

Subject Commerce and Climate and Energy Omnibus

Authors Stephenson

Analyst Bob Eleff  
Larie Ann Pampuch  
Solveig Beckel  
Ben Johnson  
Mary Mullen  
Randall Chun

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## Overview

This is the 2021 omnibus commerce and climate and energy finance and policy bill with the language of H.F. 1031 substituted. It appropriates funding in state fiscal years 2022 and 2023.

## Article 1: Commerce Finance

### Section Description – Article 1: Commerce Finance

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- 1 **Appropriations.**  
Inserts boilerplate language regarding interpretation of the appropriation format used in this article.
  
- 2 **Department of Commerce.**  
Appropriates general fund and other fund dollars to the Department of Commerce for specific purposes.
  - Subd. 1. Total appropriation.** Denotes the total amount of money, by fund, appropriated to the Department of Commerce.
  
  - Subd. 2. Financial institutions.** Appropriates general fund money for financial institutions. Appropriates money for grants to Prepare and Prosper and the Minnesota Council on Economic Education.
  
  - Subd. 3. Administrative services.** Appropriates general fund money for administrative services. Appropriates money for unclaimed property compliance, operations, system modernization, and cybersecurity upgrades, and Real Estate Appraisal Advisory Board compensation.

**Section Description – Article 1: Commerce Finance**

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**Subd. 4. Telecommunications.** Appropriates general fund and the telecommunications access fund money for telecommunications. Appropriates money to the commissioner of human services to supplement the operation of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans, to the chief information officer to coordinate technology accessibility, to the Legislative Coordinating Commission to caption legislative coverage, and to MN.IT Services to provide other state agencies with grants or services related to accessibility of web-based services. Requires the commissioner of management and budget to determine whether federal funding received under the Coronavirus State Fiscal Recovery Fund or other federal funds from the American Rescue Plan Act are available; then eligible expenditures are appropriated from the account and corresponding amounts that were appropriated to the Legislative Coordinating Commission for a onetime increase for captioning of legislative coverage from the Telecommunications Access Minnesota Fund are canceled to the Telecommunications Access Minnesota Fund.

**Subd. 5. Enforcement.** Appropriates general fund, workers' compensation fund, and consumer education account special revenue fund money. Appropriates money for health care enforcement, insurance fraud specialist salary increases, and transfers money from the consumer education account to the general fund and then appropriates money to the commissioner of education for grants to the Minnesota Council on Economic Education. Appropriates money from the general fund and the auto theft prevention account for the catalytic converter theft prevention pilot project.

**Subd. 6. Insurance.** Appropriates general fund and workers' compensation fund money. Appropriates money for health insurance rate review staffing, actuarial work to implement principle-based reserves, dues for the National Conference of Insurance Legislators, licensing pharmacy benefit managers, and to establish, run, and enforce the decisions of the Prescription Drug Affordability Board.

**3 Cancellation; fiscal year 2021.**

\$1,220,000 of the fiscal year 2021 general fund appropriations under Laws 2019, First Special Session chapter 7, article 1, section 6, subdivision 3, is canceled.

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

**4 Department of Commerce.**

(a) Appropriates \$4,000 in fiscal year 2021 from the workers' compensation fund to the commissioner of commerce for insurance fraud specialist salary increases.

(b) Appropriates \$97,000 in fiscal year 2021 from the general fund to the commissioner of commerce for enforcement.

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

**5 Transfer.**

Requires the Minnesota Comprehensive Health Association to transfer all funds in the premium security plan account to the commissioner of commerce in fiscal year 2024. Requires the commissioner of commerce to deposit the funds in the general fund.

## **Article 2: Prescription Drug Affordability Board**

**Section Description – Article 2: Prescription Drug Affordability Board**

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**1 Citation.**

Adds § 62J.85. States that sections 62J.85 to 62J.95 may be cited as the “Prescription Drug Affordability Act.”

**2 Definitions.**

Adds § 62J.86. Defines the following terms: advisory council, biologic, biosimilar, board, brand name drug, generic drug, group purchaser, manufacturer, prescription drug product, and wholesale acquisition cost (WAC).

**3 Prescription Drug Affordability Board.**

Adds § 62J.87.

**Subd. 1. Establishment.** Requires the commissioner of commerce to establish the Prescription Drug Affordability Board to protect consumers, state and local governments, health plan companies, providers, pharmacies, and other stakeholders from unaffordable costs of certain prescription drugs.

**Subd. 2. Membership.** (a) Provides that the board consists of nine members—seven appointed by the governor, one nonvoting member by the majority leader of the senate, and one nonvoting member by the speaker of the house.

(b) Requires members to have knowledge and expertise in pharmaceutical economics and finance or health care economics and finance, and not be an employee or board member of, or consultant to, a manufacturer or trade association for manufacturers or a pharmacy benefit manager or trade association for pharmacy benefit managers.

(c) Requires initial appointments to be made by January 1, 2022.

**Section Description – Article 2: Prescription Drug Affordability Board**

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**Subd. 3. Terms.** States that appointees serve four-year terms, except that initial appointees shall serve staggered terms. Prohibits members from serving more than two consecutive terms. Allows members to resign at any time by giving written notice.

**Subd. 4. Chair; other officers.** Specifies the procedure to be used for designating and electing the chair, vice-chair, and other officers.

**Subd. 5. Staff; technical assistance.** (a) Requires the board to hire an executive director and other staff, and specifies required qualifications for the executive director. Allows the board to employ or contract for professional and technical assistance.

(b) Requires the attorney general to provide legal services to the board.

**Subd. 6. Compensation.** States that members shall not receive compensation but may be reimbursed for expenses.

**Subd. 7. Meetings.** Applies the open meetings law to the board. Requires the board to meet publicly at least every three months to review prescription drug product information that is submitted, and to allow for public comment. Specifies other requirements related to meetings.

**4 Prescription Drug Affordability Advisory Council.**

Adds § 62J.88.

**Subd. 1. Establishment.** Requires the governor to appoint an advisory council to advise the commission on drug cost issues and represent stakeholder views. Specifies criteria related to knowledge and expertise of members.

**Subd. 2. Membership.** Specifies membership.

**Subd. 3. Terms.** Requires initial appointments to be made by January 1, 2022, and specifies requirements for staggered and regular terms and removal and vacancies.

**Subd. 4. Compensation.** Provides that members receive compensation according to the standard procedures that apply to advisory councils and committees.

**Subd. 5. Meetings.** States that the council is subject to the open meeting law and requires the council to meet at least every three months.

**Subd. 6. Exemption.** Provides that the council does not expire.

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**5 Conflicts of interest.**

Adds § 62J.89.

**Subd. 1. Definition.** Defines “conflict of interest.”

**Subd. 2. General.** Requires board and advisory council members, board staff, and third-party contractors to disclose any conflicts of interest prior to entering into any appointment, employment, or contract. Specifies recusal and disclosure requirements.

**Subd. 3. Prohibitions.** Prohibits board and advisory council members, board staff, or third-party contractors from accepting gifts, bequeaths, or donations that raise the specter of a conflict of interest or have the appearance of injecting bias.

**6 Prescription drug price information; decision to conduct cost review.**

Adds § 62J.90.

**Subd. 1. Drug price information from the commissioner of health and other sources.** (a) Requires the commissioner of health to provide the board with the information provided to the commissioner by drug manufacturers under section 62J.84, subdivisions 3, 4, and 5, within 30 days of the date the information is received.

(b) Directs the board to subscribe to one or more prescription drug pricing files.

**Subd. 2. Identification of certain prescription drug products.** (a) Requires the board, in consultation with the advisory council, to identify the following drug products:

(1) brand name drugs or biologics for which the WAC increases by more than ten percent or by more than \$10,000 during any 12-month period or course of treatment if less than 12 months, after adjusting for changes in the CPI;

(2) brand name drugs or biologics that have been introduced at a WAC of \$30,000 or more per calendar year or course of treatment;

(3) biosimilar drugs that have been introduced at a WAC that is not at least 15 percent lower than the referenced brand name biologic; and

(4) generic drugs for which the WAC is: (i) \$100 or more, after adjusting for changes in the CPI, for: (A) a 30-day supply; (B) a supply lasting less than 30 days; or (C) one unit of the drug if FDA labeling does not recommend a finite dosage; and (ii) increased by 200 percent or more during the preceding 12-month period, after adjusting for changes in the CPI.

