

**SENATE**  
**STATE OF MINNESOTA**  
**NINETY-THIRD SESSION**

**S.F. No. 2219**

(SENATE AUTHORS: KLEIN)

DATE	D-PG	OFFICIAL STATUS
03/01/2023	1181	Introduction and first reading Referred to Commerce and Consumer Protection
03/27/2023	2676a 2722	Comm report: To pass as amended Second reading
04/27/2023	6591a 6599	Special Order: Amended Third reading Passed

1.1 A bill for an act

1.2 relating to commerce; authorizing administrative rulemaking; prohibiting price

1.3 gouging; establishing notice requirements; prescribing penalties; modifying

1.4 provisions governing emergency closures; eliminating certain examination

1.5 requirements; modifying and adding provisions governing the sale of certain motor

1.6 vehicles; regulating nonbank mortgage servicers; requiring a report; modifying

1.7 provisions governing life insurance; specifying provisions for third-party payers

1.8 and dental providers; establishing time limitations for civil actions under certain

1.9 motor vehicle insurance policies; changing investment limit for small corporate

1.10 offerings; directing rulemaking; amending provisions related to utility billing

1.11 practices in manufactured home parks; modifying telecommunications pricing

1.12 plans; modifying the definition of cost; eliminating prohibition on below cost sales

1.13 of gasoline; increasing the civil penalties for unlawful robocalls; modifying

1.14 provisions relating to digital fair repair; requiring direct-to-consumer genetic testing

1.15 companies to provide disclosure notices and obtain consent; modifying limitations

1.16 on credit card surcharges; providing remedies to debtors with coerced debt;

1.17 amending Minnesota Statutes 2022, sections 8.31, subdivision 1; 47.0153,

1.18 subdivision 1; 53C.01, subdivision 12c, by adding a subdivision; 53C.08,

1.19 subdivision 1a; 61A.031; 61A.60, subdivision 3; 62Q.735, subdivisions 1, 5;

1.20 62Q.76, by adding a subdivision; 62Q.78, by adding subdivisions; 65B.49, by

1.21 adding a subdivision; 80A.50; 103G.291, subdivision 4; 237.066; 325D.01,

1.22 subdivision 5; 325D.71; 325E.31; 325E.66, subdivisions 2, 3, by adding a

1.23 subdivision; 325F.662, subdivisions 2, 3; 325G.051, subdivision 1; 327C.015,

1.24 subdivision 17, by adding subdivisions; 327C.04, subdivisions 1, 2, by adding

1.25 subdivisions; proposing coding for new law in Minnesota Statutes, chapters 58;

1.26 65A; 325E; 325F; 332; repealing Minnesota Statutes 2022, section 48.10.

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

1.28 Section 1. Minnesota Statutes 2022, section 8.31, subdivision 1, is amended to read:

1.29 Subdivision 1. **Investigate offenses against provisions of certain designated sections;**

1.30 **assist in enforcement.** The attorney general shall investigate violations of the law of this

1.31 state respecting unfair, discriminatory, and other unlawful practices in business, commerce,

1.32 or trade, and specifically, but not exclusively, the Nonprofit Corporation Act (sections

2.1 317A.001 to 317A.909), the Act Against Unfair Discrimination and Competition (sections  
 2.2 325D.01 to 325D.07), the Unlawful Trade Practices Act (sections 325D.09 to 325D.16),  
 2.3 the Antitrust Act (sections 325D.49 to 325D.66), section 325F.67 and other laws against  
 2.4 false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67,  
 2.5 the act against monopolization of food products (section 325D.68), the act regulating  
 2.6 telephone advertising services (section 325E.39), the Prevention of Consumer Fraud Act  
 2.7 (sections 325F.68 to 325F.70), the act regulating price gouging (section 325E.80), and  
 2.8 chapter 53A regulating currency exchanges and assist in the enforcement of those laws as  
 2.9 in this section provided.

2.10 Sec. 2. Minnesota Statutes 2022, section 47.0153, subdivision 1, is amended to read:

2.11 Subdivision 1. **Emergency closings.** When the officers of a financial institution are of  
 2.12 the opinion that an emergency exists, or is impending, which affects, or may affect, a  
 2.13 financial institution's offices, they shall have the authority, in the reasonable exercise of  
 2.14 their discretion, to determine not to open any of its offices on any business day or, if having  
 2.15 opened, to close an office during the continuation of the emergency, even if the commissioner  
 2.16 does not issue a proclamation of emergency. The office closed shall remain closed until the  
 2.17 time that the officers determine the emergency has ended, and for the further time reasonably  
 2.18 necessary to reopen. No financial institution office shall remain closed for more than 48  
 2.19 consecutive hours in a Monday through Friday period, excluding other legal holidays,  
 2.20 without the prior approval of the commissioner.

2.21 Sec. 3. Minnesota Statutes 2022, section 53C.01, is amended by adding a subdivision to  
 2.22 read:

2.23 Subd. 4a. **Global positioning system starter interrupt device.** "Global positioning  
 2.24 system starter interrupt device" or "GPS starter interrupt device" means a device installed  
 2.25 on a motor vehicle by a motor vehicle dealer that enables an individual who is not in  
 2.26 possession of the motor vehicle to remotely disable the motor vehicle's ignition. GPS starter  
 2.27 interrupt device includes a device commonly referred to as a fuel or ignition kill switch.

2.28 Sec. 4. Minnesota Statutes 2022, section 53C.01, subdivision 12c, is amended to read:

2.29 Subd. 12c. **Theft deterrent device.** "Theft deterrent device" means the following devices:

- 2.30 (1) a vehicle alarm system;
- 2.31 (2) a window etch product;
- 2.32 (3) a body part marking product;

- 3.1 (4) a steering lock; or  
 3.2 (5) a pedal or ignition lock; ~~or~~  
 3.3 ~~(6) a fuel or ignition kill switch.~~

3.4 Sec. 5. Minnesota Statutes 2022, section 53C.08, subdivision 1a, is amended to read:

3.5 Subd. 1a. **Disclosures required.** Prior to the execution of a retail installment contract,  
 3.6 the seller shall provide to a buyer, and obtain the buyer's signature on, a written disclosure  
 3.7 that sets forth the following information:

3.8 (1) a description and the total price of all items sold in the following categories if the  
 3.9 contract includes a charge for the item:

- 3.10 (i) a service contract;  
 3.11 (ii) an insurance product;  
 3.12 (iii) a debt cancellation agreement;  
 3.13 (iv) a theft deterrent device; or  
 3.14 (v) a surface protection product;

3.15 (2) whether a GPS starter interrupt device is installed on the motor vehicle, regardless  
 3.16 of whether the contract includes a charge for the GPS starter interrupt device;

3.17 (3) the amount that would be calculated under the contract as the regular installment  
 3.18 payment if charges for the items referenced under clause (1) are not included in the contract;

3.19 ~~(3)~~ (4) the amount that would be calculated under the contract as the regular installment  
 3.20 payment if charges for the items referenced under clause (1) are included in the contract;  
 3.21 and

3.22 ~~(4)~~ (5) the disclosures required under this subdivision must be in at least ten-point type  
 3.23 and must be contained in a single document that is separate from the retail installment  
 3.24 contract and any other vehicle purchase documents.

3.25 Sec. 6. **[58.20] DEFINITIONS.**

3.26 Subdivision 1. **Scope.** For purposes of this section to section 58.23, the terms defined  
 3.27 in this section have the meanings given.

