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June 26, 2025

The Honorable Leonardo Castro
Ramsey County District Court
15 Kellogg Boulevard West
St. Paul, MN 55102

Re: *Minnesota Gun Owners Caucus v. Walz, et al.*, Court File No. 62-cv-25-1083

Dear Judge Castro:

The State Defendants write to alert the Court to supplemental authority from another case in this district challenging the constitutionality of the 2024 Omnibus under the single-subject clause (*UnitedHealth Group, Inc., et al. v. State of Minnesota, et al.*, 62-CV-24-4764). Yesterday, Judge Ireland granted summary judgment to the State Defendants and held that several provisions of the 2024 Omnibus did not violate the single-subject clause. That order is attached to this letter. Please feel free to contact me if you have any questions.

Sincerely,

s/ Emily B. Anderson
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Attorney for State Defendants

cc: All counsel of record (via e-service)

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT

Case Type: Civil Other/Miscellaneous
File No.: 62-CV-24-4764
Judge: Mark Ireland

UnitedHealth Group Incorporated,

UnitedHealthcare of Illinois, Inc., and

UnitedHealthcare Life Insurance Company,

Plaintiffs,

vs.

State of Minnesota,

Keith Ellison, Attorney General, in his official capacity,

Shireen Gandi, Interim Commissioner of the Department of Human Services, in her official capacity, and

Nicole Blissenbach, Commissioner of the Department of Labor and Industry, in her official capacity,

Defendants.

ORDER

The above-entitled matter came before the District Court on April 3, 2025 via video hearing at the Ramsey County Courthouse, St. Paul, Minnesota. At issue were Plaintiffs' Motion for Summary Judgment and Defendants' Motion to Dismiss and Motion for Summary Judgment. Parties and counsel were noted on the record.

Based upon all the files, records, submissions and arguments of counsel herein, the Court issues the following:

UNDISPUTED FINDINGS OF FACT AND PROCEDURAL HISTORY

1. Minnesota's 2024 legislative session commenced on February 12, 2024, and adjourned at midnight on May 20, 2024. *See* Minn. H.J., 93d Leg., Reg. Sess. 19811 (2024); Minn. Sen. J. 20023 (2024).

2. On the final day, the legislature passed a combined omnibus bill (the "2024 Omnibus Bill").

3. The 2024 Omnibus Bill followed the legislature's typical drafting conventions. By joint legislative rule, "[t]he title of each bill shall clearly state its subject and briefly state its purpose." Farrell Decl. Ex. 9 at 4.3-4.4; *see also* Farrell Decl. Ex. 10 at 12.

4. Under those same legislative drafting principles, "[t]he general subject [of the bill] . . . almost always begins 'relating to.'" Farrell Decl. Ex. 10 at 13. The subject is usually broad, like "education, taxation, transportation, state government, energy, or crimes." *Id.*

5. After the general subject, the title signals the bill's purpose with another participle (i.e. "changing," "modifying," "regulating," or "clarifying") and then the general focus of one or more provisions of the bill. *Id.*

6. The 2024 Omnibus Bill's general subject—as expressed by the legislature itself—is "[a]n act relating to the operation and financing of state government." H.F. 5247, 4th Engrossment, 93d Leg., Reg. Sess. (Minn. 2024).

7. The 2024 Omnibus Bill, then, goes on to state its purposes and provide statutory citations of the provisions that will be modified, repealed, or added.

8. There are two primary provisions at issue in the above-captioned matter: the HMO Contracting Provision and the Worker Classification Provision.

9. Plaintiffs assert that these two provisions in the 2024 Omnibus Bill violate Minnesota's Single Subject Clause, which is Article IV, Section 17 in the Minnesota Constitution.

The HMO Contracting Provision

10. Plaintiffs challenge the constitutionality of the HMO Contracting Provision, which, after multiple hearings, debate, and ultimately a compromise in Conference Committee, legislators added the following to Minn. Stat. § 256B.035: "The [DHS] commissioner must not enter into a contract with a health maintenance organization, as defined in section 62D.02, which is not a nonprofit corporation organized under chapter 317A or a local government unit, as defined in section 62D.02."

11. The legislature also enacted corresponding restrictions related to the HMO Contracting provision that limited the ability of for-profit HMOs, including Plaintiff UnitedHealthcare of Illinois, from participating in state-run medical programs or to provide healthcare benefits to state employees.

12. These corresponding restrictions included: (1) a requirement that only non-profit HMOs provide medical benefits to state employees (2024 Minn. Laws, ch. 127, art. 57, § 1 (codified at Minn. Stat. § 43A.24)); (2) a provision limiting DHS's ability to issue certificates of authority to for-profit HMOs (id., art. 57, § 10 (codified at Minn. Stat. § 62D.04, subd. 5)); and (3) a provision requiring all state Medicaid vendors who contract with DHS to be non-profit HMOs (id., art. 57, § 67 (codified at Minn. Stat. § 256L.12)).

13. The legislature also sought to increase oversight of non-profit HMOs that transfer all or substantially all of a non-profit's business and/or assets to a for-profit HMO. This practice is referred to in the pleadings as "conversion."

14. These HMO Contracting Provisions were, ultimately, included in the 2024 Omnibus Bill as "relating to the operation and financing of state government" and further described in the title as "modifying provisions governing the Department of Human Services, human services health care policy; health care finance, and licensing policy." The title also identified the specific statutes that would be amended by the legislation to prohibit the commissioner from contracting with a for-profit health maintenance organizations ("HMOs) and oversight of non-profit HMOs that transfer all or substantially all of the non-profit's business and/or assets to a for-profit HMO.

The Worker Classification Provisions

15. Plaintiffs also challenged the additional government oversight and coordination of various state agencies related to the classification of workers as employees and/or independent contractors.