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(b) Requires the board, in consultation with the advisory council, to identify prescription drug products not described in paragraph (a), that may impose costs that create significant affordability challenges for the state health care system or patients, including but not limited to drugs to address public health emergencies.

(c) Requires the board to make available to the public the names and price information of the prescription drug products identified under this subdivision, with the exception of information determined by the board to be proprietary.

**Subd. 3. Determination to proceed with review.** (a) Allows the board to initiate a review of the cost of a prescription drug product identified by the board under this section.

(b) Requires the board to consider public requests for a cost review of any prescription drug product identified under this section.

(c) If there is no consensus on whether to review a drug, allows any member of the board to request a vote on whether to review.

**7 Prescription drug product reviews.**

Adds § 62J.91.

**Subd. 1. General.** Upon a decision to proceed with a cost review, requires the board to conduct the review and determine whether appropriate utilization of the drug, based on the FDA label and standard medical practice, has led or will lead to affordability challenges for the state health care system or for patients.

**Subd. 2. Review considerations.** Specifies the factors the board may consider in reviewing the cost of a prescription drug product. The specified factors are: selling price of the drug; average monetary price concession, discount, or rebate provided to group purchasers; price of therapeutic alternatives; the average concession, discount, or rebate provided for these alternatives; cost to group purchasers; impact on patient access relative to cost and insurance design; the value of patient access programs; financial impact relative to baseline effects of existing alternatives; co-pays and cost-sharing; any information provided by the manufacturer; and any other factors determined by the board.

**Subd. 3. Further review factors.** If the commission, after considering the factors listed under subdivision 2, is unable to determine whether the drug has produced or will produce an affordability challenge, allows the commission to consider the following additional factors: research and development costs; direct-to-consumer marketing costs; gross and net manufacturer revenues; specified

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factors related to the selection of the introductory price or price increase; and additional factors determined by the board to be relevant.

**Subd. 4. Public data; proprietary information.** (a) Requires submissions to the board related to a drug cost review to be made public, with the exception of information the board determines is proprietary.

(b) Requires the board to establish standards for proprietary information.

(c) Requires the board to provide public notice and an opportunity for public comment prior to establishing standards under paragraph (b).

**8 Determinations; compliance; remedies.**

Adds § 62J.92.

**Subd. 1. Upper payment limit.** (a) If the board determines that spending on a prescription drug product creates an affordability challenge, directs the board to establish an upper payment limit after considering the cost of administering the drug, cost of delivering the drug to consumers, the range of prices at which the drug is sold in the U.S. and the range of pharmacy reimbursement in Canada, and other relevant pricing and administrative cost information.

(b) States that the upper payment limit applies to all public and private purchases, payments, and payer reimbursements for the drug product intended for individuals in the state in person, by mail, or other means.

**Subd. 2. Noncompliance.** (a) Requires noncompliance by an entity to comply with an upper payment limit set by the board to be referred to the attorney general.

(b) If the attorney general finds that an entity was noncompliant, allows the attorney general to pursue remedies under chapter 8 or appropriate criminal charges if there is evidence of intentional profiteering.

(c) Provides that an entity that obtains price concessions from a manufacturer that result in a lower net cost to the stakeholder than the limit established by the board shall not be considered in noncompliance.

(d) Allows the attorney general to provide guidance to stakeholders on activities that could be considered noncompliant.

**Subd. 3. Appeals.** Allows appeals of board decisions and specifies procedures.

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**9 Reports.**

Adds § 62J.93. Requires the board, beginning March 1, 2022, and each March 1 thereafter, to report to the governor and legislature on general price trends in prescription drug products and the number of drugs subject to the board’s cost review and analysis, including the result of any analysis and the number and disposition of appeals and judicial reviews.

**10 ERISA plans and Medicare drug plans.**

Adds § 62J.94.

(a) States that nothing in sections 62J.85 to 62J.95 shall be construed to require ERISA plans or Medicare Part D plans to comply with board decisions. Provides that these plans are free to exceed the upper payment limit set by the board.

(b) Requires providers who dispense and administer drugs in the state to bill all payers no more than the upper payment limit without regard to whether or not an ERISA plan or Medicare Part D plan chooses to reimburse the provider in an amount greater than the upper payment limit.

(c) Defines an ERISA plan or group health plan.

**11 Severability.**

Adds § 62J.95. Provides that sections 62J.85 to 62J.94 are severable.

## **Article 3: Insurance**

**Section Description – Article 3: Insurance**

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**1 Other jurisdictions.**

Adds cross-reference.

Effective date. This section is effective January 1, 2022, and applies to reinsurance contracts entered into or renewed on or after that date.

**2 Credit allowed; reciprocal jurisdiction.**

(a) Explains the criteria an assuming insurer must meet in order for a ceding insurer to receive credit.

(b) Requires the commissioner of commerce to create and publish a list of reciprocal jurisdictions.



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(c) Requires the commissioner of commerce to create and publish a list of assuming insurers that have met the criteria of this subdivision.

(d) Allows the commissioner to revoke or suspend the eligibility of an assuming insurer if the insurer no longer meets the criteria of this subdivision.

(e) Requires the commissioner of commerce to take certain steps before denying statement credit or requiring an insurer to post security.

(f) Allows the commissioner of commerce to obtain an order requiring the assuming insurer to post security for outstanding ceded liabilities if certain events occur.

(g) Clarifies that nothing in this subdivision limits or alters the ability of parties to a reinsurance agreement to agree on other security terms.

(h) Clarifies that credit can be taken under this subdivision only for reinsurance agreements executed, amended, or renewed on or after the effective date and only with respect to losses and reserves that meet certain criteria.

Effective date. This section is effective January 1, 2022, and applies to reinsurance contracts entered into or renewed on or after that date.

**3 Certification procedure.**

(d)(8) Provides that the commissioner of commerce will review audited financial statements for the last two years, instead of three.

Effective date. This section is effective January 1, 2022, and applies to reinsurance contracts entered into or renewed on or after that date.

**4 Fees other than examination fees.**

Changes certain filing fees for insurers.

**5 Definitions.**

Defines terms including “cybersecurity event,” “multifactor authentication,” “nonpublic information,” and “third-party service provider” as used in the new sections of law.

Effective date. This section is effective August 1, 2021.

**6 Information security program.**

**Subd. 1. Implementation of an information security program.** Requires licensees to develop, implement, and maintain a comprehensive written information security program based on the licensee’s risk assessment.

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**Subd. 2. Objectives of an information security program.** Requires an information security program to protect the security and confidentiality of nonpublic information and the information system; protect against threats or hazards to nonpublic information or the information system; protect against unauthorized access to, or use of, nonpublic information; and define and reevaluate a schedule from retention of nonpublic information.

**Subd. 3. Risk assessment.** Requires licensees to identify a person responsible for the information security program; identify reasonably foreseeable threats; assess the likelihood of, and damage from, those threats; assess the sufficiency of policies, procedures, information systems, and other safeguards; and implement information safeguards to manage identified threats.

**Subd. 4. Risk management.** Directs licensees to design systems to mitigate identified risks, implement appropriate security measures, include cybersecurity risks in the licensee's enterprise risk management process, stay informed about possible threats, and provide personnel with cybersecurity awareness training.

**Subd. 5. Oversight by board of directors.** Directs a licensee's board of directors to require development and implementation of an information security program and require a report on that program.

**Subd. 6. Oversight of third-party service provider arrangements.** Requires licensees to exercise due diligence in selecting third-party service providers and directs licensees to require those third-party service providers to implement appropriate safeguards to protect information systems and nonpublic information.

**Subd. 7. Program adjustments.** Directs licensees to monitor and adjust the information security program consistent with new information or changes in technology.

**Subd. 8. Incident response plan.** Requires licensees to include an incident response plan as part of their information security programs and establishes minimum requirements for those plans.

**Subd. 9. Annual certification to commissioner.** Requires insurers domiciled in Minnesota to annually certify in writing that they are in compliance with this section, maintain records for five years, permit inspection of those records, document areas that require improvement, and permit inspection of that documentation.

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Effective date. This section is effective August 1, 2021. Licensees have one year from the effective date to implement subdivisions 1 to 5 and 7 to 9, and two years from the effective date to implement subdivision 6.

