

## S.F. No. 19 – Commerce Energy Omnibus Budget Bill (Articles 3 – 8)

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**Date:** June 29, 2021

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### Article 3 – Insurance

**Sections 1 to 4** are the NAIC Credit for Reinsurance Model Act.

**Sections 5 to 13** are the NAIC Insurance Data Security Model Law.

**Section 14** is an update to the NAIC Standard Nonforfeiture Law for Annuities.

**Section 15** includes prescription drugs administered through injection in the definition of “prescription drug” for purposes of exemption of drug discounts from the state application of the Medicare antikickback law.

**Section 16** prohibits a health plan company from placing lifetime or annual limits on screenings for opioids for an enrollee in an inpatient or outpatient substance use treatment program.

**Section 17** updates a report requirement for the commissioner of commerce relating to competitiveness of the workers’ compensation market.

**Sections 18 and 28** allows for the state’s data services organization for workers compensation to include three additional data elements in their annual ratemaking report.

**Sections 19 - 26** are technical provisions from the Department of Commerce policy bill previously passed by the Senate in **S.F. 1846**.

**Section 27** provides that medical assistance must cover screenings for opioids without lifetime or annual limits.

**Section 29** is a repealer of statutes replaced by the new data security law and a medical malpractice report requirement.

## **Article 4 – Mandated Health Benefit Proposals**

**Section 1 (62J.03 subdivision 4)** makes a technical correction to the definition of “commissioner” in **chapter 62J** to acknowledge that in some sections in **chapter 62J**, “commissioner” refers to the commissioner of commerce.

**Section 2 (62J.26 subd. 1)** includes a definition of “enrollee”; adds to the definition of what would be considered a mandated health benefit proposal for purposes of requiring an evaluation under this section; and makes other technical changes to the definition of a mandate health benefit proposal.

**Section 3 (62J.26, subd. 2) Paragraph (a)** makes modifications to this section requiring the commissioner of commerce to evaluate all mandated health benefit proposals.

**Paragraph (b)** modifies and expands the relevant information that must be considered when conducting the evaluation.

**Paragraph (c)** requires the commissioner to consider actuarial analysis done by health plan companies and any other opponents and proponents of the mandated health benefit proposal in determining the cost of the proposal.

**Section 4 (62J.26, subd. 3)** requires no later than August 1 of the year preceding the legislative session in which a legislator is planning on introducing a bill containing a mandated health benefit proposal or is planning on offering an amendment to a bill containing a mandate proposal, the author to notify the chair of one of the standing legislative committees that have jurisdiction over the subject matter of the proposal. The chair is then required to notify the commissioner of commerce that an evaluation of a mandated health benefit proposal is required to be completed. The commissioner is required to conduct an evaluation. If more than one evaluation is required by the commissioner, the commissioner must consult with the chairs to prioritize the required evaluations.

**Section 5 (62J.26, subd. 4)** states that the commissioner shall not use any other funds to conduct these evaluations other than the funds permitted under this section or specifically appropriated.

**Section 6 (62J.26, subd. 5)** specifies that the commissioner is required to submit a written report on the evaluation to the author of the proposal and to the chairs and ranking minority members of the legislative committees with jurisdiction over insurance policy and finance within 180 days of receiving notification from a chair that the evaluation is required.

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

This article adds “debt buyer” to the definition of collection agency and requires debt buyers to be licensed and regulated under the chapter of law regulating collection agencies.

## **Article 6 – Consumer Protection**

**Sections 1 to 11** provide for the licensing and regulation of student loan servicers.

**Section 12** clarifies that use of a private passenger vehicle when used by a volunteer driver is not an automobile for hire or compensation.

**Section 13** clarifies that a private passenger vehicle driven by a volunteer driver is not a commercial vehicle.

**Section 14, paragraph (b)** clarifies that a private passenger vehicle driven by a volunteer driver is not a transportation network company vehicle. **Paragraph (h)** defines volunteer driver.

**Section 15 - 18** add cross-references to volunteer driver for purposes of special transportation service.

**Section 19** adds a cross-reference to volunteer driver for purposes of medical assistance coverage of nonemergency medical transportation.

**Section 20** defines “commissioner” as the commissioner of commerce under the scrap metal statute.

**Section 21** requires purchasers of a catalytic converter to include unique markings resulting from the pilot project created in the bill in a required record and the name of the person who removed the catalytic converter.

**Section 22** establishes a catalytic converter theft prevention pilot project.

**Sections 23 to 25** allows certain sections of law to be enforced by the commissioner of commerce.

**Section 26** removes existing statutory language related to denying a person renting a storage unit access to the unit.

**Section 27** 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.

**Section 28** adds requirements to the existing notice an owner must send to a person renting a storage space when the person is in default.

**Section 29** provides that the description of the property in published notice of sale must be a general description.

**Section 30** removes a provision from existing statute saying a notice must include that a person cannot access their personal property after default.

**Section 31** 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.

## Article 7 – Miscellaneous Commerce Policy

**Section 1** 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.

**Section 2, paragraphs (c) and (d)** allow an electric cooperative, an affiliate of the cooperative formed to provide broadband, or another entity pursuant to an agreement, to use electric transmission or distribution easements for broadband infrastructure under certain circumstances and with the specified notice provided.

**Paragraphs (e), (f), and (g)** provide information regarding property owners’ rights regarding legal action, damages, and claims.