16. In general, the Worker Classification Provisions expanded the tools available to the Department of Labor and Industry and directed various agencies and government entities to work together as well as authorizing additional damages and a private right of action if a worker is misclassified.

17. A bill including the Worker Classification Provisions was heard in multiple committees in the House and Senate, and then it was included in the 2024 Omnibus Bill as "relating to the operation and financing of state government" and further described in the title as relating to "employee misclassification" in addition to the identification of specific statutes that will be amended consistent with the legislation.

Procedural History

18. The Plaintiffs filed their initial Complaint on August 2, 2024, and sought a Temporary Restraining Order related to the HMO Contracting Provisions.

19. After being denied a Temporary Restraining Order on August 14, 2024, the Plaintiffs filed its First Amended Complaint on August 22, 2024 and their Second Amended Complaint on January 29, 2025.

20. On March 6, 2025, the Plaintiffs filed a Motion for Summary Judgment, and the State Defendants filed a Motion to Dismiss or, in the alternative, a Motion for Summary Judgment.

21. A hearing related to the cross-motions was held on April 3, 2025, and the matter was taken under advisement.

ORDER

1. Plaintiffs' Motion for Summary Judgment is **DENIED**.

2. Defendants' Motion to Dismiss is **GRANTED, in part/DENIED, in part.** Specifically, the Court *grants* the State Defendants' Motion to Dismiss UnitedHealth Group Incorporated but *denies* the State Defendants' Motion to Dismiss UnitedHealthcare of Illinois, Inc., and UnitedHealthcare Life Insurance Company.

3. Defendants' Motion for Summary Judgment is **GRANTED**.

4. The attached Memorandum is made part of this Order and incorporated herein by reference.

1. Let judgment be entered in favor of State Defendant, and the claims asserted by Plaintiff UnitedHealth Group Incorporated, Plaintiff UnitedHealthcare of Illinois, and Plaintiff United Healthcare Life Insurance Company are hereby dismissed with prejudice.

LET JUDGMENT BE ENTERED ACCORDINGLY

BY THE COURT:

_____

Mark Ireland
District Court Judge

M E M O R A N D U M

UnitedHealth Group Incorporated, UnitedHealthcare of Illinois, Inc., and UnitedHealthcare Life Insurance Company (collectively, "Plaintiffs" or "UnitedHealth") filed a Motion for Summary Judgment. Specifically, Plaintiffs assert that the Omnibus Bill that was passed on Sunday, May 19, 2024 violates Minnesota's Single Subject Clause in Minn. Const. art. IV, § 17.[1] This section provides that "[n]o law shall embrace more than one subject which shall be expressed in its title."

Plaintiffs assert that two sets of provisions within the 2024 Omnibus Bill harm Plaintiffs. First, Plaintiffs state that the 2024 Omnibus Bill's prohibition of the State of Minnesota contracting with a for-profit health insurance company injures the Plaintiffs. Specifically, Article 57, Section 55 of the 2024 Omnibus Bill allows the Department of Human Services ("DHS") to contract "to deliver health care services to medical assistance and MinnesotaCare program recipients" but prohibits DHS from entering into any contract with any HMO that "is not a nonprofit corporation." After the 2024 Omnibus Bill's passage, the DHS notified UnitedHealth in a letter that they will not renew their contract at the end of the contract term. Plaintiffs claim that this provision violates the title and single-subject rule.

Second, Plaintiffs assert that the Minnesota's worker classification statute in Article 10, Sections 5-7 of the 2024 Omnibus Bill also violates the single-subject rule. This amendment expanded the range of prohibited activities related to employment status in Minn. Stat. § 181.722, and created new remedies for individuals, including a private cause of action, and more significant penalties for employers who misclassify their employees. Plaintiff UnitedHealthcare Life Insurance Company ("ULIC") has a contractual relationship with independent contractors in Minnesota that

[1] Hereinafter, the Omnibus Bill passed on May 19, 2024 shall be referred to as the "2024 Omnibus" or "2024 Omnibus Bill."

ULIC asserts are impacted by the amendments to Minn. Stat. § 181.722.

Because these two provisions allegedly cause injury and violate the single-subject clause of the Minnesota Constitution, the Plaintiffs argue that their Motion for Summary Judgment should be granted. Plaintiffs state that the 2024 Omnibus Bill, in essence, speaks for itself. There are no facts that are in dispute, and, Plaintiffs argue, that summary judgment is appropriate because the 2024 Omnibus Bill contains numerous provisions that are not germane to one general idea.

Defendants State of Minnesota; Keith Ellison, Attorney General, in his official capacity, Shireen Gandi; Interim Commissioner of the Department of Human Services, in her official capacity; and Nicole Blissenbach, Commissioner of the Department of Labor and Industry, in her official capacity (collectively, "Defendants" or "the State"), disagree with Plaintiffs' assertions and legal conclusions. Defendants argue that the Plaintiffs' claims are not justiciable and fail as a matter of law. Defendants argue that all three Plaintiffs lack standing because they do not allege any *actual* injury from any of the challenged provisions, nor do they allege facts sufficient to show they face an imminent risk of injury from those provisions. Therefore, the Complaint should be dismissed.

In the alternative, Defendants argue that the provisions in the 2024 Omnibus Bill challenged by the Plaintiffs do not violate "the single-subject clause" of the Minnesota's Constitution. Therefore, Defendants' Motion for Summary Judgment should be granted.

I. THE STANDARD FOR SUMMARY JUDGMENT

Granting summary judgment is only appropriate when there are no genuine issues of material fact and a party is entitled to judgment as a matter of law. Minn. R. Civ. P. 56.01. "A motion for summary judgment shall be granted when the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no

genuine issue of material fact and that either party is entitled to a judgment as a matter of law." *Fabio v. Bellomo*, 504 N.W.2d 758, 761 (Minn. 1993).