**7 Investigation of a cybersecurity event.**

Requires a licensee to perform a prompt investigation after learning that a cybersecurity event may have occurred. The investigation must determine if an event took place and, if so, identify the nature and scope of the event and whether any nonpublic data was involved. Further requires a licensee to either perform an investigation or confirm that one has occurred if a cybersecurity event may have occurred in a system maintained by a third-party service provider. Requires the licensee to maintain records for five years and produce records on demand of the commissioner.

Effective date. This section is effective August 1, 2021.

**8 Notification of a cybersecurity event.**

**Subd. 1. Notification to the commissioner.** Requires a licensee to notify the commissioner of commerce or the commissioner of health, as applicable, when a cybersecurity event occurred that involved a reasonable likelihood of material harm to a consumer or the normal operations of a licensee; or the licensee reasonably believes that the nonpublic information involved belongs to 250 or more consumers living in Minnesota and either notice is required under other provisions or the event has a reasonable likelihood of material harm to a consumer or the normal operations of a licensee.

**Subd. 2. Information; notification.** The licensee providing notification must do so in electronic form and has a duty to update the information submitted. As applicable, notification should include information in 13 different categories including the date of the event, how the event was discovered, whether any data was recovered, and the results of any internal review.

**Subd. 3. Notification to consumers.** Requires a licensee to provide notice—in the manner prescribed under the subdivision—to a consumer if, as a result of a cybersecurity event, the consumer’s nonpublic information was compromised in a way that poses a risk of material harm.

**Subd. 4. Notice regarding cybersecurity events of third-party service providers.** Requires a licensee to treat a cybersecurity event in a system maintained by a third-party service provider as it would treat an event under subdivision 1. Permits licensees to contract with third-party service providers regarding the duty comply with this subdivision.

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**Subd. 5. Notice regarding cybersecurity events of reinsurers to insurers.**

Requires a reinsurer to send notice of a cybersecurity event to the commissioner and to the ceding insurer. Directs the ceding insurer to send any relevant notification to the customer.

**Subd. 6. Notice regarding cybersecurity events of insurers to producers of record.** Requires insurers to notify the producers of record of all affected consumers following a cybersecurity event.

Effective date. This section is effective August 1, 2021.

**9 Power of commissioner.**

Grants the commissioner of commerce or commissioner of health, as applicable, power to investigate a licensee to determine if the licensee engaged in conduct that violates the new law, and take appropriate enforcement action.

Effective date. This section is effective August 1, 2021.

**10 Confidentiality.**

**Subd. 1. Licensee information.** Classifies data in the possession of the commissioner provided pursuant to the new law as confidential, protected nonpublic, or both, but permits the commissioner to use the data in a regulatory or legal action.

**Subd. 2. Certain testimony prohibited.** Provides that the commissioner and any other person who received the documents while acting under the authority of the commissioner shall not be required to testify in any civil action concerning confidential documents or information.

**Subd. 3. Information sharing.** Permits the commissioner to receive and share certain documents and information with other entities including state, federal, and international regulatory agencies and the National Association of Insurance Commissioners.

**Subd. 4. No waiver of privilege or confidentiality.** Provides that sharing documents or information pursuant to subdivision 3 does not waive any applicable privilege or claim of confidentiality. Requires documents or information disclosed to the commissioner to be retained by the licensee for a certain time period.

**Subd. 5. Certain actions public.** Permits the commissioner to release final, adjudicated actions that are open to the public pursuant to chapter 13.

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**Subd. 6. Classification, protection, and use of information by others.** Provides that documents and other information in the possession or control of the National Association of Insurance Companies is classified as confidential, protected nonpublic, and privileged.

Effective date. This section is effective August 1, 2021.

**11 Exceptions.**

Establishes exceptions for a licensee with fewer than 25 employees, licensees subject to other data privacy laws, licensees covered by the information security program of another licensee, and employees of a producer licensee.

Effective date. This section is effective August 1, 2021.

**12 Penalties.**

Provides that violations of the new sections of law may be penalized in accordance with existing law, as described in section 60A.052, which includes suspension or revocation.

Effective date. This section is effective August 1, 2021.

**13 Minimum values.**

Changes the minimum interest rate in determining minimum nonforfeiture amounts for annuity contracts from one percent to 0.15 percent.

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

**14 Restrictions.**

Amends § 62J.23, subd. 2. Includes prescription drugs administered through injection, or other parenteral methods, in the definition of “prescription drug” for purposes of the exemption of prescription drug discounts, price reductions, a limited time free supply, or samples, from the state application of the Medicare antikickback law to all persons in the state.

**15 Screening and testing for opioids.**

Adds § 62Q.497. (a) Prohibits a health plan company from placing lifetime or annual limits on screenings and urinalysis testing for opioids under certain circumstances.

(b) Clarifies that this section does not apply to medical assistance or MinnesotaCare.

Effective date. This section is effective January 1, 2022, and applies to health plans offered, issued, or renewed on or after that date.

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**16 Laboratory and x-ray services.**

Provides that medical assistance must cover screenings and urinalysis tests for opioids without lifetime or annual limits.

Effective date. This section is effective January 1, 2022.

**17 Repealer.**

Repeals Minnesota Statutes, sections 60A.98, 60A.981, and 60A.982.

Effective date. This section is effective August 1, 2021.

## **Article 4: Consumer Protection**

**Section Description – Article 4: Consumer Protection**

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**1 Student loan servicers.**

States that data under chapter 58B is governed by section 58B.10.

**2 Application.**

Removes a cross-reference to section 47.60.

Effective date. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

**3 Authorization, terms, conditions, and prohibitions.**

Allows a consumer small lender to charge interest, finance charges, and fees on a loan of up to 36 percent APR.

Effective date. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

**4 Consumer short-term loan contract.**

Removes cross-reference to section 47.59 and removes de minimus exception.

Effective date. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.

**5 Penalties for violation; private right of action.**

Removes cross-reference to section 47.59.

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- Effective date. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.
- 6      **Required information.**  
Removes an out of date reference.
- 7      **Confirm no voluntary closing.**  
Clarifies that the limitations under this paragraph do not apply to programs designed to expand access to people who do not have access to a transaction account at a bank or credit union.
- 8      **Transaction account service charges and charges relating to dishonored checks.**  
Changes the amount a financial intermediary can charge for a dishonored check to a person other than the issuer from \$4 to \$10.
- 9      **Loans.**  
Requires industrial loan and thrift companies making consumer small loans or consumer short-term loans to comply with the requirements of sections 47.60 and 47.601, as applicable.  
  
Effective date. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.
- 10     **Interest rates and charges.**  
Requires regulated lenders (finance companies) making consumer small loans or consumer short-term loans to comply with the requirements of sections 47.60 and 47.601, as applicable.  
  
Effective date. This section is effective August 1, 2021, and applies to consumer short-term loans and small loans originated on or after that date.
- 11     **[58B.01] Title.**  
This chapter may be cited as the “Student Loan Borrower Bill of Rights.”
- 12     **[58B.02] Definitions.**  
Provides definitions for borrower, financial institution, student loan, and student loan servicer.
- 13     **[58B.03] Licensing of student loan servicers.**  
    **Subd. 1. License required.** Requires student loan servicers to obtain a license from the commissioner.

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**Subd. 2. Exempt persons.** Exempts certain persons from the requirements of this chapter.

**Subd. 3. Application for licensure.** Requires an application for a student loan servicer license to be filed with the commissioner, contain certain financial and legal information, and such fees as the commissioner establishes. Allows the commissioner to conduct a state and national criminal history check for each applicant and persons in control of an applicant.

**Subd. 4. Issuance of license.** Allows the commissioner to issue a license if the applicant meets certain financial and business requirements. Prohibits a license from being transferred or assigned.

**Subd. 5. Notification of change in status.** Requires an applicant or student loan servicer to notify the commissioner of any change from their initial or most recent renewal application.

**Subd. 6. Term of license.** Provides that a license expires on December 31 and is renewable on January 1.

**Subd. 7. Exemption from application.** (a) Provides a person servicing student loans in this state pursuant to a contract awarded by the United States Secretary of Education an exemption from the requirements of subdivision 3.

(b) Requires the commissioner to issue a license to a person exempt under paragraph (a).

**Subd. 8. Notice.** (a) Requires a person issued a license under subdivision 7 to notify the commissioner if their contract with the United States Secretary of Education expires, is revoked, or terminated.

(b) Provides a person issued a license under subdivision 7 with 30 days to complete the requirements of subdivision 3 if their contract with the United States Secretary of Education expires, is revoked, or terminated.