3.28 Subd. 2. **Allowable assets for liquidity.** "Allowable assets for liquidity" means assets  
 3.29 that may be used to satisfy the liquidity requirements under section 58.22, including:

4.1 (1) unrestricted cash and cash equivalents; and

4.2 (2) unencumbered investment grade assets held for sale or trade, including agency  
4.3 mortgage-backed securities, obligations of government-sponsored enterprises, and United  
4.4 States Treasury obligations.

4.5 Subd. 3. **Board of directors.** "Board of directors" means the formal body established  
4.6 by a covered institution that is responsible for corporate governance and compliance with  
4.7 sections 58.21 to 58.23.

4.8 Subd. 4. **Corporate governance.** "Corporate governance" means the structure of the  
4.9 covered institution and how the covered institution is managed, including the corporate  
4.10 rules, policies, processes, and practices used to oversee and manage the covered institution.

4.11 Subd. 5. **Covered institution.** "Covered institution" means a mortgage servicer that  
4.12 services or subservices for others at least 2,000 or more residential mortgage loans in the  
4.13 United States, excluding whole loans owned, and loans being interim serviced prior to sale  
4.14 as of the most recent calendar year end, reported on the NMLS mortgage call report.

4.15 Subd. 6. **External audit.** "External audit" means the formal report, prepared by an  
4.16 independent certified public accountant, expressing an opinion on whether the financial  
4.17 statements are:

4.18 (1) presented fairly, in all material aspects, in accordance with the applicable financial  
4.19 reporting framework; and

4.20 (2) inclusive of an evaluation of the adequacy of a company's internal control structure.

4.21 Subd. 7. **Government-sponsored enterprises.** "Government-sponsored enterprises"  
4.22 means the Federal National Mortgage Association, and the Federal Home Loan Mortgage  
4.23 Corporation.

4.24 Subd. 8. **Interim serviced prior to sale.** "Interim serviced prior to sale" means the  
4.25 collection of a limited number of contractual mortgage payments immediately after  
4.26 origination on loans held for sale but no longer than a period of ninety days prior to the  
4.27 loans being sold into the secondary market.

4.28 Subd. 9. **Internal audit.** "Internal audit" means the internal activity of performing  
4.29 independent and objective assurance and consulting to evaluate and improve the effectiveness  
4.30 of company operations, risk management, internal controls, and governance processes.

4.31 Subd. 10. **Mortgage-backed security.** "Mortgage-backed security" means a financial  
4.32 instrument, often debt securities, collateralized by residential mortgages.

5.1 Subd. 11. **Mortgage call report.** "Mortgage call report" means the quarterly or annual  
5.2 report of residential real estate loan origination, servicing, and financial information  
5.3 completed by companies licensed in NMLS.

5.4 Subd. 12. **Mortgage servicing rights.** "Mortgage servicing rights" means the contractual  
5.5 right to service a residential mortgage loan on behalf of the owner of the associated mortgage  
5.6 in exchange for compensation specified in the servicing contract.

5.7 Subd. 13. **Mortgage servicing rights investor.** "Mortgage servicing rights investor" or  
5.8 "master servicer" means an entity that (1) invests in and owns mortgage servicing rights;  
5.9 and (2) relies on subservicers to administer the loans on the mortgage servicing rights  
5.10 investor's behalf.

5.11 Subd. 14. **Nationwide Multistate Licensing System.** "Nationwide Multistate Licensing  
5.12 System" or "NMLS" has the meaning given in section 58A.02, subdivision 8.

5.13 Subd. 15. **Operating liquidity.** "Operating liquidity" means the money necessary for  
5.14 an entity to perform normal business operations, including payment of rent, salaries, interest  
5.15 expenses, and other typical expenses associated with operating the entity.

5.16 Subd. 16. **Residential mortgage loans serviced.** "Residential mortgage loans serviced"  
5.17 means the specific portfolio or portfolios of residential mortgage loans for which a licensee  
5.18 is contractually responsible to the owner or owners of the mortgage loans for the defined  
5.19 servicing activities.

5.20 Subd. 17. **Reverse mortgage.** "Reverse mortgage" has the meaning given in section  
5.21 47.58, subdivision 1, paragraph (a).

5.22 Subd. 18. **Risk management assessment.** "Risk management assessment" means the  
5.23 functional evaluations performed under the risk management program and the reports  
5.24 provided to the board of directors under the relevant governance protocol.

5.25 Subd. 19. **Risk management program.** "Risk management program" means the policies  
5.26 and procedures designed to identify, measure, monitor, and mitigate risk commensurate  
5.27 with the covered institution's size and complexity.

5.28 Subd. 20. **Servicer.** "Servicer" has the meaning given in section 58.02, subdivision 20.

5.29 Subd. 21. **Servicing liquidity.** "Servicing liquidity" or "liquidity" means the financial  
5.30 resources necessary to manage liquidity risk arising from servicing functions required in  
5.31 acquiring and financing mortgage servicing rights; hedging costs, including margin calls,  
5.32 associated with the mortgage servicing rights asset and financing facilities; and advances

6.1 or costs of advance financing for principal, interest, taxes, insurance, and any other servicing  
 6.2 related advances.

6.3 Subd. 22. **Subservicer.** "Subservicer" means the entity performing routine administration  
 6.4 of residential mortgage loans as the agent of a servicer or mortgage servicing rights investor  
 6.5 under the terms of a subservicing contract.

6.6 Subd. 23. **Subservicing for others.** "Subservicing for others" means the contractual  
 6.7 activities performed by subservicers on behalf of a servicer or mortgage servicing rights  
 6.8 investor.

6.9 Subd. 24. **Tangible net worth.** "Tangible net worth" means total equity less receivables  
 6.10 due from related entities, less goodwill and other intangibles, less pledged assets.

6.11 Subd. 25. **Whole loans.** "Whole loans" means a loan where a mortgage and the underlying  
 6.12 credit risk is owned and held on a balance sheet of the entity possessing all ownership rights.

6.13 **Sec. 7. [58.21] APPLICABILITY; EXCLUSIONS.**

6.14 Subdivision 1. **Applicability.** Sections 58.20 to 58.23 apply to covered institutions. For  
 6.15 entities within a holding company or an affiliated group of companies, sections 58.20 to  
 6.16 58.23 apply at the covered institution level.

6.17 Subd. 2. **Exclusions.** (a) Sections 58.20 to 58.23 do not apply to (1) persons exempt  
 6.18 from licensing under section 58.04 and 58.05; and (2) an institution of the Farm Credit  
 6.19 System established and authorized in accordance with the Farm Credit Act of 1971, as  
 6.20 amended, United States Code, title 12, section 2001, et seq.

6.21 (b) Section 58.22 does not apply to (1) servicers that solely own or conduct reverse  
 6.22 mortgage servicing; or (2) the reverse mortgage portfolio administered by a covered  
 6.23 institution.

6.24 **Sec. 8. [58.22] FINANCIAL CONDITION.**

6.25 Subdivision 1. **Compliance required.** A covered institution must maintain capital and  
 6.26 liquidity in compliance with this section.

6.27 Subd. 2. **Generally accepted accounting principles.** For the purposes of complying  
 6.28 with the capital and liquidity requirements of this section, all financial data must be  
 6.29 determined in accordance with generally accepted accounting principles.

6.30 Subd. 3. **Federal Housing Finance Agency eligibility requirements; policies and**  
 6.31 **procedures.** (a) A covered institution that meets the Federal Housing Finance Agency

7.1 eligibility requirements for enterprise single-family sellers and servicers with respect to  
 7.2 capital, net worth ratio, and liquidity meets the requirements of subdivisions 1 and 2,  
 7.3 regardless of whether the servicer is approved for government-sponsored enterprise servicing.