Summary judgment is improper when reasonable minds could differ and draw different conclusions from the evidence presented. *DLH, Inc. v. Russ*, 566 N.W.2d 60, 69 (Minn. 1997); *Ill. Farmers Ins. Co. v. Tapemark Co*., 273 N.W.2d 630, 634 (Minn. 1978); *Strauss v. Thorne*, 490 N.W.2d 908, 911 (Minn. Ct. App. 1992). A party opposing summary judgment may not rely merely on its pleadings, but must present specific facts demonstrating there is a genuine issue of material fact. Minn. R. Civ. P. 56.03; see *W.J.L. v. Bugge*, 573 N.W.2d 677, 680 (Minn. 1998).

The court must view the facts in the light most favorable to the nonmoving party. *Id*. "Where the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party, there is no genuine issue for trial." *DLH, Inc*., 566 N.W.2d at 69 (quoting *Matsushita Elec. Indus. Co. v. Zenith Radio Corp*., 475 U.S. 574, 587 (1986)).

Once the moving party has established a prima facie case that entitles it to summary judgment, the burden shifts to the nonmoving party to present specific facts that raise a genuine issue for trial. *Bebo v. Delander*, 632 N.W.2d 732, 737 (Minn. Ct. App. 2001). A genuine issue of material fact exists when a fact may be reasonably resolved in favor of either party. *DLH, Inc*., 566 N.W.2d at 69.

However, there is no genuine issue of material fact for trial when the nonmoving party presents evidence which merely creates a metaphysical doubt as to a factual issue. *Id*. at 71. If any legitimate doubt exists as to the existence of a genuine issue of material fact, the doubt must be resolved in favor of finding that the fact issue exists. *Poplinski v. Gislason*, 397 N.W.2d 412, 414 (Minn. Ct. App. 1986), rev. denied (Minn. 1987).

II. PLAINTIFFS' STANDING TO CHALLENGE THE 2024 OMNIBUS BILL.

Defendants assert that Plaintiffs do not have standing to assert that the "HMO Contracting Provisions" and the "Worker Classification Provisions" in the 2024 Omnibus Bill violate the single-subject rule. Whether a complaint states a claim is a question of law. *Walmart Inc. v. Winona Cnty.*, 963 N.W.2d 192, 196 (Minn. 2021). While courts must assume that alleged facts are true, they owe no deference to plaintiffs' legal conclusions. *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 603 (Minn. 2014). "To have standing to seek a declaratory judgment regarding the constitutionality of a statute, a party must have a direct interest in the validity of the statute which is different in character from the interest of the citizenry in general." *Rukavina v. Pawlenty*, 684 N.W.2d 525, 531 (Minn. Ct. App. 2004).

Standing is acquired in two ways: either the plaintiff has suffered an "injury-in-fact," or the plaintiff is the beneficiary of some legislative enactment granting standing. *Id.* Standing is a plaintiff-by-plaintiff, claim-by-claim inquiry. *See Philip Morris, Inc.*, 551 N.W.2d at 493. It is "not dispensed in gross." *Murthy v. Missouri*, 603 U.S. 43, 61 (2024) (cleaned up); *accord Rukavina*, 684 N.W.2d at 531-33 (concluding that only one of several plaintiffs had standing).

Here, the parent-company, UnitedHealth Group Incorporated, does not have standing. Corporate parenthood alone cannot by itself establish standing to bring an action on behalf of its subsidiary, because "two separate corporations are regarded as distinct legal entities even if the stock of one is owned wholly or partly by the other. *See Dole Food Co. v. Patrickson*, 538 U.S. 468, 475, 123 S.Ct. 1655, 1660 (2003). ("A basic tenet of American corporate law is that the corporation and its shareholders are distinct.); *See also* 1 William Meade Fletcher et al., Fletcher Cyclopedia of the Law of Corporations § 43 (perm. Ed., rev. vol 2016).

In the Plaintiffs' Second Amended Complaint, UnitedHealth Group Incorporated asks this Court to ignore this long-standing corporate principle by granting it standing even though it is merely a parent company or shareholder. Absent a showing of injury-in-fact, this is insufficient to grant UnitedHealth Group Incorporated standing, and there is little, if anything, in its pleadings in opposition to the State's motion that provides a basis to grant it standing. Therefore, UnitedHealth Group Incorporated does not have standing to make a claim upon which relief can be granted and is dismissed.

This Court does find, however, that UnitedHealthcare of Illinois and UnitedHealthcare Life Insurance Company have standing to assert a constitutional challenge to the 2024 Omnibus bill. Even if the State of Minnesota had the contractual right to not renew its contract with UnitedHealthcare of Illinois, the for-profit HMO is no longer able to submit proposals to the Minnesota Department of Human Services nor is it able to offer healthcare plans to state employees or Minnesotans who rely on Medicaid or MinnesotaCare. The Court finds that this is an injury-in-fact.

Similarly, UnitedHealthcare Life Insurance Company is bound by the provisions related to the classification of independent contractors. While there is an argument that its constitutional challenge is not ripe, since UnitedHealthcare Life Insurance Company does not allege that they are currently in violation of this provision, the Court finds that there is a risk of severe penalties, investigation, as well as the costs of ensuring compliance with the law. Therefore, this Court finds that UnitedHealthcare of Illinois and UnitedHealthcare Life Insurance Company have standing to bring their constitutional challenges to the 2024 Omnibus Bill.