14 **[58B.04] Licensing multiple places of business.**

Requires a student loan servicer to service loans under one name and one location. Requires the servicer to notify the commissioner if their place of business changes. Allows the commissioner to issue a servicer more than one license.

15 **[58B.05] License renewal.**

**Subd. 1. Term.** Provides that licenses are renewable on January 1.



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**Subd. 2. Timely renewal.** (a) Provides the requirements for filing a timely license renewal.

(b) Provides that person who does not timely file a license renewal is unlicensed until a renewal license is issued by the commissioner.

**Subd. 3. Contents of renewal application.** Requires certain information be submitted with the renewal application.

**Subd. 4. Cancellation.** Allows a student loan servicer that no longer wants to be licensed to inform the commissioner and surrender the license. A servicer must submit a plan for the withdrawal from student loan servicing.

**Subd. 5. Renewal fees.** Requires fees, as established by the commissioner, to be paid with a renewal application.

16 **[58B.06] Duties of student loan servicers.**

**Subd. 1. Response requirements.** Requires a student loan servicer to acknowledge receipt of a written communication from a borrower in less than ten days and provide information to the borrower regarding how/if the servicer can correct the borrower's issue in less than 30 days.

**Subd. 2. Overpayments.** Requires a student loan servicer to apply overpayments as instructed by the borrower.

**Subd. 3. Partial payments.** Requires a student loan servicer to apply partial payments in a way that minimizes late fees and the negative impact on the borrower's credit history. Requires partial payments, where a borrower has multiple loans, to be applied to satisfy as many individual loan payments as possible.

**Subd. 4. Transfer of student loan.** (a) Requires a student loan servicer that sells, assigns, or transfers servicing of a loan to require the new servicer to provide all benefits that were available to the borrower from the original servicer and transfer all information regarding the borrower to the new servicer.

(b) Requires a student loan servicer to complete the transfer of borrower information in less than 45 days from the date of the sale, assignment, or transfer.

(c) Requires a sale, assignment, or transfer of servicing to be completed no less than seven days from the date the next payment is due on the student loan.

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(d) Requires a new student loan servicer to adopt policies and procedures to verify the original servicer meets the requirements of paragraph (a).

**Subd. 5. Income-driven repayment.** Requires a student loan servicer to evaluate a borrower for eligibility for an income-driven repayment program before placing a borrower in forbearance or default.

**Subd. 6. Records.** Requires a student loan servicer to maintain adequate records of a student loan for two years following the last payment on the student loan or the sale, assignment, or transfer of the student loan.

Effective date. This section is effective July 1, 2021, and applies to student loan contracts executed on or after that date.

17 **[58B.07] Prohibited conduct.**

**Subd. 1. Misleading borrowers.** Prohibits a student loan servicer from directly or indirectly attempting to mislead a borrower.

**Subd. 2. Misrepresentation.** Prohibits a student loan servicer from engaging in unfair or deceptive practices or misrepresenting or omitting any material information relating to servicing. This includes misrepresenting the amount, nature, or terms of fees, payments due, terms and conditions, or the borrower's obligation.

**Subd. 3. Misapplication of payments.** Prohibits a student loan servicer from knowingly or negligently misapplying payments.

**Subd. 4. Inaccurate information.** Prohibits a student loan servicer from knowingly or negligently providing inaccurate information to a consumer reporting agency.

**Subd. 5. Reporting of payment history.** Requires a student loan servicer to report both favorable and unfavorable payment histories of a borrower to a consumer reporting agency at least annually, if the servicer regularly reports such information.

**Subd. 6. Refusal to communicate with a borrower's representative.** Prohibits a student loan borrower from refusing to communicate with a properly authorized borrower representative. A servicer may adopt reasonable verification procedures for representatives.

**Subd. 7. False statements and omissions.** Prohibits a student loan servicer from knowingly or negligently making any false statements or omissions of material

**Section Description – Article 4: Consumer Protection**

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fact in connection with an application, information, or reports filed with the commissioner or other government agency.

**Subd. 8. Noncompliance with applicable law.** Prohibits a student loan servicer from violating other laws, including those related to fraud, or coercive or dishonest practices.

**Subd. 9. Incorrect information regarding student loan forgiveness.** Prohibits a student loan servicer from misrepresenting the availability of student loan forgiveness.

**Subd. 10. Compliance with servicer duties.** Requires a student loan servicer to comply with the duties and obligations under section 58B.06.

**18 [58B.08] Examinations.**

Provides the commissioner with the same powers to examine student loan servicers that the commissioner has under section 46.04.

**19 [58B.09] Denial, suspension, revocation of licenses.**

**Subd. 1. Powers of commissioner.** Allows the commissioner to take action against a licensee, including barring a person from servicing loans, denying, suspending, or revoking a license, censuring a servicer, revoking an exemption, order restitution, and imposing civil penalties. Requires the commissioner to ensure that before an action is taken the order is in the public interest and the servicer, applicant, person in control, employee, or agent has violated a requirement of this chapter, a standard of conduct, or engaged in any of the listed prohibited behaviors.

**Subd. 2. Orders of the commissioner.** Requires the commissioner, to begin a proceeding, to issue an order requiring the subject to show cause why an action should not be taken. Provides requirements relating to the order, suspension, and hearing.

**Subd. 3. Actions against lapsed license.** Allows the commissioner to institute a proceeding within two years of a license lapsing, being surrendered, withdrawn, or terminated and impose a civil penalty under this section or section 45.027, subdivision 6.

**20 [58B.10] Data practices.**

**Subd. 1. Classification of data.** States that data collected by the Department of Commerce under this chapter is governed by section 46.07.

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**Subd. 2. Data sharing.** Clarifies that not public data under this chapter can be shared with certain parties.

**21 Grounds and notice.**

Clarifies that use of a private passenger vehicle when used by a volunteer driver is not an automobile for hire or compensation.

**22 Commercial vehicle.**

Clarifies that a private passenger vehicle driven by a volunteer driver is not a commercial vehicle.

**23 Definitions.**

(b) Clarifies that a private passenger vehicle driven by a volunteer driver is not a transportation network company vehicle.

(h) Defines volunteer driver.

**24 Definition.**

Adds a cross-reference to volunteer driver for purposes of special transportation service.

**25 Applicability.**

Adds a cross-reference to volunteer driver for purposes of special transportation service.

**26 Background studies.**

Adds a cross-reference to volunteer driver for purposes of special transportation service.

**27 Passenger transportation; exemption.**

Adds a cross-reference to volunteer driver for purposes of special transportation service.

**28 Transportation costs.**

Adds a cross-reference to volunteer driver for purposes of medical assistance coverage of nonemergency medical transportation.

**29 Purchase of catalytic converters.**

Requires any person who purchases or receives a catalytic converter to record the vehicle identification number of the vehicle from which the catalytic converter was removed and the name of the person who performed the removal. Requires that information to be made available to law enforcement agencies at their request.

**Section Description – Article 4: Consumer Protection**

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- 30      **Catalytic converter theft prevention pilot project.**  
Directs the commissioner of commerce to establish a pilot project to place unique identification numbers on catalytic converters. Requires the commissioner to establish a procedure to mark catalytic converters, work with law enforcement agencies and scrap metal dealers to identify the types of vehicles most at risk for theft of catalytic converters, prioritize distribution of materials to areas with the highest rates of theft, make educational materials available, and report on the pilot project. Establishes that materials purchased under the program may be distributed to dealers, repair shops, and community organizations to assist in marking catalytic converters with unique identifiers.
- 31      **Abnormal market disruptions; unconscionably excessive prices.**  
**Subd. 1. Definitions.** Provides definitions for “abnormal market disruption,” “essential consumer good or service,” “seller,” and “unconscionably excessive.”  
**Subd. 2. Prohibition.** Provides that if the governor declares an abnormal market disruption a person is prohibited from selling an essential consumer good or service at an unconscionably excessive price.  
**Subd. 3. Civil penalty.** Applies a civil penalty of not more than \$1,000 per transaction with a maximum penalty of \$10,000 per day for violations of this section.  
**Subd. 4. Enforcement authority.** Allows the attorney general to investigate alleged violations of this section and clarifies that the attorney general may use their powers under section 8.31 for these purposes.  
  
