratification.

Subd. 3. Service. States when service of process occurs.

Subd. 4. Consideration. Allows the court to consider certain information when making a determination in an action related to a ratification.

Subd. 5. Statute of limitations. Creates statute of limitation for an action related to a ratification.

14 **Emergency bylaws.**

Provides information to be included in emergency bylaws.

15 **Board to manage.**

Allows articles of incorporation to limit board powers if certain requirements are met.

Section Description - Article 6: Minnesota Business Corporations Act

- 16 **Agreements and other instruments; authorization.**
Allows a board of directors to ratify an agreement when a certificate must be filed with the secretary of state.
- 17 **Liability; elimination or limitation.**
Allows the articles of incorporation to limit an officer's personal liability, subject to certain limitations.
- 18 **Right to inspect.**
Allows a court to require a corporation that violates this section to allow for inspection and award expenses to the plaintiff.
- 19 **Actions creating rights.**
Allows a shareholder to dissent and obtain payment for their shares if the corporation diminishes or abolishes the boards right to manage the corporation.
- 20 **Rights not to apply.**
Makes technical change.
- 21 **Additional remedies; shareholder representatives.**
Allows a plan of merger or exchange to include penalties for party's failure to perform its obligations and that an appointment is irrevocable and unamendable.

Article 7: Garnishment Forms

Section Description - Article 7: Garnishment Forms

- 1 - 22 **Garnishment forms.**
This article amends the statutory forms used to garnish the wages and bank accounts of a person who has a court ordered judgement against them. Chapter 550 covers the enforcement of judgments and contains numerous forms that are sent to a debtor prior to garnishing their wages or assets.
- The forms are also used to claim exemptions, such as wages or money in the bank that cannot be garnished including Social Security benefits or public assistance payments like MFIP. A 2024 law directed the Attorney General to update the statutory forms. The forms are being updated to conform with the changes to the garnishment laws (chapter 571) that were passed in 2024 (Laws 2024, chapter 114). Those changes include the percentage of income that can be garnished for a debt (between 0 - 25% depending on the income of the debtor), and the limits for the

Section Description - Article 7: Garnishment Forms

value of exempt assets and household items. Some of the changes took effect on August 1, 2024.

Because the law on garnishment and exemptions changed, all the forms used to execute a judgment needed to be updated to reflect those changes. The form updates include clarifying, grammatical, and technical changes to the forms as well.

The bill amends the effective date of the garnishment law passed in 2024 and makes that law and the new forms effective on June 1, 2025.

Article 8: Miscellaneous Commerce Provisions

Section Description - Article 8: Miscellaneous Commerce Provisions

1 Definitions.

Updates cross-references to the ASTM (American Society for Testing and Materials) specifications.

2 General powers.

Allows the commissioner of commerce to issue data calls, meaning a request for an entity to provide data or other information for a regulatory oversight purpose. Clarifies that a data call is not market analysis and is not subject to section 60A.033.

3 1b. Data calls.

(a) Classifies data received by the commissioner under section 1 as nonpublic and not subject to subpoena. Allows the commissioner to make data call results public in an aggregated format and in a way that does not include the identity of the respondent. Requires the commissioner to make the aggregated data available for review by the respondents at least 15 days prior to release to the public. Clarifies that data calls for the NAIC Market Conduct Annual Statement is confidential as provided under section 60A.031, subdivision 4, paragraph (f).

(b) Allows the commissioner to grant access to data call information submitted by insurers with other state, federal, and international agencies and law enforcement authorities and the NAIC. This is allowed if the recipient of the data agrees to maintain the data as nonpublic.

4 Power to compel production of evidence.

Allows the commissioner to issue data calls for the purpose of an investigation, hearing, proceeding, or inquiry.

Section Description - Article 8: Miscellaneous Commerce Provisions

- 5 **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.
- 6 **Section 411; postregistration requirements.**
Adds reference to the North American Securities Administrators Association and commissioner of commerce.
- 7 **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.
- 8 **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.
- 9 **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.

Effective date. This section is effective the day following final enactment.
- 10 **Gasoline.**
Updates cross-references to the ASTM specifications.
- 11 **Gasoline blended with ethanol; general.**
Updates cross-references to the ASTM specifications.
- 12 **Denatured ethanol.**
Updates cross-references to the ASTM specifications.
- 13 **Gasoline blended with nonethanol oxygenate.**
Updates cross-references to the ASTM specifications.

Section Description - Article 8: Miscellaneous Commerce Provisions

- 14 **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."
- 15 **Ethanol, denatured.**
Updates cross-references to the ASTM specifications.
- 16 **Gasoline.**
Updates cross-references to the ASTM specifications.
- 17 **Gasoline blended with nonethanol oxygenate.**
Updates cross-references to the ASTM specifications.
- 18 **[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 museum exhibit galleries and presentation spaces to prohibit water if water is available at no cost outside that area.
- 19 **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.
- 20 **Repealer.**
Repeals sections 325F.02 to 325F.07.



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