7.4 (b) A covered institution must maintain written policies and procedures that implement  
 7.5 the capital and servicing liquidity requirements of this section. The policies and procedures  
 7.6 implemented pursuant to this paragraph must include a sustainable written methodology to  
 7.7 satisfy the requirements of paragraph (a) and must be made available to the commissioner  
 7.8 upon request.

7.9 Subd. 4. **Operating liquidity.** (a) A covered institution must maintain sufficient allowable  
 7.10 assets for liquidity, in addition to the amounts required for servicing liquidity, to cover  
 7.11 normal business operations.

7.12 (b) Covered institutions must have sound cash management and business operating plans  
 7.13 that (1) match the complexity of the institution; and (2) ensure normal business operations.

7.14 (c) Management must develop, establish, and implement plans, policies, and procedures  
 7.15 to maintain operating liquidity sufficient for the ongoing needs of the covered institution.  
 7.16 Plans, policies, and procedures implemented pursuant to this paragraph must contain  
 7.17 sustainable, written methodologies to maintain sufficient operating liquidity and must be  
 7.18 made available to the commissioner upon request.

7.19 Sec. 9. **[58.23] CORPORATE GOVERNANCE.**

7.20 Subdivision 1. **Board of directors required.** A covered institution must establish and  
 7.21 maintain a board of directors that is responsible for oversight of the covered institution.

7.22 Subd. 2. **Board of directors; alternative.** If a covered institution has not received  
 7.23 approval to service loans by a government-sponsored enterprise or the Government National  
 7.24 Mortgage Association, or if a government-sponsored enterprise or the Government National  
 7.25 Mortgage Association has granted approval for a board of directors alternative, the covered  
 7.26 institution may establish a similar body constituted to exercise oversight and fulfill the  
 7.27 responsibilities specified under subdivision 3.

7.28 Subd. 3. **Board of directors; responsibilities.** The board of directors must:

7.29 (1) establish a written corporate governance framework, including appropriate internal  
 7.30 controls designed to monitor corporate governance and assess compliance with the corporate  
 7.31 governance framework, and must make the corporate governance framework available to  
 7.32 the commissioner upon request;

8.1 (2) monitor and ensure the covered institution complies with (i) the corporate governance  
8.2 framework; and (ii) sections 58.20 to this section; and

8.3 (3) perform accurate and timely regulatory reporting, including filing the mortgage call  
8.4 report.

8.5 Subd. 4. **Internal audit.** The board of directors must establish internal audit requirements  
8.6 that (1) are appropriate for the size, complexity, and risk profile of the servicer; and (2)  
8.7 ensure appropriate independence to provide a reliable evaluation of the servicer's internal  
8.8 control structure, risk management, and governance. The board-established internal audit  
8.9 requirements and the results of internal audits must be made available to the commissioner  
8.10 upon request.

8.11 Subd. 5. **External audit.** (a) A covered institution must receive an external audit,  
8.12 including audited financial statements and audit reports, that is conducted by an independent  
8.13 public accountant annually. The external audit must be made available to the commissioner  
8.14 upon request.

8.15 (b) The external audit must include, at a minimum:

8.16 (1) annual financial statements, including (i) a balance sheet; (ii) a statement of operations  
8.17 and income statement; and (iii) cash flows, including notes and supplemental schedules  
8.18 prepared in accordance with generally accepted accounting principles;

8.19 (2) an assessment of the internal control structure;

8.20 (3) a computation of tangible net worth;

8.21 (4) validation of mortgage servicing rights valuation and reserve methodology, if  
8.22 applicable;

8.23 (5) verification of adequate fidelity and errors and omissions insurance; and

8.24 (6) testing of controls related to risk management activities, including compliance and  
8.25 stress testing, if applicable.

8.26 Subd. 6. **Risk management.** (a) Under oversight by the board of directors, a covered  
8.27 institution must establish a risk management program that identifies, measures, monitors,  
8.28 and controls risk commensurate with the covered institution's size and complexity. The risk  
8.29 management program must have appropriate processes and models in place to measure,  
8.30 monitor, and mitigate financial risks and changes to the servicer's risk profile and assets  
8.31 being serviced.



9.1 (b) The size and risk management program must be scaled to the size and complexity  
 9.2 of the organization, including but not limited to:

9.3 (1) the potential that a borrower or counterparty fails to perform on an obligation;

9.4 (2) the potential that the servicer (i) is unable to meet the servicer's obligations as the  
 9.5 obligations come due as a result of an inability to liquidate assets or obtain adequate funding;  
 9.6 or (ii) cannot easily unwind or offset specific exposures;

9.7 (3) the risk resulting from (i) inadequate or failed internal processes, people, and systems;  
 9.8 or (ii) external events;

9.9 (4) the risk to the servicer's condition resulting from adverse movements in market rates  
 9.10 or prices;

9.11 (5) the risk of regulatory sanctions, fines, penalties, or losses resulting from the failure  
 9.12 to comply with laws, rules, regulations, or other supervisory requirements that apply to the  
 9.13 servicer;

9.14 (6) the potential that legal proceedings against the institution resulting in unenforceable  
 9.15 contracts, lawsuits, legal sanctions, or adverse judgments can disrupt or otherwise negatively  
 9.16 affect the servicer's operations or condition; and

9.17 (7) the risk to earnings and capital arising from negative publicity regarding the servicer's  
 9.18 business practices.

9.19 Subd. 7. **Risk management assessment.** A covered institution must conduct a risk  
 9.20 management assessment on an annual basis. The risk management assessment must conclude  
 9.21 with a formal report to the board of directors and must be made available to the commissioner  
 9.22 upon request. A covered institution must maintain evidence of risk management activities  
 9.23 throughout the year and must include the evidence of risk management activities as part of  
 9.24 the report. The risk management assessment must include issue findings and the response  
 9.25 or action taken to address the issue findings.

9.26 Sec. 10. Minnesota Statutes 2022, section 61A.031, is amended to read:

9.27 **61A.031 SUICIDE PROVISIONS.**

9.28 (a) The sanity or insanity of a person shall not be a factor in determining whether a  
 9.29 person committed suicide within the terms of an individual or group life insurance policy  
 9.30 regulating the payment of benefits in the event of the insured's suicide. This ~~section~~ paragraph  
 9.31 shall not be construed to alter present law but is intended to clarify present law.

10.1 (b) A life insurance policy or certificate issued or delivered in this state may exclude or  
 10.2 restrict liability for any death benefit in the event the insured dies as a result of suicide  
 10.3 within one year from the date of the issue of the policy or certificate. Any exclusion or  
 10.4 restriction shall be clearly stated in the policy or certificate. Any life insurance policy or  
 10.5 certificate which contains any exclusion or restriction under this paragraph shall also provide  
 10.6 that in the event any death benefit is denied because the insured dies as a result of suicide  
 10.7 within one year from the date of issue of the policy or certificate, the insurer shall refund  
 10.8 all premiums paid for coverage providing the denied death benefit on the insured.

10.9 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to policies  
 10.10 issued on or after that date.

10.11 Sec. 11. Minnesota Statutes 2022, section 61A.60, subdivision 3, is amended to read:

10.12 Subd. 3. **Definitions.** The following definitions must appear on the back of the notice  
 10.13 forms provided in subdivisions 1 and 2:

10.14 DEFINITIONS

10.15 **PREMIUMS:** Premiums are the payments you make in exchange for an insurance policy  
 10.16 or annuity contract. They are unlike deposits in a savings or investment program, because  
 10.17 if you drop the policy or contract, you might get back less than you paid in.