Effective date. This section is effective the day following final enactment.
- 32      **Enforcement.**  
Adds cross-references allowing the commissioner of commerce to enforce certain sections and coordinate with the commissioner of the Pollution Control Agency and commissioner of health in doing so.
- 33      **Enforcement.**  
Adds cross-references allowing the commissioner of commerce to enforce certain sections and coordinate with the commissioner of the Pollution Control Agency and commissioner of health in doing so.

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- 34     **Enforcement.**  
Adds § 325F.179. Adds cross-references allowing the commissioner of commerce to enforce certain sections and coordinate with the commissioner of the Pollution Control Agency and commissioner of health in doing so.
- 35     **Denial of Access.**  
Removes existing statutory language related to denying a person renting a storage unit access to the unit.
- 36     **Access to certain items.**  
This section amends the items and process under existing law allowing a person to gain access to certain items in their storage space. This section allows a person renting a self-storage unit to remove specific items including personal papers and health aids from a storage unit. When the person is a recipient of government benefits, this section also allows them to remove tools of the trade and personal clothing worth less than \$125. This section also contains provisions related to enforcement of this section and costs and attorneys fees for a person who has to sue to enforce this provision.
- 37     **Contents of notice.**  
Adds requirements to the existing notice an owner must send to a person renting a storage space when the person is in default.
- 38     **Sale of property.**  
Provides that the description of the property in published notice of sale must be a general description.
- 39     **Addition notification requirements.**  
Removes a provision from existing statute saying a notice must include that a person cannot access their personal property after default.
- 40     **Additional remedies.**  
Amends the process to remove a person from a storage unit that has failed to make payments or for other breaches of contract. This section provides that if a person has defaulted on their rent for their storage unit the owner can start an action to remove the person’s belonging from the storage unit using a summons and requires the court to grant a hearing between seven and 14 days after the action is filed. This section also allows for an expedited hearing in certain cases and provides procedural requirements for the answer, trial, and judgment.

**Section Description – Article 4: Consumer Protection**

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**41 Third-party food delivery fees; limitation.**

**Subd. 1. Definitions.** Defines delivery fee, food and beverage establishment, online order, purchase price, and third-party food delivery service.

**Subd. 2. Limitation on food delivery fees.** (a) Prohibits a third-party food delivery service from: (1) charging a delivery fee that is more than ten percent of the order's purchase price; (2) charging an additional fee that is more than five percent of the order's purchase price; (3) charging a customer a purchase price that is higher than that set by the food and beverage establishment; or (4) reducing compensation to drivers as a result of the limitation on fees created by this section.

(b) Allows a food and beverage establishment to spend more than the 15 percent limitation in paragraph (a) on marketing or advertising on the third-party food delivery service platform if they want.

**Subd. 3. Enforcement by attorney general.** Requires the attorney general to enforce this section and allows injured parties to bring a civil action and recover costs and attorney fees.

Effective date. This section is effective the day following final enactment and expires 60 days after the peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19 is terminated or rescinded.

## **Article 5: Collection Agencies and Debt Buyers**

**Section Description – Article 5: Collection Agencies and Debt Buyers**

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**1 Collection agency.**

Adds "debt buyer" to definition of collection agency or licensee.

**2 Collector.**

Adds "debt buyer" to definition of collector

**3 Debt buyer.**

Defines "debt buyer" as a business engaged in the purchase of indebtedness whether the business collects or hires another to collect or litigate.

**4 Affiliated company.**

Defines "affiliated company."

**Section Description – Article 5: Collection Agencies and Debt Buyers**

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- 5      **Transfer of administrative functions.**  
Adds the term “debt buyer.”
- 6      **Exclusions.**  
Makes clarifying changes.
- 7      **Requirement.**  
Requires debt buyers to be licensed under this chapter and submit an application for a license if in current operation by January 1, 2022.
- 8      **Penalty.**  
Adds the term “debt buyer.”
- 9      **License rejection.**  
Makes clarifying changes.
- 10     **Individual collector registration.**  
Makes clarifying changes.
- 11     **Changes; notice to commissioner.**  
Makes clarifying changes.
- 12     **Screening process requirement.**  
Makes clarifying changes.
- 13     **Affiliated companies.**  
Requires the commissioner to allow affiliated companies to operate under a single license under certain circumstances.
- 14     **Bond.**  
Makes clarifying changes.
- 15     **Segregated accounts.**  
Clarifies that this section does not apply to debt buyers unless they engage in third party debt collection for others.
- 16     **Agency responsibility for collectors.**  
Makes clarifying changes.



**Section Description – Article 5: Collection Agencies and Debt Buyers**

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**17 Prohibited practices.**

(a) Adds the term “debt buyer” and makes clarifying changes.

(b) Clarifies that certain clauses do not apply to debt buyers unless they engage in third party debt collection for others.

**18 Notification to commissioner.**

Adds the term “debt buyer” and makes clarifying changes.

**19 Commissioner’s powers.**

Adds the term “debt buyer.”

**20 Verified financial statement.**

Makes clarifying changes.

**21 Record keeping.**

Adds the term “debt buyer” and requires debt buyers to reserve records of final entry used in their business for five years after final collection.

**22 Garnishment prohibitions on COVID-19 government assistance.**

Exempts government payments for COVID-19 relief issued by the federal, state, or tribal government from garnishment for debts for personal, family, or household purposes that an individual owes. Does not exempt the government payments from the collection of child support or spousal maintenance debts that are owed.

Effective date. This section is effective the day following final enactment and applies to government assistance provided on or after March 13, 2020.

## **Article 6: Miscellaneous**

**Section Description – Article 6: Miscellaneous**

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**1 Insurance Internet prelicense courses.**

Makes technical changes.

**2 Appraiser Internet prelicense courses.**

Requires appraiser prelicense education courses to meet the requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

**Section Description – Article 6: Miscellaneous**

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- 3 Appraiser Internet continuing education courses.**  
Requires appraiser continuing education courses to meet the requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.
- 4 Prohibitions.**  
Makes technical changes.  
  
Effective date. This section is effective the day following final enactment.
- 5 Exceptions.**  
Allows coordinators and instructors of professional courses to display logos and branding under certain circumstances.  
  
Effective date. This section is effective the day following final enactment.
- 6 Duration; fees.**  
Makes technical changes.
- 7 Duties of commissioner; report.**  
Makes technical changes.
- 8 Surety bond requirement.**  
Changes minimum transaction amount to require a surety bond from \$25,000 to zero.
- 9 Notification to commissioner.**  
Requires a dealer to notify the commissioner of commerce of any dealer representation termination within 10 days of the termination if the termination was based in whole or in part on a violation of this chapter.
- 10 Amounts.**  
Makes technical changes.
- 11 Initial license expiration; fee reduction.**  
Makes technical changes.
- 12 Timely renewals.**  
Makes technical changes.

**Section Description – Article 6: Miscellaneous**

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- 13     **Fraudulent, deceptive, and dishonest practices.**  
Makes technical changes.
- 14     **Evaluation.**  
Provides definition.
- 15     **Interagency appraisal and evaluation guidelines.**  
Provides definition.
- 16     **Licensed real property appraiser.**  
Changes the value range a licensed real property appraiser can appraise.
- 17     **Evaluation.**  
Allows a real estate appraiser to provide an evaluation.
- 18     **Licensed residential real property appraiser.**  
Changes the value range a licensed residential real property appraiser can appraise.
- 19     **Evaluation.**  
Clarifies that a licensed real estate appraiser does not need to comply with the Uniform Standards of Professional Appraisal Practice when providing an evaluation.
- 20     **Valuation bias.**  
Provides definition and requires licensees to complete a valuation bias course within two years of receiving a license.  
  
Effective date. This section is effective September 1, 2021. A real property appraiser who has received their license prior to the effective date of this section must complete the course required by this section by August 31, 2023.
- 21     **Abandoned underground storage tanks.**  
Adds to the definition of “abandoned underground petroleum storage tank” one that was taken out of service and is located on property that is being held by the state in trust for local taxing districts under section 281.25. Provides that if at the time this type of property is forfeited the owner repurchases the property under section 282.241, the board’s contracted cost for removal must include a special assessment and be returned to the board upon the sale of the property.
- 22     **Electric cooperative powers.**  
(c) and (d) Allows an electric cooperative, an affiliate of the cooperative formed to provide broadband, or another entity pursuant to an agreement, to use electric

**Section Description – Article 6: Miscellaneous**

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transmission or distribution easements for broadband infrastructure under certain circumstances and with the specified notice provided.