III. CROSS-MOTIONS FOR SUMMARY JUDGMENT RELATED TO THE TITLE AND SINGLE- SUBJECT RULE.

Plaintiffs assert that the Omnibus Bill that was passed on Sunday, May 19, 2024 violates Minnesota's Single Subject Clause in Minn. Const. art. IV, § 17.[2] There are forty-three state constitutions that include some version of a "single-subject" rule, which means that any act of the legislature is required to be limited to a single-subject.[3] This clause, collectively over the years, has been the subject of thousands of court decisions.[4]

> Yet, despite having long been a part of the constitutional law of most states, the single-subject rule is deeply problematic. Courts and commentators have been unable to come up with a clear and consistent definition of what constitutes a "single-subject." Instead, a persistent theme in the single-subject jurisprudence has been the inevitable "indeterminacy" of "subject" and a recognition that whether a measure consists of one subject or many will frequently be "in the eye of the beholder." On the one hand, as the Michigan Supreme Court once explained, "[t]here is virtually no statute that could not be subdivided and enacted as several bills." On the other hand, as an older Pennsylvania Supreme Court case put it, "no two subjects are so wide apart that they may not be brought into a common focus, if the point of view be carried back far enough."[5]

There is also a tension between the simple, yet difficult in its application, definition of what exactly constitutes a "single-subject" and the well-established legal presumption that that all statutes passed by the legislature and signed by the Governor are presumed to be constitutional as well as the inherent deference that one branch of government gives to its co-equal branches of government.

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[2] Hereinafter, the Omnibus Bill passed on May 19, 2024 shall be referred to as the "2024 Omnibus" or "2024 Omnibus Bill."
[3] Richard Briffault, *The Single-Subject Rule: A State Constitutional Dilemma*, 82 Alb. L. Rev. 1629, 1629 (2018-2019).
[4] *Id.*
[5] *Id.* at 630 (citations omitted).

Here, the district and appellate courts in Minnesota, like other states, have a long history of grappling with this particular constitutional provision dating back to its founding. Minnesota became the 32nd state on May 11,1858, and just seven months later the Minnesota Supreme Court was asked, "to consider whether the act of August 13 is obnoxious to the objection of embracing more than one subject matter."[6]

Since *Ramsey Co. v. Heeman*, cases related to the "single-subject" issue continued over the next one hundred and twenty-five-years. Given this long history, it is best if this Court focuses on the seven "single-subject" cases that comprise what Plaintiffs described as "the modern era" of single-subject jurisprudence for guidance.

A. Summary of the "Modern Era" Cases Pertaining to the Single-Subject Rule.

There are seven cases that comprise the "Modern Era" of jurisprudence related to the single-subject rule in the State of Minnesota. Each of these cases were heard before Minnesota Supreme Court, and, when considered as a whole, illustrate the evolution of law pertaining to the single-subject rule as well as the method for determining whether a specific provision of a bill is unconstitutional as to Minn. Const. art. IV, § 17. All seven cases are summarized below.

1. *State ex rel. Mattson v. Kiedrowski,* 391 N.W.2d 777 (Minn. 1986)

In State ex rel. Mattson v. Kiedrowski, Robert W. Mattson was the Treasurer of the State of Minnesota. Mattson petitioned the court to issue a *writ of quo warranto* to Peter J. Kiedrowski who was, then, the State Commissioner of Finance. A *writ of quo warranto* is a special proceeding designed to correct the unauthorized assumption or exercise of power by a public official.[7]

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[6] *Board of Sup'rs of Ramsey County v. Heeman,* 2 Minn. 330, 339 (Minn. 1858)
[7] *See Sviggum v. Hanson*, 732 N.W.2d 312, 318 (Minn. 2007).

The allegation was that Kiedrowski was usurping the duties of the State Treasurer. Specifically, Mattson argued that Chapter 13 was unconstitutional as it effectively abolished his executive office by transferring most of his responsibilities to the Commissioner of Finance. The Supreme Court of Minnesota agreed, holding that Chapter 13 violated the Minnesota Constitution by stripping the State Treasurer of his core functions and issued the writ.

The Supreme Court decided this case in favor of Treasurer Mattson on the "division of powers doctrine." Specifically stating that the only way to constitutionally eliminate the State Treasurer's Office was via a constitutional amendment put to the people, rather than a legislative act. In a concurrence, however, both Justice Yetka joined by Justice Simonett lamented the "increasing volume of business and an inability to complete its work within a legislative session."[8] Justice Yetka continued, wondering if the Supreme Court had been too lax in allowing "garbage bills" or "Christmas Tree bills;" complicit in allowing "the worm that was merely vexatious in the 19th century" to "become a monster eating the constitution in the 20th."[9] She concluded with a warning to the legislature, but did not posit a true definition of what violates the single-subject rule or even factors for a district court to consider.

2. *Blanch v. Suburban Hennepin Reg'l Park Dist.*, 449 N.W.2d 150 (Minn. 1989)

In *Blanch*, the City of Minnetrista and five individual landowners challenged a 1988 law authorizing the Suburban Hennepin Regional Park District to acquire property for a regional park on Lake Minnetonka without local consent. The Plaintiffs argued that the law was a "special law" requiring local consent and that it also violated the single-subject rule.[10]

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[8] Mattson, 391 N.W.2d at 784.
[9] *Id.* at 784-85.
[10] As a general rule the Minnesota Constitution prohibits special legislation, and can only be enacted after approval

The Supreme Court of Minnesota affirmed the district court, holding that the park bill was a general law, not a special law, and did not violate the single-subject rule. *Blanch*, 449 N.W.2d at 154-55. The Supreme Court stated that, "Minnesota has adopted a test of germaneness in determining whether a law violates the single-subject mandate of Article 4, section 17." *Id.* at 154. All that is necessary is that the act should embrace one general subject and that all matters within it "should fall under some one general idea." *Id.*

Once again, Justice Yetka concurred and, this time, Justice Simonett joined her as well as Justice Kelley. Chief Justice Popovich also concurred specially, but, like Justice Yetka in *Mattson*, Chief Justice Popovich simply lamented that the single-subject standard is becoming too lax and warned the legislature to be careful. Justice Popovich, however, did not set forth a clear framework or specific guidance.