10.18 **CASH SURRENDER VALUE:** This is the amount of money you can get in cash if you  
 10.19 surrender your life insurance policy or annuity. If there is a policy loan, the cash surrender  
 10.20 value is the difference between the cash value printed in the policy and the loan value. Not  
 10.21 all policies have cash surrender values.

10.22 **LAPSE:** A life insurance policy may lapse when you do not pay the premiums within  
 10.23 the grace period. If you had a cash surrender value, the insurer might change your policy  
 10.24 to as much extended term insurance or paid-up insurance as the cash surrender value will  
 10.25 buy. Sometimes the policy lets the insurer borrow from the cash surrender value to pay the  
 10.26 premiums.

10.27 **SURRENDER:** You surrender a life insurance policy when you either let it lapse or tell  
 10.28 the company you want to drop it. Whenever a policy has a cash surrender value, you can  
 10.29 get it in cash if you return the policy to the company with a written request. Most insurers  
 10.30 will also let you exchange the cash value of the policy for paid-up or extended term insurance.

10.31 **CONVERT TO PAID-UP INSURANCE:** This means you use your cash surrender value  
 10.32 to change your insurance to a paid-up policy with the same insurer. The death benefit

11.1 generally will be lower than under the old policy, but you will not have to pay any more  
11.2 premiums.

11.3 **PLACE ON EXTENDED TERM:** This means you use your cash surrender value to  
11.4 change your insurance to term insurance with the same insurer. In this case, the net death  
11.5 benefit will be the same as before. However, you will only be covered for a specified period  
11.6 of time stated in the policy.

11.7 **BORROW POLICY LOAN VALUES:** If your life insurance policy has a cash surrender  
11.8 value, you can almost always borrow all or part of it from the insurer. Interest will be charged  
11.9 according to the terms of the policy, and if the loan with unpaid interest ever exceeds the  
11.10 cash surrender value, your policy will be surrendered. If you die, the amount of the loan  
11.11 and any unpaid interest due will be subtracted from the death benefits.

11.12 **EVIDENCE OF INSURABILITY:** This means proof that you are an acceptable risk.  
11.13 You have to meet the insurer's standards regarding age, health, occupation, etc., to be eligible  
11.14 for coverage.

11.15 **INCONTESTABLE CLAUSE:** This says that after two years, depending on the policy  
11.16 or insurer, the life insurer will not resist a claim because you made a false or incomplete  
11.17 statement when you applied for the policy. For the early years, though, if there are wrong  
11.18 answers on the application and the insurer finds out about them, the insurer can deny a claim  
11.19 as if the policy had never existed.

11.20 **SUICIDE CLAUSE:** This says that if you ~~commit~~ complete suicide after being insured  
11.21 for less than ~~two years~~ one year, depending on the policy and insurer, your beneficiaries  
11.22 will receive only a refund of the premiums that were paid.

11.23 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to policies  
11.24 issued on or after that date.

11.25 Sec. 12. Minnesota Statutes 2022, section 62Q.735, subdivision 1, is amended to read:

11.26 Subdivision 1. **Contract disclosure.** (a) Before requiring a health care provider to sign  
11.27 a contract, a health plan company shall give to the provider a complete copy of the proposed  
11.28 contract, including:

11.29 (1) all attachments and exhibits;

11.30 (2) operating manuals;

11.31 (3) a general description of the health plan company's health service coding guidelines  
11.32 and requirement for procedures and diagnoses with modifiers, and multiple procedures; and

12.1 (4) all guidelines and treatment parameters incorporated or referenced in the contract.

12.2 (b) The health plan company shall make available to the provider the fee schedule or a  
12.3 method or process that allows the provider to determine the fee schedule for each health  
12.4 care service to be provided under the contract.

12.5 (c) ~~Notwithstanding paragraph (b), a health plan company that is a dental plan~~  
12.6 ~~organization, as defined in section 62Q.76, shall disclose information related to the individual~~  
12.7 ~~contracted provider's expected reimbursement from the dental plan organization.~~ Nothing  
12.8 in this section requires a dental plan organization to disclose the plan's aggregate maximum  
12.9 allowable fee table used to determine other providers' fees. The contracted provider must  
12.10 not release this information in any way that would violate any state or federal antitrust law.

12.11 Sec. 13. Minnesota Statutes 2022, section 62Q.735, subdivision 5, is amended to read:

12.12 Subd. 5. **Fee schedules.** ~~(a)~~ A health plan company shall provide, upon request, any  
12.13 additional fees or fee schedules relevant to the particular provider's practice beyond those  
12.14 provided with the renewal documents for the next contract year to all participating providers,  
12.15 excluding claims paid under the pharmacy benefit. Health plan companies may fulfill the  
12.16 requirements of this section by making the full fee schedules available through a secure  
12.17 web portal for contracted providers.

12.18 ~~(b) A dental organization may satisfy paragraph (a) by complying with section 62Q.735,~~  
12.19 ~~subdivision 1, paragraph (c).~~

12.20 Sec. 14. Minnesota Statutes 2022, section 62Q.76, is amended by adding a subdivision to  
12.21 read:

12.22 Subd. 9. **Third party.** "Third party" means a person or entity that enters into a contract  
12.23 with a dental organization or with another third party to gain access to the dental care services  
12.24 or contractual discounts under a dental provider contract. Third party does not include an  
12.25 enrollee of a dental organization or an employer or other group for whom the dental  
12.26 organization provides administrative services.

12.27 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to dental  
12.28 plans and dental provider agreements offered, issued, or renewed on or after that date.

13.1 Sec. 15. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to  
13.2 read:

13.3 Subd. 7. **Method of payments.** A dental provider contract must include a method of  
13.4 payment for dental care services in which no fees associated with the method of payment,  
13.5 including credit card fees and fees related to payment in the form of digital or virtual  
13.6 currency, are incurred by the dentist or dental clinic. Any fees that may be incurred from a  
13.7 payment must be disclosed to a dentist prior to entering into or renewing a dental provider  
13.8 contract. For purposes of this section, fees related to a provider's electronic claims processing  
13.9 vendor, financial institution, or other vendor used by a provider to facilitate the submission  
13.10 of claims are excluded.

13.11 Sec. 16. Minnesota Statutes 2022, section 62Q.78, is amended by adding a subdivision to  
13.12 read:

13.13 Subd. 8. **Network leasing.** (a) A dental organization may grant a third party access to  
13.14 a dental provider contract or a provider's dental care services or contractual discounts  
13.15 provided pursuant to a dental provider contract if, at the time the dental provider contract  
13.16 is entered into or renewed, the dental organization allows a dentist to choose not to participate  
13.17 in third-party access to the dental provider contract, without any penalty to the dentist. The  
13.18 third-party access provision of the dental provider contract must be clearly identified. A  
13.19 dental organization must not grant a third party access to the dental provider contract of any  
13.20 dentist who does not participate in third-party access to the dental provider contract.

13.21 (b) Notwithstanding paragraph (a), if a dental organization exists solely for the purpose  
13.22 of recruiting dentists for dental provider contracts that establish a network to be leased to  
13.23 third parties, the dentist waives the right to choose whether to participate in third-party  
13.24 access.