(e), (f), (g) Provides information regarding property owners' rights regarding legal action, damages, and claims.

(h) and (i) Provides definitions and clarifies that this section does not limit a cooperative's existing easement rights.

(j) Clarifies that placement of broadband infrastructure is subject to local government permitting and right-of-way management. Requires the cooperative to coordinate with relevant local government units and notify them prior to placing infrastructure that is in or adjacent to a right-of-way.

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

**23 Information disclosure.**

Requires a lead generator to include a disclosure on solicitations and advertisements.

**24 Purpose.**

Clarifies that the purpose of statutory lawful gambling regulations is to permit the authorization only of the games or game features discussed in statute. This section is effective September 6, 2022.

**25 Electronic bingo device.**

Amends the definition of "electronic bingo device" to state that the device may only display the bingo game and results in a manner that resembles bingo games played on paper and prohibits displaying or simulating any other form of gambling, entertainment, slot machine, electronic video lotteries, or video games of chance. Further restricts the depiction of images that resemble a spinning reel or slot machine. This section is effective September 6, 2022.

**26 Electronic pull-tab device.**

Clarifies that, effective September 6, 2022, electronic pull-tab devices must require manual operation and must display the underlying symbols immediately after the player activates or opens an applicable line. Specifies that the device may only display the pull-tab game and results in a manner that resembles pull-tab games played with paper tickets and prohibits displaying or simulating any other form of gambling, entertainment, slot machine, electronic video lotteries, or video games of chance. Further restricts the depiction of images that resemble a spinning reel or slot machine.

**Section Description – Article 6: Miscellaneous**

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- 27      **Electronic pull-tab game.**  
Amends the definition of “electronic pull-tab game” to reference the restrictions established in the definition of an “electronic pull-tab device.” This section is effective September 6, 2022.
- 28      **Consumer education information.**  
Makes technical changes.
- 29      **Appraiser Internet course requirements.**  
Allows the commissioner of commerce to approve a classroom or distance learning professional course which has not been approved by the International Distance Education Certification Center.  
  
Effective date. This section is effective the day following final enactment and expires after the peacetime emergency declared by the governor is terminated or rescinded or December 31, 2021, whichever is later.
- 30      **Minnesota Council on Economic Education.**  
Requires the Minnesota Council on Economic Education (MCEE) to use grants from the commissioner of education to provide professional development for K-12 teacher’s relating to economic education, support direct to student economic and personal finance programs, and support higher education based centers for economic education. Requires the MCEE to submit a report to the commissioner of education on these efforts and provide fiscal reports as well.  
  
Effective date. This section is effective the day following final enactment.
- 31      **Consumer debt collection language barrier working group.**  
    **Subd. 1. Establishment.** Requires the commissioner of commerce to convene a working group to review language barriers and the effect on creditors, debt collectors, and limited English proficient communities.  
  
    **Subd. 2. Membership.** Lists membership of working group.  
  
    **Subd. 3. Report.** Requires a report to the legislature by January 1, 2022. Requires the working group to examine certain issues.
- 32      **Collection agency employees; work from home.**  
Allows employees of a collection agency to work at a location other than the licensee’s business if other requirements are met.  
  
Effective date. This section expires May 31, 2022.

**Section Description – Article 6: Miscellaneous**

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- 33     **Repealer.**  
Repeals sections 45.017, 45.306, subdivision 1, and 115C.13.

## **Article 7: Energy Conservation and Storage**

**Section Description – Article 7: Energy Conservation and Storage**

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- 1     **[16B.86] State building energy conservation improvement revolving loan account.**  
Establishes an account managed by the commissioner of administration that provides revolving loans for energy conservation in state buildings.
- 2     **[16B.87] Award and repayment of state building energy improvement conservation loans.**  
Describes the content on a loan application. Requires loans to be made at or below the market interest rate, including zero interest, with a term no longer than seven years.
- 3     **[216B.1698] Innovative clean technologies.**  
Authorizes a public utility to petition the commission to invest in projects deploying innovative clean energy technologies. Caps investment at \$6 million over three consecutive years for a public utility with more than 200,000 retail customers in Minnesota, and \$3 million for smaller public utilities.
- 4     **[216B.2401] Energy savings and optimization policy goal.**  
Increases the annual state energy savings goal from 1.5 to 2.5 percent, and requires the commissioner of commerce to report annually to the legislature on actual savings and recommendations to increase them.
- 5     **[216B.2402] Definitions.**  
Replaces definitions governing utility Conservation Improvement Programs (CIP) currently found in section 216B.241.
- 6     **[216B.2403] Consumer-owned utilities; energy conservation and optimization.**  
Redrafts statutes governing utility CIP activities for municipal utilities and cooperative electric associations, now defined collectively as consumer-owned utilities. Changes include allowing utilities to operate under CIP plans that may extend up to three years, and to meet energy savings goals on average over that time rather than annually. Certain “efficient fuel-switching improvements”—substituting electricity or natural gas for a customer’s current fuel—may contribute to energy savings goals. A

**Section Description – Article 7: Energy Conservation and Storage**

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utility's minimum spending on conservation programs for low-income customers is doubled.

**7 - 20 [216B.241] Energy conservation improvement.**

Redrafts statutes governing utility CIP activities for public utilities. Increases the annual energy savings goal for electric utilities from 1.5 to 1.75 percent, and lowers the goal for natural gas utilities from 1.5 to 1.0 percent. Requires energy conservation activities in public schools. Increases an electric utility's minimum spending on conservation programs for low-income customers from 0.1 to 0.4 percent of annual gross operating revenues; for a natural gas utility, the increase is from 0.4 to 0.8 percent. Fuel-switching programs may not contribute to energy-savings goals, but the net benefits associated with the program may be counted toward a utility's overall CIP net benefits. The Public Utilities Commission (PUC) may approve a financial incentive to encourage investment in load management programs that shift energy from peak demand periods.

**21 [216B.241] Energy conservation improvement.**

**Subd. 14. Minnesota efficient technology accelerator.** Authorizes a nonprofit organization to file a proposal with the commissioner of commerce to collaborate with technology manufacturers to accelerate the development of energy efficient technologies whose deployment will result in cost-efficient energy savings for Minnesota consumers. Public utilities with more than 30,000 customers must make annual contributions to the program's budget, capped at 2 percent of the utility's CIP spending in the program's first two years, 3.5 percent in the program's third and fourth years, and 3.5 percent thereafter.

**22 [216B.2412] Decoupling of energy sales from revenues.**

**Subd. 3. Pilot programs.** Deletes an annual PUC report on pilot decoupling programs.

**23 [216B.2422] Resource planning; renewable energy.**

**Subd. 7a. Energy storage systems; installation.** Requires the commission to order a public utility to install one or more energy storage systems if found to be reasonable, prudent, and in the public interest.

**24 [216B.2427] Energy storage system; application.**

Describes required contents of a utility's application to the PUC to install an energy storage system.

**Section Description – Article 7: Energy Conservation and Storage**

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- 25     **[216C.05] Findings and purpose.**  
          **Subd. 2. Energy policy goals.** Adds a state goal to reduce greenhouse gas emissions in existing commercial and residential buildings by 50 percent by 2035.
- 26     **[216C.402] Rebuild right grant program.**  
          Establishes a program to award grants to owners of buildings that were damaged or destroyed during the civil unrest in May-June 2020 to achieve stringent energy efficiency standards (at a minimum, Sustainable Building 2030 standards) or to install renewable energy technologies.
- 27     **[326B.106] General powers of commissioner of labor and industry.**  
          **Subd. 1. Adoption of code.** Requires the commissioner of labor and industry to adopt each new commercial energy code published by the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) or a more stringent code, which must increase energy efficiency by at least 8 percent with each new code adopted.
- 28     **Supplementing weatherization services.**  
          Permits the state to implement preweatherization measures in low-income households in order to allow those households to receive federal weatherization assistance.
- 29     **Task force on expanding the provision of weatherization services.**  
          Establishes a task force to examine additional sources of revenue for the weatherization program.
- 30     **Transfer.**  
          Funds the state building revolving loan account under section 1.
- 31     **Appropriations.**

**Article 8: Energy Transition**

**Section Description – Article 8: Energy Transition**

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- 1-3     **[116J.5491-116J.5493]**  
          Establishes an Energy Transition Office in the Department of Employment and Economic Development to assist communities and workers experiencing economic dislocation as a result of the retirement of an electric generating plant. Establishes