3. *Metropolitan Sports Facilities Comm'n v. Cnty. Of Hennepin*, 478 N.W.2d 487 (Minn. 1991)

In 1991, approximately two years after *Blanch*, the Minnesota Supreme Court once again addressed the issue of whether a law passed by the legislature violated the single-subject rule. In *Metropolitan Sports*, the Minnesota Supreme Court considered the validity of a 1985 law that exempted the obligation of the Metropolitan Sports Facilities Commission from paying property taxes on the Metrodome to Hennepin County.[11]

The appeal to the Minnesota Supreme Court arose from a decision made by the Minnesota Tax Court in favor of Hennepin County, which ordered the payment of taxes. Specifically, the Minnesota Tax Court held that the 1985 statute was unconstitutional because it violated the equal

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of the local government unit to which it pertains. *See Blanch*, 449 N.W.2d at 153 (citing Article 12, section 2 of the Minnesota Constitution).

[11] Metropolitan Sports Facilities Comm'n v. Cnty. Of Hennepin, 478 N.W.2d 487, 488 (Minn. 1991)

protection clause.[12] On appeal, there were two issues before the Minnesota Supreme Court: (1) Does the 1985 amendment violate the equal protection guarantees of the state and federal constitutions? and (2) Does the statutory amendment violate the single-subject clause of the Minnesota state constitution?[13]

As to the first question, the Minnesota Supreme Court held that under the rational basis standard the legislative exemption did not violate the equal protection guarantees of the state and federal constitutions.[14] As to the question pertaining to the single-subject rule, the Minnesota Supreme Court held that the 1985 tax exemption was constitutionally valid:

> The single-subject clause is intended to prevent "fraudulent insertion" of matters wholly unrelated to the bill's primary subject, not to prevent comprehensive legislation. What is required is that all matters in the bill be "germane" to one general subject.[15]

Even though the 1985 tax exemption was part of an omnibus bill comprised of 21 articles and also included an article entitled "miscellaneous," the Minnesota Supreme Court held that, "the legislation here is not invalid under the single-subject clause." The Court, however, also noted that the omnibus bill that included the 1985 tax exemption was passed prior to the warnings in *Mattson* and *Blanch*.[16]

4. *Assoc. Builders & Contractors v. Ventura,* 610 N.W.2d 293 (Minn. 2000)

Approximately nine years after *Metropolitan Sports*, the Minnesota Supreme Court of Minnesota reviewed the constitutionality of an amendment to the prevailing wage law that was

[12] *Id.*
[13] *Id.* at 489.
[14] *Id.* at 489-91.
[15] *Id.* at 491.
[16] *Id.*

included in a 1997 omnibus tax bill.[17] The first 15 articles pertained to a variety of subjects including property tax reform, income taxes and property tax refunds, special taxes, regional development commissions, waste management taxes and tax increment financing.[18] Like *Metropolitan Sports*, the bill also included an article entitled "miscellaneous."[19] This miscellaneous article contained 31 separate sections, including a section that amended the prevailing wage law to require all school district's to pay a prevailing wage for significant building projects.[20]

At the district court, the judge held that the prevailing wage act violated the single-subject and title requirements.[21] The judge noted that although the title contained over 800 words and numerals, neither the words "labor," "wages," "school district," "construction," "project," nor "Minn. Stat. § 177.41" appeared in the title.[22] The Minnesota Court of Appeals affirmed the district court's decision, finding that the bill's broad subject was tax reform and tax relief but the prevailing wage amendment was not "remotely" related to either subjects.[23]

The Minnesota Supreme Court, then, affirmed the Minnesota Court of Appeals and district court's decision. The Court reiterated its recent warnings to the legislature in *Blanch* and *Metropolitan Sports* related to the single-subject rule, and further noted that the legislature ignored its warning about the constitutional frailty of "garbage bills."[24] In analyzing the prevailing wage amendment, the Minnesota Supreme Court also acknowledged that a piece of legislation should be analyzed as to two separate issues. First, whether the bill's title gives reasonable notice of the bill's

[17] Assoc. Builders & Contractors v. Ventura, 610 N.W.2d 293,295 (Minn. 2000)
[18] *Id.* at 297.
[19] *Id.*
[20] *Id.*
[21] *Id.* at 298.
[22] *Id.*
[23] *Id.*
[24] *Id.* at 301-02.

contents, and second, whether the bill contains more than a single-subject.[25] In this case, it found that title did not give notice nor did it contain a single-subject.

The majority found that, "the Act falls far short of even the mere filament test."[26]

> [E]ven under a liberal interpretation — to avoid "embarrassment" of legislation — to construe an amendment requiring prevailing wages that lacks any express limitation to public funding as related to the subject of financing and operation of state and local government would push the mere filament to a mere figment.[27]

Therefore, the district court was affirmed. Justice Page, however, dissented from the opinion. He noted that laws passed by the legislature are presumed constitutional and, citing *In re Haggerty,* 448 N.W.2d 363 (Minn. 1989), "our powers to declare a [law] unconstitutional should be exercised with extreme caution and only when absolutely necessary." Justice Page further argued that there was a direct connection between the prevailing wage amendment and the subject of "state and local government financing and operation."

Justice Page also dissented as to the majorities' holding that upon finding a violation of Article IV, Section 17 of the Minnesota Constitution, the entire law is *not* required to be declared unconstitutional.[28] Justice Anderson joined in that dissent, noting that "severing the challenged provision defeats the purpose of Section 17."[29] Justice Page and Justice Anderson, however, were in the minority and this interpretation of the single-subject rule has not been adopted.

[25] *Id.* at 304.
[26] *Id.* at 302.
[27] *Id.* at 305.
[28] *Id.* at 310-11.
[29] *Id.* at 311.