13.25 (c) A dental organization may grant a third party access to a dental provider contract,  
13.26 or a dentist's dental care services or contractual discounts under a dental provider contract,  
13.27 if the following requirements are met:

13.28 (1) the dental organization lists all third parties that may have access to the dental provider  
13.29 contract on the dental organization's website, which must be updated at least once every 90  
13.30 days;

13.31 (2) the dental provider contract states that the dental organization may enter into an  
13.32 agreement with a third party that would allow the third party to obtain the dental  
13.33 organization's rights and responsibilities as if the third party were the dental organization,

14.1 and the dentist chose to participate in third-party access at the time the dental provider  
 14.2 contract was entered into; and

14.3 (3) the third party accessing the dental provider contract agrees to comply with all  
 14.4 applicable terms of the dental provider contract.

14.5 (d) A dentist is not bound by and is not required to perform dental care services under  
 14.6 a dental provider contract granted to a third party in violation of this section.

14.7 (e) This subdivision does not apply when:

14.8 (1) the dental provider contract is for dental services provided under a public health plan  
 14.9 program, including but not limited to medical assistance, MinnesotaCare, Medicare, or  
 14.10 Medicare Advantage; or

14.11 (2) access to a dental provider contract is granted to a dental organization, an entity  
 14.12 operating in accordance with the same brand licensee program as the dental organization  
 14.13 or other entity, or to an entity that is an affiliate of the dental organization, provided the  
 14.14 entity agrees to substantially similar terms and conditions as the originating dental provider  
 14.15 contract between the dental organization and the dentist or dental clinic. A list of the dental  
 14.16 organization's affiliates must be posted on the dental organization's website.

14.17 **Sec. 17. [65A.298] HOMEOWNER'S INSURANCE; FORTIFIED PROGRAM**  
 14.18 **STANDARDS.**

14.19 Subdivision 1. **Definitions.** (a) For purposes of this section the following term has the  
 14.20 meaning given.

14.21 (b) "Insurable property" means a residential property designated as meeting the Fortified  
 14.22 program standards as administered by the Insurance Institute for Business and Home Safety  
 14.23 (IBHS).

14.24 Subd. 2. **Fortified new property.** (a) An insurer shall provide a premium discount or  
 14.25 an insurance rate reduction to an owner who builds or locates a new insurable property in  
 14.26 Minnesota.

14.27 (b) An owner of insurable property claiming a premium discount or rate reduction under  
 14.28 this subdivision must submit a certificate issued by IBHS showing proof of compliance  
 14.29 with the Fortified program standards to the insurer prior to receiving the premium discount  
 14.30 or rate reduction.

15.1 Subd. 3. **Fortified existing property.** (a) An insurer shall provide a premium discount  
15.2 or insurance rate reduction to an owner who retrofits an existing property to meet the  
15.3 requirements to be an insurable property in Minnesota.

15.4 (b) An owner of insurable property claiming a premium discount or rate reduction under  
15.5 this subdivision must submit a certificate issued by IBHS showing proof of compliance  
15.6 with the Fortified program standards to the insurer prior to receiving the premium discount  
15.7 or rate reduction.

15.8 Subd. 4. **Insurers.** (a) An insurer must submit to the commissioner actuarially justified  
15.9 rates and a rating plan for a person who builds or locates a new insurable property in  
15.10 Minnesota.

15.11 (b) An insurer must submit to the commissioner actuarially justified rates and a rating  
15.12 plan for a person who retrofits an existing property to meet the requirements to be an  
15.13 insurable property.

15.14 (c) An insurer may offer, in addition to the premium discount and insurance rate  
15.15 reductions required under subdivisions 2 and 3, more generous mitigation adjustments to  
15.16 an owner of insurable property.

15.17 (d) Any premium discount, rate reduction, or mitigation adjustment offered by an insurer  
15.18 under this section applies only to policies that include wind coverage and may be applied  
15.19 only to the portion of the premium for wind coverage, or for the total premium if the insurer  
15.20 does not separate the premium for wind coverage in its rate filing.

15.21 (e) A rate and rating plan submitted to the commissioner under this section shall not be  
15.22 used until the expiration of 60 days after it has been filed unless the commissioner approves  
15.23 it before that time. In evaluating insurer submissions under this section prior to approval  
15.24 for use, the commissioner must:

15.25 (1) evaluate evidence of cost savings directly attributed to the Fortified program standards  
15.26 administered by IBHS; and

15.27 (2) evaluate whether those cost savings are passed along in full to qualified policyholders.

15.28 (f) Insurers must resubmit rates and rating plans at least every five years following their  
15.29 initial submissions under this section for review and approval by the commissioner.

15.30 (g) The commissioner shall annually publish the premium savings policyholders  
15.31 experienced because of the program.

16.1 (h) Participating insurers shall provide to the commissioner any information requested  
16.2 by the commissioner for the purposes of this paragraph.

16.3 **Sec. 18. [65A.299] STRENGTHEN MINNESOTA HOMES PROGRAM.**

16.4 Subdivision 1. **Short title.** This section may be cited as the "Strengthen Minnesota  
16.5 Homes Act."

16.6 Subd. 2. **Definitions.** (a) For purposes of this section, the terms in this subdivision have  
16.7 the meanings given.

16.8 (b) "Insurable property" has the meaning given in section 65A.298, subdivision 3.

16.9 (c) "Program" means the Strengthen Minnesota Homes program established under this  
16.10 section.

16.11 Subd. 3. **Program established; purpose, permitted activities.** The Strengthen Minnesota  
16.12 Homes program is established within the Department of Commerce. The purpose of the  
16.13 program is to provide grants to retrofit insurable property to resist loss due to common  
16.14 perils, including but not limited to tornadoes or other catastrophic windstorm events.

16.15 Subd. 4. **Strengthen Minnesota homes account; appropriation.** (a) A strengthen  
16.16 Minnesota homes account is created as a separate account in the special revenue fund of  
16.17 the state treasury. The account consists of money provided by law and any other money  
16.18 donated, allotted, transferred, or otherwise provided to the account. Earnings, including  
16.19 interest, dividends, and any other earnings arising from assets of the account, must be  
16.20 credited to the account. Money remaining in the account at the end of a fiscal year does not  
16.21 cancel to the general fund and remains in the account until expended. The commissioner  
16.22 must manage the account.

16.23 (b) Money in the account is appropriated to the commissioner to pay for (1) grants issued  
16.24 under the program, and (2) the reasonable costs incurred by the commissioner to administer  
16.25 the program.

16.26 Subd. 5. **Use of grants.** (a) A grant under this section must be used to retrofit an insurable  
16.27 property.

16.28 (b) Grant money provided under this section must not be used for maintenance or repairs,  
16.29 but may be used in conjunction with repairs or reconstruction necessitated by damage from  
16.30 wind or hail.



17.1 (c) A project funded by a grant under this section must be completed within three months  
17.2 of the date the grant is approved. Failure to complete the project in a timely manner may  
17.3 result in forfeiture of the grant.

17.4 Subd. 6. **Applicant eligibility.** The commissioner must develop (1) administrative  
17.5 procedures to implement this section, and (2) criteria used to determine whether an applicant  
17.6 is eligible for a grant under this section.