**Section Description – Article 8: Energy Transition**

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- an advisory committee to develop an energy transition plan for each impacted facility.
- 4      **[116J.5501] Minnesota Innovation Finance Authority.**  
Establishes a nonprofit corporation to accelerate the deployment of energy conservation and renewable energy projects, climate adaptation projects, electric vehicle infrastructure, agriculture projects that reduce greenhouse gas emissions, and others by leveraging public and private sources of capital through the strategic utilization of limited public funds and innovative financing mechanisms.
- 5      **[216B.16] Rate change; procedure; hearing.**  
      **Subd. 1. Factors considered; generally.** Technical.
- 6      **[216B.16] Rate change; procedure; hearing.**  
      **Subd. 13. Economic and community development.** Specifies that a public utility may recover from ratepayers' expenses to employ local workers to construct energy generating utilities.
- 7      **[216B.1645] Power purchase contract or investment.**  
      **Subd. 1. Commission authority.** Authorizes the PUC to approve purchases of or investments in renewable energy that exceed the level of state mandates and standards.
- 8      **[216B.1645] Power purchase contract or investment.**  
      **Subd. 2. Cost recovery.** Authorizes the PUC to allow recovery of reasonable utility expenses to employ local workers to construct energy generating utilities.
- 9-22    **[216B.1691] Renewable energy objectives.**  
Increases the proportion of a utility's electricity that must be generated by renewable sources from 25 to 40 percent in 2025, and to 55 percent in 2035. Establishes requirements for the proportion of carbon-free generation resources: 65 percent by 2025; 80 percent by 2030; 90 percent by 2035; and 100 percent by 2040.
- 23-31   **[216B.2422] Resource planning; renewable energy.**  
Requires utility resource plan filings with the PUC to include plans to meet 100 percent of a utility's future energy needs through a combination of clean and carbon-free resources, and to describe the utility's efforts to minimize the economic dislocation experienced by workers that result from generating plant retirements. Requires the PUC to use greenhouse gas emissions values calculated in a recent federal government study when evaluating the addition of new generating facilities, and requires utilities to use lifecycle analyses in quantifying and monetizing those

**Section Description – Article 8: Energy Transition**

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emissions. Establishes as state policy that a combination of clean energy resources is the favored method to meet electricity demand in Minnesota.

Requires the commission, when it disapproves the construction or purchase of renewable or clean energy resources, to establish by clear and convincing evidence that those resources are not affordable or reliable, and describes factors it must consider in making those determinations. Requires the commission to make a written determination of its findings regarding reliability and affordability. Allows a utility retiring a generating facility the entitlement to own at least a portion of its replacement capacity, provided the utility reduces greenhouse gas emissions by 80 percent or more by 2030 or 2035, depending on the size of the utility.

**32-33 [216B.2427] Natural gas utility innovation plans.**

Authorizes a natural gas utility to file a plan with the PUC to obtain innovative resources that displace conventional natural gas, including renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon dioxide capture, strategic electrification, and others. Programs must be cost-effective and reduce greenhouse gas emissions. Plans have a term of five years. Sets caps on annual plan costs at approximately \$18 million in the initial plan, to \$55 million for the third and subsequent plans. The initial innovation plan must include programs to provide audits to small and medium-sized businesses, target industrial facilities that cannot easily electrify, conduct deep energy retrofits and install cold-climate electric air-source heat pumps in residences, and expand district heating systems.

**34 [216B.247] Beneficial building electrification.**

Establishes a state goal to promote uses of electricity in the building sector, and to target the benefits of that policy to low-income communities.

**35 [216B.248] Public utility beneficial building electrification.**

Authorizes a public utility to file a plan with the PUC to promote electrification in residential and commercial buildings. Plans must maximize consumer savings, enhance service reliability, reduce greenhouse gas emissions, and support the integration of renewable and carbon-free resources.

**36-45 [216B.491 – 216B.4991] Securitization.**

Authorizes an electric utility that has received PUC approval to retire a generating facility to file an application with the commission to issue energy transition bonds to finance the undepreciated value of the retiring facility, as a strategy to lower the costs of the retirement to customers. Specifies details of the application and PUC review process. Requires a portion of bond proceeds to be deposited in an account to provide assistance to workers displaced by the facility retirement.

**Section Description – Article 8: Energy Transition**

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- 46 **[216E.03] Designating sites and routes.**  
Requires the PUC to issue site permits for the construction of an electric generating facility of 50 MW or greater capacity or the repowering of such a facility only to those whose contractors and subcontractors pay workers on the project no less than the prevailing wage, as defined in section 177.42. The commission may also require as a condition of issuing a site permit participation in an apprenticeship program registered with the state or federal government.
- 47 **[216F.04] Site permit.**  
Requires the PUC to issue site permits for the construction of a wind generating facility of 25 MW or greater capacity or the repowering of such a facility only to those whose contractors and subcontractors pay workers on the project no less than the prevailing wage, as defined in section 177.42. The commission may also require as a condition of issuing a site permit participation in an apprenticeship program registered with the state or federal government.
- 48 **Public Utilities Commission; evaluation of the role of natural gas utilities in achieving state greenhouse gas reduction goals.**  
Requires the PUC to initiate a proceeding no later than August 1, 2021, to evaluate changes in the natural gas regulatory system that may be needed in order for the state to achieve its greenhouse gas emissions reduction goals.
- 49 **Appropriations.**

## **Article 9: Climate Change**

**Section Description – Article 9: Climate Change**

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- 1 **[16B.312] Construction materials; environmental analysis.**  
Requires the commissioner of administration to establish maximum acceptable global warming potentials for certain construction materials used to construct or renovate a state building. Requires bidders on such projects to include global warming potentials for those materials in their bids, unless the commissioner determines that to do so would cause hardship. Establishes a pilot program in which vendors may voluntarily report on the lifecycle greenhouse gas emissions of certain products selected by the department.
- 2 **[216H.02] Greenhouse gas emissions control.**  
Amends the goals to require a 45 percent reduction (from a 2005 base) by 2030 and reaching net zero emissions by 2050.

**Section Description – Article 9: Climate Change**

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- 3 **[239.7912] Future Fuels Act.**  
Requires the commissioner of commerce to begin rulemaking to establish a standard that annually reduces the maximum amount of carbon in transportation fuels, so that by 2035, the level is at least 20 percent below the 2018 level. The commissioner must establish a program of tradeable credits and deficits.
- 4 **Integrating greenhouse gas reductions into state activities; plan.**  
Requires the governor’s Climate Change Subcabinet to submit to the legislature no later than February 15, 2022, a preliminary Climate Transition Plan for incorporating the state’s greenhouse gas reduction goals into all state agency activities.
- 5 **Small-area climate model projections for Minnesota.**  
Requests the University of Minnesota Board of Regents to conduct a study to develop climate change projections to the end of this century for areas as small as three square miles.
- 6 **Appropriations.**

## **Article 10: Electric Vehicles**

**Section Description – Article 10: Electric Vehicles**

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- 1 **[16C.135] Purchases of fuel and vehicles by state agencies.**  
**Subd. 3. Vehicle purchases.** Establishes a vehicle purchasing hierarchy for state vehicles, with electric vehicles as the first choice, unless the preferred vehicle cannot perform as required or has a life-cycle cost of ownership more than 10 percent greater than the next highest vehicle preference type.
- 2 **[16C.137] Minimizing energy use; renewable fuels.**  
Requires state agencies to purchase vehicles according to the hierarchy established in section 16C.135.
- 3 **[168.27] Motor vehicle dealers; violations; penalties.**  
**Subd. 2a. Dealer training; electric vehicles.** Requires a licensed dealership operating under a manufacturer’s franchise to maintain at least one employee who has completed a training course on electric vehicles sponsored by a Minnesota dealership association.