5. *Townsend v. State*, 767 N.W.2d 11 (Minn. 2009)

Otha Eric Townsend was convicted of first-degree murder.[30] Seeking postconviction relief, Townsend argued that the 2005 amendment to the Postconviction Relief Act violated the Single Subject and Title Clause of the Minnesota Constitution.[31] The statutory amendment at issue in this case barred a petition for postconviction relief if the basis for the postconviction relief was, "based on grounds that could have been raised on direct appeal."[32]

Citing *Johnson v. Harrison*, the Minnesota Supreme Court held that the single-subject rule was to be construed liberally and that laws comply with the clause so long as the provisions "fall under some one general idea, [are] so connected with or related to each other, either logically or in popular understanding, as to be parts of, or germane to, one general subject."[33] Here, even though the bill included provisions related to court redistricting, court fees, property seizure, and public access to criminal data, a unanimous Minnesota Supreme Court held that "although it is a wide-ranging bill, the various sections 'fall under some one general idea."[34] The Court, therefore, found that the amendment was properly categorized.[35]

6. *Wallace v. State*, 820 N.W.2d 843 (Minn. 2012)

Like *Townsend*, Kenneth Wallace was convicted of first-degree murder.[36] Wallace raised several issues as part of his request for post-conviction relief, including an assertion that the felony murder statute violated the Minnesota Constitution because the bill embraced more than one

[30] *Townsend v. State*, 767 N.W.2d 11, 12 (Minn. 2009)
[31] *Id.* at 13.
[32] *Id.*
[33] *Id.*
[34] *Id*.
[35] *Id.*
[36] *Wallace v. State*, 820 N.W.2d 843, 846 (Minn. 2012)

subject.[37] Specifically, Wallace argued that the statute was unconstitutional because it defined Murder in the First Degree but references criminal sexual conduct as a predict offense.[38]

The Minnesota Supreme Court held that the scope of the legislation challenged by Wallace in this case was narrower than the scope in *Townsend*, which it had upheld.[39] The legislation Wallace challenged was limited to amending the felony murder statute to add certain sex crimes, creating offense levels for criminal sexual conduct, and promulgating related evidentiary rules, which all pertained to two related criminal offense types (felony murder and criminal sexual conduct).[40]

The Court also noted that Wallace did not argue that the legislation at issue implicated "log-rolling" or combining various unpopular laws with unrelated, but more popular laws.[41] Therefore, the Minnesota Supreme Court held that Wallace's claim was "frivolous" because it rested on an "indisputably meritless legal theory."

7. *Otto v. Wright Cnty.*, 910 N.W.2d 446 (Minn. 2018)

In 2015, a new statute was enacted that allowed counties to choose to have a required audit performed by either the State Auditor or a Certified Public Accounting firm.[42] Rebecca Otto, then Minnesota's State Auditor, filed a lawsuit in the Second Judicial District alleging that the new law: (1) violated the Separation of Powers Clause, and (2) violated the Single Subject Clause.[43]

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[37] *Id.* at 850-51.
[38] *Id.*
[39] *Id.* at 852.
[40] *Id.*
[41] *Id.*
[42] *Otto v. Wright Cnty.*, 910 N.W.2d 446 448
[43] *Id.*

Ultimately, the Minnesota Supreme Court held that the law did not violate the Separation of Powers Clause by stripping the State Auditor of all of her independent functions.[44]

With regard to the single-subject clause, the Minnesota Supreme Court unanimously held that the new law pertaining to the State Auditor in the 2015 State Government Finance Omnibus Bill was not unconstitutional. The Court acknowledged that the single-subject rule had been a part of Minnesota's government framework since the adoption of Minnesota's Constitution.[45] The two purposes for this provision was to prevent "log-rolling" and "to prevent surprise and fraud upon the people and the legislature" by failing to provide notice of the nature of the legislation.[46] While the constitutional provision was mandatory, the Minnesota Supreme Court re-affirmed in *Otto* that it gives it a "liberal, and not a strict, construction" provided the legislature ensures that the provisions fall under "one general idea."[47]

In *Otto*, the Auditor argued that the bill containing the new law at issue was too broad to be a single-subject that connects the many disparate provisions under the title of "[a]n act relating to the operation of state government."[48] The Minnesota Supreme Court rejected that argument:

> The State Auditor reads *Associated Builders* too broadly. We did not, as the State Auditor contends, declare in that decision that the subject "state government operations" is too broad, in every instance, to comport with the Single Subject Clause. Our holding was much narrower: we held that the connection advanced by the appellants in that case, between tax relief/government operations and prevailing wage requirements, was too thin of a thread to establish germaneness.[49]

[44] *Id.* at 453.
[45] *Id.* at 456.
[46] *Id.*
[47] *Id.* (citing *Johnson v. Harrison,* 50 N.W. 923, 924 (1891).
[48] *Id.*
[49] *Id.* at 457.

The Minnesota Supreme Court in *Otto* also clarified the scope of what should be considered when determining a violation of the single-subject rule. Consistent with the Court's preference in *Associated Builders* to sever just the offending portion of a bill rather than striking the entirety of the bill, a determination of whether a portion of the bill is germane should focus only on the challenged provision. The Minnesota Supreme Court in *Otto* expressly adopted the counties' argument that even if some portions of a bill are not germane to the stated subject of the bill—in this case, the operation of state government — it would be inappropriate to sever *germane* provisions simply because other, unchallenged provisions might not be germane:

> The State Auditor further contends that "numerous provisions" in the law fail to "share a common meaningful thread of germaneness to 'operations of state government.' " She asks us to sever sections 3 and 88(b) of Article 2 from chapter 77. The Counties contend, based on the broad construction we have historically given to this constitutional requirement, that the subject, "operations of state government," does not violate the single-subject requirement. Further, the Counties argue that even if some portions of chapter 77 are not germane to the operations of state government, the sections for which the State Auditor seeks severance are germane to that subject. Thus, the Counties contend, ***it would be inappropriate to sever germane provisions simply because other, unchallenged, provisions might not be germane. Our precedent compels us to agree with the Counties.***[50]

(emphasis added).