17.7 Subd. 7. **Contractor eligibility; conflicts of interest.** (a) To be eligible to work as a  
17.8 contractor on a project funded by a grant under this section, the contractor must meet all  
17.9 of the following program requirements and must maintain a current copy of all certificates,  
17.10 licenses, and proof of insurance coverage with the program office. The eligible contractor  
17.11 must:

17.12 (1) hold a valid residential building contractor and residential remodeler license issued  
17.13 by the commissioner of labor and industry;

17.14 (2) not be subject to disciplinary action by the commissioner of labor and industry;

17.15 (3) hold any other valid state or jurisdictional business license or work permits required  
17.16 by law;

17.17 (4) possess an in-force general liability policy with \$1,000,000 in liability coverage;

17.18 (5) possess an in-force workers compensation policy with \$1,000,000 in coverage;

17.19 (6) possess a certificate of compliance from the commissioner of revenue;

17.20 (7) successfully complete the Fortified Roof for High Wind and Hail training provided  
17.21 by the IBHS and maintain an active certification or IBHS's successor and provide a certificate  
17.22 of successful completion. The training may be offered as separate courses;

17.23 (8) agree to the terms and successfully register as a vendor with the commissioner of  
17.24 management and budget and receive direct deposit of payment for mitigation work performed  
17.25 under the program;

17.26 (9) maintain Internet access and keep a valid email address on file with the program and  
17.27 remain active in the commissioner of management and budget's vendor and supplier portal  
17.28 while working on the program;

17.29 (10) maintain an active email address for the communication with the program;

17.30 (11) successfully complete the program training; and

18.1 (12) agree to follow program procedures and rules established under this section and by  
18.2 the commissioner.

18.3 (b) An eligible contractor must not have a financial interest, other than payment on  
18.4 behalf of the homeowner, in any project for which the eligible contractor performs work  
18.5 toward a fortified designation under the program. An eligible contractor is prohibited from  
18.6 acting as the evaluator for a fortified designation on any project funded by the program. An  
18.7 eligible contractor must report to the commissioner regarding any potential conflict of  
18.8 interest before work commences on any job funded by the program.

18.9 Subd. 8. **Evaluator eligibility; conflicts of interest.** (a) To be eligible to work on the  
18.10 program as an evaluator, the evaluator must meet all program eligibility requirements and  
18.11 must submit to the commissioner and maintain a copy of all current certificates and licenses.  
18.12 The evaluator must:

18.13 (1) be in good standing with IBHS and maintain an active certification as a fortified  
18.14 home evaluator for hurricane and high wind and hail or a successor certification;

18.15 (2) possess a Minnesota business license and be registered with the secretary of state;  
18.16 and

18.17 (3) successfully complete the program training.

18.18 (b) Evaluators must not have a financial interest in any project that the evaluator inspects  
18.19 for designation purposes for the program. An evaluator must not be an eligible contractor  
18.20 or supplier of any material, product, or system installed in any home that the evaluator  
18.21 inspects for designation purposes for the program. An evaluator must not be a sales agent  
18.22 for any home being designated for the program. An evaluator must inform the commissioner  
18.23 of any potential conflict of interest impacting the evaluator's participation in the program.

18.24 Subd. 9. **Grant approval; allocation.** (a) The commissioner must review all applications  
18.25 for completeness and must perform appropriate audits to verify (1) the accuracy of the  
18.26 information on the application, and (2) that the applicant meets all eligibility rules. All  
18.27 verified applicants must be placed in the order the application was received. Grants must  
18.28 be awarded on a first-come, first-served basis, subject to availability of money for the  
18.29 program.

18.30 (b) When a grant is approved, an approval letter must be sent to the applicant.

18.31 (c) An eligible contractor is prohibited from beginning work until a grant is approved.

18.32 (d) In order to assure equitable distribution of grants in proportion to the income  
18.33 demographics in counties where the program is made available, grant applications must be

19.1 accepted on a first-come, first-served basis. The commissioner may establish pilot projects  
19.2 as needed to establish a sustainable program distribution system in any geographic area  
19.3 within Minnesota.

19.4 Subd. 10. **Grant award process; release of grant money.** (a) After a grant application  
19.5 is approved, the eligible contractor selected by the homeowner may begin the mitigation  
19.6 work.

19.7 (b) Once the mitigation work is completed, the eligible contractor must submit a copy  
19.8 of the signed contract to the commissioner, along with an invoice seeking payment and an  
19.9 affidavit stating the fortified standards were met by the work.

19.10 (c) The IBHS evaluator must conduct all required evaluations, including a required  
19.11 interim inspection during construction and the final inspection, and must confirm that the  
19.12 work was completed according to the mitigation specifications.

19.13 (d) Grant money must be released on behalf of an approved applicant only after a fortified  
19.14 designation certificate has been issued for the home. The program or another designated  
19.15 entity must, on behalf of the homeowner, directly pay the eligible contractor that performed  
19.16 the mitigation work. The program or the program's designated entity must pay the eligible  
19.17 contractor the costs covered by the grant. The homeowner must pay the eligible contractor  
19.18 for the remaining cost after receiving an IBHS fortified certificate.

19.19 (e) The program must confirm that the homeowner's insurer provides the appropriate  
19.20 premium credit.

19.21 (f) The program must conduct random reinspections to detect any fraud and must submit  
19.22 any irregularities to the attorney general.

19.23 Subd. 11. **Limitations.** (a) This section does not create an entitlement for property  
19.24 owners or obligate the state of Minnesota to pay for residential property in Minnesota to be  
19.25 inspected or retrofitted. The program under this section is subject to legislative appropriations,  
19.26 the receipt of federal grants or money, or the receipt of other sources of grants or money.  
19.27 The department may obtain grants or other money from the federal government or other  
19.28 funding sources to support and enhance program activities.

19.29 (b) All mitigation under this section is contingent upon securing all required local permits  
19.30 and applicable inspections to comply with local building codes and applicable Fortified  
19.31 program standards. A mitigation project receiving a grant under this section is subject to  
19.32 random reinspection at a later date.

20.1 Sec. 19. Minnesota Statutes 2022, section 65B.49, is amended by adding a subdivision to  
20.2 read:

20.3 Subd. 10. **Time limitations.** (a) Unless expressly provided for in this chapter, a plan of  
20.4 reparation security must conform to the six-year time limitation provided under section  
20.5 541.05, subdivision 1, clause (1).

20.6 (b) The time limitation for commencing a cause of action relating to underinsured motorist  
20.7 coverage under subdivision 3a is four years from the date of accrual.

20.8 **EFFECTIVE DATE.** This section is effective on August 1, 2023, and applies to contracts  
20.9 issued or renewed on or after that date.

20.10 Sec. 20. Minnesota Statutes 2022, section 80A.50, is amended to read:

20.11 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**  
20.12 **CORPORATE OFFERING REGISTRATION.**

20.13 (a) **Federal covered securities.**

20.14 (1) **Required filing of records.** With respect to a federal covered security, as defined  
20.15 in Section 18(b)(2) of the Securities Act of 1933 (15 U.S.C. Section 77r(b)(2)), that is not  
20.16 otherwise exempt under sections 80A.45 through 80A.47, a rule adopted or order issued  
20.17 under this chapter may require the filing of any or all of the following records:

20.18 (A) before the initial offer of a federal covered security in this state, all records that are  
20.19 part of a federal registration statement filed with the Securities and Exchange Commission  
20.20 under the Securities Act of 1933 and a consent to service of process complying with section  
20.21 80A.88 signed by the issuer;

20.22 (B) after the initial offer of the federal covered security in this state, all records that are  
20.23 part of an amendment to a federal registration statement filed with the Securities and  
20.24 Exchange Commission under the Securities Act of 1933; and

20.25 (C) to the extent necessary or appropriate to compute fees, a report of the value of the  
20.26 federal covered securities sold or offered to persons present in this state, if the sales data  
20.27 are not included in records filed with the Securities and Exchange Commission.

