

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 3904

02/27/2020 Authored by Kotyza-Witthuhn and Swedzinski
The bill was read for the first time and referred to the Committee on Commerce
05/09/2020 Adoption of Report: Placed on the General Register as Amended
Pursuant to Joint Rule 2.03, re-referred to the Committee on Rules and Legislative Administration
05/13/2020 Adoption of Report: Placed on the General Register
Joint Rule 2.03 has been waived for any subsequent committee action on this bill
Read for the Second Time
Referred to the Chief Clerk for Comparison with S. F. No. 3800
05/14/2020 Postponed Indefinitely

1.1 A bill for an act
1.2 relating to commerce; regulating certain conduct relating to the timing of money
1.3 transmission; amending Minnesota Statutes 2018, section 53B.18.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2018, section 53B.18, is amended to read:

1.6 **53B.18 PROHIBITED PRACTICES.**

1.7 (a) No licensee shall:

1.8 (1) fail to comply with chapter 345 as it relates to unclaimed property requirements;

1.9 (2) refuse to indemnify an instrument holder for any misappropriation of money caused
1.10 by any of its authorized delegates in conducting activities on behalf of the licensee for whom
1.11 it acts as an authorized delegate; or

1.12 ~~(3) fail to transmit all money received for wire transmission in accordance with the~~
1.13 ~~purchaser's instructions within five days; or~~

1.14 ~~(4)~~ (3) fail to comply with section 53B.27.

1.15 (b) A licensee must transmit all money received for transmission in accordance with the
1.16 sender's instructions within five business days of the date the licensee receives the money
1.17 from the sender unless:

1.18 (1) otherwise ordered by the sender;

1.19 (2) the licensee or its authorized delegate has a reasonable belief or a reasonable basis
1.20 to believe that a crime or violation of law, rule, or regulation has occurred, is occurring, or
1.21 may occur as a result of transmission; or

2.1 (3) the transmission is payment for goods or services.

2.2 (c) A licensee must conspicuously state in an agreement with a merchant to transmit
2.3 money from a sender for goods or services:

2.4 (1) that the licensee has the authority to place a hold on or delay the transmission of a
2.5 sender's money for more than five business days; and

2.6 (2) the general circumstances under which a transmittal may be subject to a hold or
2.7 delay.

2.8 (d) A licensee that receives money from a sender for transmission to a merchant to pay
2.9 for goods or services must transmit the money to the merchant within the time frame agreed
2.10 upon in the merchant's agreement with the licensee.

2.11 (e) If a licensee fails to transmit money received for transmission in accordance with
2.12 this section, the licensee must respond to inquiries by the sender or recipient with the reason
2.13 for the failure unless the response violates state or federal law.

2.14 (f) A licensee or its authorized delegate must refund to the customer all money received
2.15 for transmittal within ten days of receipt of a request for a refund unless any of the following
2.16 has occurred:

2.17 (1) the money has been transmitted and delivered to the person designated by the customer
2.18 prior to receipt of the written request for a refund;

2.19 (2) instructions have been given committing an equivalent amount of money to the
2.20 person designated by the customer prior to the receipt of a request for a refund; or

2.21 (3) the licensee is otherwise barred by law from making a refund.

2.22 **EFFECTIVE DATE.** This section is effective August 1, 2020, and applies to
2.23 transmissions and merchant agreements with licensees executed on or after that date.