Finally, in conclusion, the Minnesota Supreme Court addressed arguments by the State Auditor and *amici* that if they do not conclude that the Single Subject Clause was violated in this case, the single-subject clause is effectively meaningless.[51] A unanimous Minnesota Supreme Court, in response, acknowledged the rarity of it striking legislation that arguably violated the single-subject rule, but noted that this was not due to a dereliction of duty, but rather the

[50] *Id* at 457.
[51] *Id.* at 458-59.

challenger's "failure to meet the extraordinary burden of persuasion in order to overcome the general presumption of constitutional validity."[52] The Court did, however, expressly reject dicta made in *Blanch* and *Associated Builders* that suggested that the outer boundary of germaneness is a "mere filament."[53] Instead, the Minnesota Supreme Court stated that the "only" test was and is "germaneness."[54]

B. A Basic Framework For Determining A Violation of the Single-Subject Clause.

Article IV provides that "[n]o law shall embrace more than one subject which shall be expressed in its title."[55] While not explicit, the seven "modern era" cases are instructive as to how this Court should determine whether there is a violation of title and single-subject rule. This framework is as follows:

- First, one must identify the challenged provision or provisions of the bill;
- Second, review the title of the bill;
- Third, determine whether the title gives reasonable notice of the challenged provision of the bill;[56]
- Fourth, determine whether the challenged provision is germane to the to the title of the bill; and
- Fifth, strike the challenged provision of the bill, if there was not reasonable notice as to the contents of the bill in the title and/or the challenged provision is not germane to the title.

[52] *Assoc. Builders*, 610 N.W.2d at 459.
[53] *Id.* at 458.
[54] *Id.*
[55] See Minn. Const. art. IV, § 17
[56] *Id.* at 304.

Following this framework, the Court finds that Plaintiffs did not "meet the extraordinary burden of persuasion in order to overcome the general presumption of constitutional validity."[57] As set forth below, the 2024 Omnibus Bill gave reasonable notice of its contents in its title and the challenged provisions are "germane" to the title of the bill.

1. Plaintiffs challenge two provisions of the 2024 Omnibus Bill.

The first step of the framework described above is to identify the specific provisions of the 2024 Omnibus Bill that Plaintiffs' claim are in violation of the title and single-subject rule. In their Second Amended Complaint, Plaintiffs expressly challenge the provision that prohibits the State of Minnesota from contracting with a for-profit health insurance company and other provisions related to Article 57, section 55 and relationship between a non-profit corporation converting assets to a for-profit corporation.

This provision allows the Department of Human Services ("DHS") to contract "to deliver health care services to medical assistance and MinnesotaCare program recipients" but prohibits DHS from entering into any contract with any HMO that "is not a nonprofit corporation." It is not in dispute that Plaintiff UnitedHealthcare of Illinois is a for-profit corporation.

Plaintiffs also challenge the bill's amendment to Minnesota's worker classification statute. Specifically, the increased oversight and coordination of state agencies in enforcing the classification statute, expanded the range of prohibited activities related to employment status in Minn. Stat. § 181.722, and new remedies for violations.

Plaintiff UnitedHealthcare Life Insurance Company ("ULIC") has a contractual relationship with independent contractors in Minnesota that ULIC asserts are impacted by the amendments to Minn. Stat. § 181.722.

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[57] *Id.* at 459.

2. The Title of the 2024 Omnibus Bill.

The second step of the framework is to determine the nature of the bill by reviewing its title. The subject title of the 2024 Omnibus Bill is "the operation and financing of state government." Following that statement, there is an article-by-article description of the contents of the bill as well as the statutes that will be amended. As it relates to this matter, the title identifies both provisions Plaintiffs allege violate the single-subject rule: the HMO Contracting Provision and the Worker Classification Provision.

As to the HMO Contracting Provision, after the subject title, the bill identifies how the legislation will impact the Minnesota Department of Human Services and how it conducts its work. The title says that this bill includes laws "modifying provisions governing the Department of Human Services, human services health care policy; health care finance, and licensing policy."[58] The title also identifies the specific statutes that will be amended to prohibit the commissioner from contracting with a for-profit health maintenance organization and regulating the relationship of non-profit health maintenance organizations.

As to the Worker Classification Provisions, after the subject title there is a specific notice that the bill contains provisions related to "employee misclassification" and also identifies the specific statute that will be amended to expand the range of prohibited activities, coordinate enforcement, and penalties related to employers who misclassify their employees.

3. Determination As To Whether The Subject Title Provides Proper Notice Related the HMO Contracting and Worker Classification provisions.

The third step of the framework is to determine whether there was notice of the bill's

[58] *See* 2024 Minn. Laws ch. 127 at 1.

contents in the title related specifically to the challenged provisions. The Plaintiffs, here, have not met their burden in establishing that the title of the 2024 Omnibus Bill failed to provide notice of the interests likely to be affected. The "title clause" is Minnesota's first "sunshine law."[59] The title requirement's purpose is to provide notice of the interests likely to be affected by the law and to prevent surprise and fraud upon the people and the legislature by including provisions in a bill whose title "gives no intimation of the nature of the proposed legislation."[60]

It is not, however, required by the Minnesota constitution to require the title of a bill to be "a complete index of its provisions."[61] Here, anyone with an interest in health care policy and employee classification would know by the bill's title, listed subjects, and statutory citations that the 2024 Omnibus Bill will impact the policies at the Department of Human Services and make changes to the classification of employees by the title.