20.28 (2) **Notice filing effectiveness and renewal.** A notice filing under subsection (a) is  
20.29 effective for one year commencing on the later of the notice filing or the effectiveness of  
20.30 the offering filed with the Securities and Exchange Commission. On or before expiration,  
20.31 the issuer may renew a notice filing by filing a copy of those records filed by the issuer with  
20.32 the Securities and Exchange Commission that are required by rule or order under this chapter

21.1 to be filed. A previously filed consent to service of process complying with section 80A.88  
21.2 may be incorporated by reference in a renewal. A renewed notice filing becomes effective  
21.3 upon the expiration of the filing being renewed.

21.4 (3) **Notice filings for federal covered securities under section 18(b)(4)(D).** With  
21.5 respect to a security that is a federal covered security under Section 18(b)(4)(D) of the  
21.6 Securities Act of 1933 (15 U.S.C. Section 77r(b)(4)(D)), a rule under this chapter may  
21.7 require a notice filing by or on behalf of an issuer to include a copy of Form D, including  
21.8 the Appendix, as promulgated by the Securities and Exchange Commission, and a consent  
21.9 to service of process complying with section 80A.88 signed by the issuer not later than 15  
21.10 days after the first sale of the federal covered security in this state.

21.11 (4) **Stop orders.** Except with respect to a federal security under Section 18(b)(1) of the  
21.12 Securities Act of 1933 (15 U.S.C. Section 77r(b)(1)), if the administrator finds that there is  
21.13 a failure to comply with a notice or fee requirement of this section, the administrator may  
21.14 issue a stop order suspending the offer and sale of a federal covered security in this state.  
21.15 If the deficiency is corrected, the stop order is void as of the time of its issuance and no  
21.16 penalty may be imposed by the administrator.

21.17 (b) **Small corporation offering registration.**

21.18 (1) **Registration required.** A security meeting the conditions set forth in this section  
21.19 may be registered as set forth in this section.

21.20 (2) **Availability.** Registration under this section is available only to the issuer of securities  
21.21 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.  
21.22 The issuer must be organized under the laws of one of the states or possessions of the United  
21.23 States. The securities offered must be exempt from registration under the Securities Act of  
21.24 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

21.25 (3) **Disqualification.** Registration under this section is not available to any of the  
21.26 following issuers:

21.27 (A) an issuer subject to the reporting requirements of Section 13 or 15(d) of the Securities  
21.28 Exchange Act of 1934;

21.29 (B) an investment company;

21.30 (C) a development stage company that either has no specific business plan or purpose  
21.31 or has indicated that its business plan is to engage in a merger or acquisition with an  
21.32 unidentified company or companies or other entity or person;

22.1 (D) an issuer if the issuer or any of its predecessors, officers, directors, governors,  
22.2 partners, ten percent stock or equity holders, promoters, or any selling agents of the securities  
22.3 to be offered, or any officer, director, governor, or partner of the selling agent:

22.4 (i) has filed a registration statement that is the subject of a currently effective registration  
22.5 stop order entered under a federal or state securities law within five years before the filing  
22.6 of the small corporate offering registration application;

22.7 (ii) has been convicted within five years before the filing of the small corporate offering  
22.8 registration application of a felony or misdemeanor in connection with the offer, purchase,  
22.9 or sale of a security or a felony involving fraud or deceit, including, but not limited to,  
22.10 forgery, embezzlement, obtaining money under false pretenses, larceny, or conspiracy to  
22.11 defraud;

22.12 (iii) is currently subject to a state administrative enforcement order or judgment entered  
22.13 by a state securities administrator or the Securities and Exchange Commission within five  
22.14 years before the filing of the small corporate offering registration application, or is subject  
22.15 to a federal or state administrative enforcement order or judgment in which fraud or deceit,  
22.16 including, but not limited to, making untrue statements of material facts or omitting to state  
22.17 material facts, was found and the order or judgment was entered within five years before  
22.18 the filing of the small corporate offering registration application;

22.19 (iv) is currently subject to an order, judgment, or decree of a court of competent  
22.20 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or  
22.21 decree of a court of competent jurisdiction permanently restraining or enjoining the party  
22.22 from engaging in or continuing any conduct or practice in connection with the purchase or  
22.23 sale of any security or involving the making of a false filing with a state or with the Securities  
22.24 and Exchange Commission entered within five years before the filing of the small corporate  
22.25 offering registration application; or

22.26 (v) is subject to a state's administrative enforcement order, or judgment that prohibits,  
22.27 denies, or revokes the use of an exemption for registration in connection with the offer,  
22.28 purchase, or sale of securities,

22.29 (I) except that clauses (i) to (iv) do not apply if the person subject to the disqualification  
22.30 is duly licensed or registered to conduct securities-related business in the state in which the  
22.31 administrative order or judgment was entered against the person or if the dealer employing  
22.32 the party is licensed or registered in this state and the form BD filed in this state discloses  
22.33 the order, conviction, judgment, or decree relating to the person, and

23.1 (II) except that the disqualification under this subdivision is automatically waived if the  
23.2 state securities administrator or federal agency that created the basis for disqualification  
23.3 determines upon a showing of good cause that it is not necessary under the circumstances  
23.4 to deny the registration.

23.5 (4) **Filing and effectiveness of registration statement.** A small corporate offering  
23.6 registration statement must be filed with the administrator. If no stop order is in effect and  
23.7 no proceeding is pending under section 80A.54, such registration statement shall become  
23.8 effective automatically at the close of business on the 20th day after filing of the registration  
23.9 statement or the last amendment of the registration statement or at such earlier time as the  
23.10 administrator may designate by rule or order. For the purposes of a nonissuer transaction,  
23.11 other than by an affiliate of the issuer, all outstanding securities of the same class identified  
23.12 in the small corporate offering registration statement as a security registered under this  
23.13 chapter are considered to be registered while the small corporate offering registration  
23.14 statement is effective. A small corporate offering registration statement is effective for one  
23.15 year after its effective date or for any longer period designated in an order under this chapter.  
23.16 A small corporate offering registration statement may be withdrawn only with the approval  
23.17 of the administrator.

23.18 (5) **Contents of registration statement.** A small corporate offering registration statement  
23.19 under this section shall be on Form U-7, including exhibits required by the instructions  
23.20 thereto, as adopted by the North American Securities Administrators Association, or such  
23.21 alternative form as may be designated by the administrator by rule or order and must include:

23.22 (A) a consent to service of process complying with section 80A.88;

23.23 (B) a statement of the type and amount of securities to be offered and the amount of  
23.24 securities to be offered in this state;

23.25 (C) a specimen or copy of the security being registered, unless the security is  
23.26 uncertificated, a copy of the issuer's articles of incorporation and bylaws or their substantial  
23.27 equivalents in effect, and a copy of any indenture or other instrument covering the security  
23.28 to be registered;

23.29 (D) a signed or conformed copy of an opinion of counsel concerning the legality of the  
23.30 securities being registered which states whether the securities, when sold, will be validly  
23.31 issued, fully paid, and nonassessable and, if debt securities, binding obligations of the issuer;

23.32 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a  
23.33 registration statement or similar filing has been made in connection with the offering  
23.34 including information as to effectiveness of each such filing; and (iii) in which a stop order

24.1 or similar proceeding has been entered or in which proceedings or actions seeking such an  
 24.2 order are pending;

24.3 (F) a copy of the offering document proposed to be delivered to offerees; and

24.4 (G) a copy of any other pamphlet, circular, form letter, advertisement, or other sales  
 24.5 literature intended as of the effective date to be used in connection with the offering and  
 24.6 any solicitation of interest used in compliance with section 80A.46(17)(B).

