

Subject Commerce Supplemental Budget

Authors Koegel

Analyst Larie Ann Pampuch (larie.pampuch@house.mn.gov)

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Overview

This is the Department of Commerce's supplemental budget bill. It repeals the Prescription Drug Affordability Advisory Council, makes changes to lender regulation, virtual currency asset computation, and reinsurance.

Article 1: Commerce Finance

Section Description - Article 1: Commerce Finance

1 Health maintenance organizations (HMO) and count-based purchasers regulation; appropriation.

Appropriates \$1.75 million in fiscal year 2027 from the general fund to the commissioner of commerce to regulate HMOs and county-based purchasers.

2 Appropriation reduction.

Reduces the Department of Health's fiscal year 2027 general fund appropriation by \$7.75 million and reduces the Department of Health's fiscal year 2027 special revenue fund by \$1.836 million. Reductions are ongoing.

Article 2: Prescription Drug Affordability Advisory Council

Section Description - Article 2: Prescription Drug Affordability Advisory Council

1-4 Prescription Drug Affordability Advisory Council.

Repeals the Prescription Drug Affordability Advisory Council.

Article 3: Non-Depository Institutions

Section Description - Article 3: Non-Depository Institutions

- 1 **General authority.**

Adds residential mortgage originators and servicers licensed under chapter 58 to the list of financial institutions that can make loans under Minnesota law.
- 2 **Definitions.**

Adds sales finance companies under chapter 53C and mortgage originators or servicers licensed under chapter 58 to the definition of “financial institution.”
- 3 **Definitions.**

Clarifies that a “consumer small loan lender” includes those in the business of arranging consumer small loans.
- 4 **Loans.**

Corrects cross-reference.
- 5 **Virtual currency business activities; additional requirements.**

Allows licensees to include virtual currency in the calculation of their total assets if certain requirements are met.
- 6 **Other law may apply.**

Allows a sales finance company to use section 47.59 to determine the maximum interest that can be charged on a loan.
- 7 **Application.**

Clarifies that residential mortgage loan originators or servicers licensed under chapter 58 is not governed by chapter 56 (Regulated Loans).
- 8 **Necessity of license.**

Clarifies that a person must receive a license under chapter 56 before arranging a consumer short-term loan.
- 9 **License; to be posted.**

Requires that for services offered via the Internet, the license number be clearly displayed on each web page or other document.
- 10 **Application contents.**

Strikes redundant language.

Section Description - Article 3: Non-Depository Institutions

- 11 **Registration for lenders.**
Strikes reference to rules.
- 12 **Credit services organization.**
Updates reference.
- 13 **Form.**
Updates reference.
- 14 **Form.**
Strikes inconsistent language.
- 15 **Repealer.**
Repeals sections 56.08; 332A.02, subdivision 2; and 332B.02, subdivision 2.

Article 4: Health Plan Regulatory Alignment

Section Description - Article 4: Health Plan Regulatory Alignment

- 1-58 **Commissioner of commerce.**
Makes statutory changes so that commissioner of commerce is in charge of regulatory review of HMOs and county-based purchasers.

Article 5: Reinsurance

Section Description - Article 5: Reinsurance

- 1 **Administration of plan.**
(d) Clarifies that nothing in this section prohibits the Minnesota Comprehensive Health Association (MCHA) board from providing technical assistance or information regarding the Minnesota premium security plan.

(g) Requires the commissioner of commerce to transfer the amount necessary for MCHA to pay all applicable reinsurance payments to eligible health carriers by August 15, 2028.

(h) Requires MCHA to distribute reinsurance payments to eligible health carriers by August 31, 2028.

Section Description - Article 5: Reinsurance

2 2028 assessment on group health carriers.

(a) Makes technical changes.

(c) Requires MCHA to propose the assessment amount on group health carriers and requires the assessment amount to be approved by the commissioner. Requires that by July 25, 2028, the association must notify group health carriers of the proposed assessment under paragraph (a).

(d) Requires group health carriers to pay the assessment to the commissioner (instead of MCHA) by August 29, 2028, to be deposited in the premium security plan account under section 62E.25.

(e) Makes changes for consistency.

(f) Requires the association to determine the accuracy of the assessments by March 15, 2029.

(g) Makes changes for consistency.

3 Payment parameters.

Requires the commissioner of commerce (versus MCHA) to consult with the commissioner of management and budget and board of MNsure to determine the amount of funding necessary for MNsure's stable operations.

4 Reinsurance credit.

Makes technical change.

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



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