**Section Description – Article 10: Electric Vehicles**

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- 4 [216B.1615] Electric vehicle deployment program.**  
Requires a public utility to file a plan with the PUC every three years, beginning June 1, 2022, to maximize the benefits of electrifying transportation in its service area. Describes factors the commission must consider in evaluating the plan.
- 5 [216B.1616] Electric school bus deployment program.**  
Authorizes a public utility to file a plan with the PUC to promote deployment of electric school buses.
- 6 [216C.401] Electric vehicle rebates.**  
Provides for rebates of \$2,000 for purchase or lease of a new electric vehicle and \$500 for a used electric vehicle. Defines eligible vehicles and purchasers/lessees. This section expires June 30, 2025.
- 7 [216C.402] Grant program; manufacturers' certification of auto dealers to sell electric vehicles.**  
Establishes a grant program to defray the cost (up to \$40,000) of manufacturer-required training dealership employees must undergo, and equipment a dealership must purchase, in order to be able to sell the manufacturer's electric vehicles.
- 8 Electric vehicle charging stations; installations in state and regional parks.**  
Establishes a grant program in the Department of Natural Resources to fund the installation of electric vehicle charging stations in state and regional parks.
- 9 Electric vehicle charging stations; installations at county government centers.**  
Establishes a grant program in the Department of Commerce to fund the installation of electric vehicle charging stations in parking lots at county government centers.
- 10 Metropolitan Council; electric bus purchases.**  
Requires the Metropolitan Council to purchase electric buses, using the appropriation provided to pay the incremental cost above comparable diesel buses, until the appropriation is exhausted.
- 11 Appropriation.**

## Article 11: Solar Energy

### Section Description – Article 11: Solar Energy

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- 1 **[216B.164] Cogeneration and small power production.**

**Subd. 12. Customer’s access to electricity usage data.** Requires a utility to provide a customer with the customer’s usage data, if accompanied by evidence that the data is needed with respect to the interconnection of a distributed energy resource by the customer.
- 2 **[216B.1641] Community solar garden.**

Exempts a solar facility located more than 100 feet from the nearest residential property from the requirement to be located in the same county as the subscriber or in a contiguous county. Sets the rate at which subscribers are compensated by a utility as the three-year average of the value of solar rate, if the latter is used. Adds several consumer protection provisions to this section. Allows a garden to be designated a community access project if certain conditions are met, allowing subscribers to be compensated by the utility at the retail rate and to retain renewable energy credits generated by the garden unless the owner has made other arrangements.
- 3 **[216C.375] Solar for schools program.**

Establishes a program in the Department of Commerce to award grants to schools for the installation of solar energy generating systems on or adjacent to school buildings. The systems may not exceed the smaller of 40 kw or 120 percent of the school’s annual electricity consumption, and must be located outside the electric service territory of the public utility that owns a nuclear generating plant in the state. No more than 50 percent of grants may be awarded to schools where the proportion of students eligible for free and reduced-price lunches is less than 50 percent.
- 4 **[216C.376] Solar for schools program for certain utility service territory.**

Authorizes the public utility that owns a nuclear generating plant in the state to file a plan with the PUC by October 1, 2021, to provide financial assistance to schools for the installation of solar energy generating systems on or adjacent to school buildings. No more than 50 percent of grants may be awarded to schools where the proportion of students eligible for free and reduced-price lunches is less than 50 percent.
- 5 **[216E.01] Definitions.**

**Subd. 9a. Solar energy generating system.** Amends the definition of solar energy generating system to include associated transmission lines operating at 100 kilovolts or less.

**Section Description – Article 11: Solar Energy**

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- 6-9 **[500.216 – 515B.3-102] Limits on certain residential solar systems prohibited.**  
Prohibits a private entity from refusing to permit a roof-mounted solar energy system to be installed by the owner of a single-family dwelling. The private entity may impose reasonable restrictions on the installation, provided the restrictions do not increase the cost of the solar system by more than \$2,000.
- 10 **Photovoltaic demand credit rider.**  
Requires public utilities to file a rider with the PUC by October 1, 2021, that reimburses demand metered customers with solar energy systems for overcharges made on the demand charge.
- 11 **Siting solar energy generating systems on prime farmlands.**  
Requires the PUC to amend a current rule to allow siting a solar generating system on prime farmland if: (1) the site has been identified as a sensitive groundwater area by the DNR; (2) the owner agrees to operate the site to comply with section 216B.1642 with regard to making it a pollinator- and bird-friendly habitat; and (3) the system does not disrupt agricultural uses.
- 12 **Department of Administration; master solar contract program.**  
Requires the Department of Administration to, no later than February 1, 2022, announce an open request for proposals for a new on-site solar photovoltaic master contract.
- 13 **Appropriations.**

**Article 12: Miscellaneous**

**Section Description – Article 12: Miscellaneous**

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- 1 **[115B.40] Program.**  
**Subd. 1. Response to releases.** Authorizes the commissioner of the PCA to implement reuse and redevelopment strategies on landfills that have been cleaned of chemical contamination.
- 2 **[116C.779] Funding for renewable development.**  
**Subd. 1. Renewable development account.** Makes a proposer's commitment to diversify its workforce and vendors a factor the advisory group must consider in making grant awards under this section. Grantees must file a diversity report annually.

**Section Description – Article 12: Miscellaneous**

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- 3-7 **[216B.096 – 216B.097] Cold weather rule.**  
Extends the Cold Weather Rule period, during which utilities may not disconnect customers who enter into and are compliant with an agreement with the utility to pay arrearages. The new period begins two weeks earlier (October 1) and ends two weeks later (April 30).
- 8 **[216B.164] Cogeneration and small power production.**  
**Subd. 4. Purchases; wheeling costs.** Strikes language in the net metering statute defining “full avoided capacity and energy costs” as the utility’s least cost renewable energy facility or the bid of a competing least cost renewable energy facility.
- 9-10 **[216B.2424] Biomass power mandate.**  
Provides for the extension of a contract between the public utility that owns a nuclear generating plant and the St. Paul district heating and cooling system.
- 11 **[216B.243] Certificate of need for large energy facility.**  
**Subd. 8. Exemptions.** Exempts wind and solar systems from the requirement to obtain a certificate of need for projects that have been ordered by the PUC in an integrated resource plan proceeding.
- 12 **[216B.62] Regulatory expenses.**  
**Subd. 3b. Assessment for department and regional duties.** Strikes the June 30, 2021, sunset date for this subdivision, allowing the Department of Commerce to assess utilities up to \$500,000 annually to fund the department’s regional and national regulatory activities.
- 13 **[216B.631] Compensation for participants in proceedings.**  
Amends the existing intervenor compensation language in section 216B.16, subdivision 10. Extends compensation to proceedings other than general rate cases. Restricts compensation to participants whose position is adopted in a commission order. Sets annual compensation caps for individual organizations and utilities.
- 14 **[216C.51] Utility diversity reporting.**  
Requires utilities to report annually to the commissioner of commerce regarding its plan to diversify its workforce and vendors.
- 15 **[216E.03] Designating sites and routes.**  
**Subd. 7. Consideration in designating sites and routes.** Adds factors the commission must consider in awarding a site or route permit for a large electric



**Section Description – Article 12: Miscellaneous**

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generating plant or transmission line to include the protection and enhancement of environmental quality and the project’s impact on socioeconomic factors.

**16 [216E.04] Alternative review of applications.**

**Subd. 2. Applicable projects.** Extends from 5 to 30 miles the length of a high-voltage transmission line of more than 200 kilovolts in this state that may apply for a site or route permit under the PUC’s less stringent alternative review process.

**17 [216F.012] Size election.**

Deletes the requirement for the commission to issue an annual report on variances from setback requirements granted by the commission for wind projects adjacent to state lands in the outdoor recreation system.

**18 [216F.084] Wind turbine lighting systems.**

Requires a wind energy generating system issued a site permit or site permit amendment after July 1, 2021, to install a light-mitigating technology that minimizes the duration or intensity of the lighting system and that meets Federal Aviation Administration requirements on all wind turbines, unless doing so is technically infeasible, imposes a significant financial burden on the applicant, or the technology cannot be delivered by the vendor within a reasonable amount of time.

**19 Tribal advocacy council on energy; Department of Commerce support.**

Requires the Department of Commerce to provide support to federally recognized Indian Tribes in the state to establish and operate an advocacy council on energy.

**20 Pilot project; reporting requirements.**

Requires the commissioner of the PCA to report to the legislature regarding a solar energy generating project sited on a closed landfill under section 21, subdivision 3.

**21 Appropriations.**

**22 Repealer.**

Repeals provisions: (1) sunsetting the Petrofund program; (2) governing the existing intervenor compensation program at the PUC, which is replaced by article 6, section 13; and (3) the 2017 provision allowing a public utility to construct an electric generating plant powered by natural gas on land it already owns, at its sole discretion.



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