Unlike *Associated Builders*, none of these legislative changes were put in an Article entitled "Miscellaneous" or mixed together with a variety of totally unrelated topics. Instead, the provision that prohibits the Department of Human Services to contract with a for-profit HMO is in Article 57 entitled "Health Insurance" and is within a part of the 2024 Omnibus Bill that groups health care related provisions together with one another. Similarly, the provision changing employee classifications is in Article 10 entitled "Employee Misclassification Prohibited," rather than being hidden in a random part of the legislation under a title that has nothing to do with the classification of employees.

For these reasons, the Court finds that the title of the 2024 Omnibus Bill does not violate the Minnesota Constitution. Indeed, if the Court were to require the legislature to provide a more

[59] *Associated Builders,* 610 N.W.2d. at 304 (citing *Wass v Anderson*, 252 N.W.2d 394, 137 (Minn. 1977)).
[60] *Wass*, 252 N.W.2d at 134-35.
[61] *Lifteau v. Metropolitan Sports Facilities Comm.*, 270 N.W.2d 749, 753 (Minn. 1978).

detailed title, it would make it more difficult for legislators and the public to discern the bill's contents because the title would be far longer and more dense. That is why, the Minnesota Supreme Court has only struck down laws that provide "no intimation" of the bill's contents, such as a "miscellaneous" section. "Intimation" as defined by Merriam-Webster means, "an indirect, usually subtle suggestion, indication, or hint." Certainly, the title, subjects, and statutory citations contained in Chapter 127's heading satisfy this standard. Therefore, Plaintiffs fall short of the "extraordinary burden" that is required to overcome the presumed constitutionality of the bill.

4. Determination As To Whether The Challenged Provisions Are Germane To The Title.

Since the title provided adequate notice of the contents of the 2024 Omnibus Bill, this court must now determine whether the challenged provisions are beyond the scope of the title. As stated above, the specific title of the 2024 Omnibus Bill is for "the operation and financing of state government." Like the challengers in *Otto*, Plaintiffs in this case argue that finding the two provisions at issue are germane to the title would render the single-subject clause of the Minnesota Constitution "a dead letter."[62] Plaintiffs query: "What does the ban on private ownership of firearms with binary triggers have to do with the ban on for-profit HMOs?"[63] Plaintiffs, then, suggest that the timing of the bill's passage, just before midnight, and length should be considered by this Court as a basis to strike down certain provisions of the law. Finally, Plaintiffs argue that the 2024 Omnibus Bill is so broad that it simply has no "core," and therefore all provisions within the 2024 Omnibus Bill are germane to nothing.

[62] Memorandum in Support of Summary Judgment at p. 25
[63] *Id.* at 14.

These arguments, however, largely ignore the most recent applicable caselaw pertaining to the single-subject rule in Minnesota. None of the seven modern era cases grant this Court the ability to be a super legislature, enabled to strike down laws that are presumed to be constitutional. The underlying theme of all seven modern cases related to the single-subject rule is one of judicial restraint and precision.

Otto v. Wright County was decided less than eight years ago, and in that decision a unanimous Minnesota Supreme Court clarified three important issues that are particularly relevant to the above-captioned matter. First, our Supreme Court held that "state government operations" was not too broad to comport with the single-subject rule.[64] Therefore, there is nothing inherently unconstitutional with the title "[a]n act relating to the operation and financing of state government" provided that the challenged provisions are germane to that title and "fall under some one general idea." Here, the core of the challenged provisions directly relate to the operation of state agencies. The HMO Contracting Provision and Worker Classification Provision are policies that instruct state agencies as to who they may contract with for health care for state employees and government programs and who is an independent contractor and how to implement and enforce that policies, respectively.

Second, our Supreme Court held that it would be "inappropriate" to sever germane provisions simply because other, unchallenged provisions might not be germane."[65] Meaning, Plaintiffs' question as to what a firearm trigger has to do with HMOs is irrelevant. It is beyond the scope of this litigation for this Court to examine the 2024 Omnibus Bill line-by-line and decide whether there *may* be provisions that are not germane to the operation and funding of state government.

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[64] *Otto*, 910 N.W.2d at 457.
[65] *Id.*

To that end, our Minnesota Supreme Court directed us to focus on one simple question: is the challenged law germane.[66] It stated in *Otto* that the "only" test was and is "germaneness."[67] Therefore, the length of the 2024 Omnibus Bill and the timing of when it was passed by the legislature is largely irrelevant. There are no allegations that there was fraud pertaining to the 2024 Omnibus bill. Therefore, this Court's decision, is focused on the text of the title and whether the specific challenged provisions relate to the operation of state government, which would likely exclude provisions related to operation and funding of local government, the judiciary, or the criminalization or decriminalization of certain conduct, since enforcement of criminal statutes are done at the local level.

After review, this Court finds that the HMO Contracting Provisions are germane to the operation and financing of state government. The plain text of this provision prohibits a state agency, the Minnesota Department of Human Services, from entering into contracts with for-profit HMOs for *state* employees and *state* programs and related policies enabling the Department of Human Services to implement this policy, including the regulation of close relationships between a non-profit HMOs and for-profit HMOs.

The Court also finds that the Worker Classification Provisions are also germane to the operation of state government, because it proscribes the terms and conditions by which *state* government agencies and *state* entities define, coordinate, and enforce laws that prevent the misclassification and exploitation of independent contractors in the State of Minnesota.

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[66] *Id.* at 458.
[67] *Id.*

CONCLUSION

Since this Court finds that Plaintiffs failed to meet their burden, there is no need to address the fifth step in the framework related to the consequences of a violation of the Minnesota Constitution. For the reasons stated above, the Court grants the Defendants' Motion to Dismiss Defendant UnitedHealth Group, Inc. for lack of standing and grants Defendants' Motion for Summary Judgment.

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