**Paragraphs (h) and (i)** provide definitions and clarifies that this section does not limit a cooperative’s existing easement rights.

**Paragraph (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.

**Section 3** 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. This section is effective the day following final enactment.

**Section 4** 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. This section expires May 31, 2022.

## Article 8 – Energy Policy

### **Section 1. State Building Energy Conservation Improvement Revolving Loan Account.**

Establishes the state building energy conservation improvement revolving loan account in the state treasury. Specifies that the commissioner of administration manages the account. Appropriates money in the account to the commissioner to make loans to state agencies to implement energy conservation and energy efficiency improvements in state buildings.

**Section 2. Award and Repayment of State Building Energy Conservation Improvement Loans.** Specifies that the State Building Energy Conservation Improvement Loan Committee, chaired by the commissioner of administration and including membership of the commissioners of commerce and management and budget, develops loan criteria, reviews loan applications, and

awards loans. Provides information that must be included with an application for a loan. Requires payments of loan principal and interest to begin no later than one year after a project is completed.

**Section 3. Closed landfill solar development and reuse account.** Creates an account in the remediation fund in which revenues from lease payments from a lessor of a portion of closed landfill site managed by the Pollution Control Agency on which the lessor has installed a solar energy generating system are to be deposited.

**Section 4. Closed landfill solar development and reuse account.** Provides that the account in section 3 is managed under section 115B.431.

**Section 5. Solar energy production incentive program.** In addition to allocations of \$10,000,000 in 2021 and 2022, allocates \$5,000,000 in 2023 and 2024 to the solar energy production incentive program (known as Solar Rewards). Provides that any unspent amount remaining on January 1, 2025, must be transferred to the renewable development account.

**Section 6. Energy Transition Office.** 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.

**Section 7. Energy Transition Advisory Committee.** Establishes the Energy Transition Advisory Committee to develop and recommend a statewide energy transition plan.

**Section 8. Minnesota energy transition plan.** Requires the Energy Transition Advisory Committee to submit a statewide energy transition plan to the governor and the legislature by July 1, 2022.

**Sections 9 to 15. 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). Permits remote disconnections using advanced metering infrastructure. Requires utilities to send disconnection notices to the Department of Commerce.

**Section 16. Solar energy standard.** Eliminates a public utility reporting requirement regarding achievement of the solar energy standard.

**Section 17. 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.

**Section 18. Pilot programs.** Strikes language requiring the Public Utilities Commission (PUC) to report to the legislature annually on pilot programs for decoupling of energy sales from revenues.

**Section 19. Plan to minimize impacts to workers due to facility retirement.** Requires a utility that has scheduled the retirement of an electric generating facility in Minnesota to include in the utility's resource plan filing a narrative identifying and describing the utility's efforts to develop a plan to minimize the dislocations the utility's workers may suffer as a result of the facility's retirement.

**Section 20. 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 but not limited to, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon dioxide capture, and strategic electrification. Programs must be cost-effective and reduce greenhouse gas emissions. Plans have a term of five years. Sets caps on annual plan costs. 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. In the absence of plan, a utility may deliver innovative resources to customers who elect to consume them under a commission-approved green tariff program, and may recover costs for those resources that are up to five percent higher than the cost of conventional natural gas.

**Section 21. Lifecycle greenhouse gas emissions accounting framework; cost benefit test for innovative resources.** Requires the PUC to develop frameworks that natural gas utilities operating under an approved natural gas innovation plan must use to calculate greenhouse gas emissions intensities of individual innovative resources and to measure their cost effectiveness.

**Section 22. Assessment for regional and national duties.** Allows the Department of Commerce to assess utilities for its costs to analyze energy grid reliability at the state, regional, and national levels. Requires the department to report on those efforts to the legislature by February 1, 2023.

**Section 23. Solar for schools program.** Establishes a solar for schools program within the Department of Commerce for the purpose of providing grants to schools (K-12 and state colleges and universities) to stimulate the installation of solar energy systems on or adjacent to school buildings. 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. Requires annual reports to the legislature on program activities.

**Section 24. 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 (K-12 and state colleges and universities) that install solar energy generating systems on or adjacent to school buildings. No more than 60 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.

**Section 25. Size election.** Strikes language requiring the PUC to report to the legislature annually on variances not granted for small wind energy conversion systems.

**Section 26. 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, 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.

**Section 27. 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, assessing the need to amend natural gas regulatory policies in order to facilitate achieving the state's greenhouse gas emissions reduction goals.

**Section 28. Department of Administration; master solar contract program.** Requires the Department of Administration to announce an open request for proposals for a new solar-photovoltaic statewide master contract by February 21, 2022.

**Section 29. Agricultural weather study.** Requests University of Minnesota trustees to conduct a study that generates weather model projections for a variety of weather parameters across the state, at a geographical level as small as three square miles.

**Section 30. Clean energy careers pilot project.** Requires the commissioner of employment and economic development to award a grant for a pilot project to provide training pathways to clean energy sector careers.

**Section 31. Construction materials; environmental impact study.** Requires the commissioner of the Department of Administration to contract with the University of Minnesota's Center for Sustainable Building Research to examine the feasibility and economic and environmental costs and benefits of requiring vendors of certain construction materials used to construct state-owned buildings to provide information estimating their products' lifecycle environmental impacts.