24.7 (6) **Copy to purchaser.** A copy of the offering document as filed with the administrator  
 24.8 must be delivered to each person purchasing the securities prior to sale of the securities to  
 24.9 such person.

24.10 (c) Offering limit. Offers and sales of securities under a small corporate offering  
 24.11 registration as set forth in this section are allowed up to the limit prescribed by Code of  
 24.12 Federal Regulations, title 17, part 230.504(b)(2), as amended.

24.13 Sec. 21. Minnesota Statutes 2022, section 103G.291, subdivision 4, is amended to read:

24.14 Subd. 4. **Demand reduction measures.** (a) For the purposes of this section, "demand  
 24.15 reduction measures" means measures that reduce water demand, water losses, peak water  
 24.16 demands, and nonessential water uses. Demand reduction measures must include a  
 24.17 conservation rate structure, or a uniform rate structure with a conservation program that  
 24.18 achieves demand reduction. A "conservation rate structure" means a rate structure that  
 24.19 encourages conservation and may include increasing block rates, seasonal rates, time of use  
 24.20 rates, individualized goal rates, or excess use rates. If a conservation rate is applied to  
 24.21 multifamily dwellings or a manufactured home park, as defined in section 327C.015,  
 24.22 subdivision 8, the rate structure must consider each residential unit as an individual user.

24.23 (b) To encourage conservation, a public water supplier serving more than 1,000 people  
 24.24 must implement demand reduction measures by January 1, 2015.

24.25 **EFFECTIVE DATE.** This section is effective August 1, 2024, and applies to a billing  
 24.26 period that begins on or after that date.

24.27 Sec. 22. Minnesota Statutes 2022, section 237.066, is amended to read:

24.28 **237.066 STATE GOVERNMENT PRICING PLANS.**

24.29 Subdivision 1. **Purpose.** A state government or Tribal government telecommunications  
 24.30 pricing plan is authorized and found to be in the public interest as it will:



25.1 (1) provide and ensure availability of high-quality, technologically advanced  
25.2 telecommunications services at a reasonable cost to the state or Tribal government; and  
25.3 (2) further the state telecommunications goals as set forth in section 237.011.

25.4 Subd. 2. **Program participation.** A state government or Tribal government  
25.5 telecommunications pricing plan may be available to serve individually or collectively:  
25.6 state agencies; Tribal governments; educational institutions, including public schools and  
25.7 Tribal schools complying with section 120A.05, subdivision 9, 11, 13, or 17, and nonpublic  
25.8 schools complying with sections 120A.22, 120A.24, and 120A.41; private colleges; public  
25.9 corporations; and political subdivisions of the state or a Tribal nation. Plans shall be available  
25.10 to carry out the commissioner of administration's duties under sections 16E.17 and 16E.18  
25.11 and shall also be available to those entities not using the commissioner for contracting for  
25.12 telecommunications services.

25.13 Subd. 3. **Rates.** Notwithstanding section 237.09, 237.14, 237.60, subdivision 3, or  
25.14 237.74, a telephone company or a telecommunications carrier may, individually or in  
25.15 cooperation with other telephone companies or telecommunications carriers, develop and  
25.16 offer basic or advanced telecommunications services at discounted or reduced rates as a  
25.17 state government or Tribal government telecommunications pricing plan. Any  
25.18 telecommunications services provided under any state government or Tribal government  
25.19 telecommunications pricing plan shall be used exclusively by ~~those~~ the entities described  
25.20 in subdivision 2 subject to the plan solely for ~~their~~ the entities' own use and shall not be  
25.21 made available to any other entities by resale, sublease, or in any other way.

25.22 Subd. 4. **Applicability to other customers.** A telephone company or telecommunications  
25.23 carrier providing telecommunications services under a state government or Tribal government  
25.24 telecommunications pricing plan is not required to provide any other person or entity those  
25.25 services at the rates made available to the state or Tribal government.

25.26 Subd. 5. **Commission review.** (a) The terms and conditions of any state government or  
25.27 Tribal government telecommunications pricing plan must be submitted to the commission  
25.28 for ~~its~~ review and approval within 90 days before implementation to:

25.29 (1) ensure that the terms and conditions benefit the state or Tribal nation and not any  
25.30 private entity;

25.31 (2) ensure that the rates for any telecommunications service in any state government or  
25.32 Tribal government telecommunications pricing plan are at or below any applicable tariffed  
25.33 rates; and

26.1 (3) ensure that the state telecommunications or Tribal government pricing plan meets  
 26.2 the requirements of this section and is in the public interest.

26.3 (b) The commission shall reject any state government or Tribal government  
 26.4 telecommunications pricing plan that does not meet ~~these~~ the criteria in paragraph (a).

26.5 Sec. 23. Minnesota Statutes 2022, section 325D.01, subdivision 5, is amended to read:

26.6 Subd. 5. **Cost.** The term "cost," as applied to the wholesale or retail vendor, means:

26.7 (1) the actual current delivered invoice or replacement cost, whichever is lower, without  
 26.8 deducting customary cash discounts, plus any excise or sales taxes imposed on such  
 26.9 commodity, goods, wares or merchandise subsequent to the purchase thereof and prior to  
 26.10 the resale thereof, plus the cost of doing business at that location by the vendor;

26.11 (2) where a manufacturer publishes a list price and discounts, in determining such "cost"  
 26.12 the manufacturer's published list price then currently in effect, less the published trade  
 26.13 discount but without deducting the customary cash discount, plus any excise or sales taxes  
 26.14 imposed on such commodity, goods, wares or merchandise subsequent to the purchase  
 26.15 thereof and prior to the resale thereof, plus the cost of doing business by the vendor shall  
 26.16 be prima facie evidence of "cost"; and

26.17 (3) for purposes of gasoline offered for sale by way of posted price or indicating meter  
 26.18 by a retailer, at a retail location where gasoline is dispensed into passenger automobiles and  
 26.19 trucks by the consumer, "cost" means either:

26.20 (i) the average terminal price on the day, at the terminal from which the most recent  
 26.21 supply of gasoline delivered to the retail location was acquired, plus all applicable state and  
 26.22 federal excise taxes and fees; or

26.23 (ii) the actual current delivered invoice or replacement cost of the gasoline, whichever  
 26.24 is lower, plus all applicable state and federal excise taxes and fees, ~~plus the lesser of six~~  
 26.25 ~~percent or eight cents.~~

26.26 Sec. 24. Minnesota Statutes 2022, section 325D.71, is amended to read:

26.27 **325D.71 UNLAWFUL GASOLINE SALES.**

26.28 Any offer for sale of gasoline by a retailer by way of posted price or indicating meter  
 26.29 that is below cost, as defined by section 325D.01, subdivision 5, clause (3), is a violation  
 26.30 of section 325D.04, except that the criminal penalties in section 325D.071 do not apply. In  
 26.31 addition to the penalties for violations and the remedies provided for injured parties set forth

27.1 elsewhere in this chapter, the commissioner of commerce may use the authority under  
 27.2 section 45.027 for the purpose of preventing violations of this section. A retailer who sells  
 27.3 gasoline at the same or higher legally posted price of a competitor in the same market area,  
 27.4 on the same day, is not in violation of this section.

27.5 A retailer who offers gasoline for sale at a price below cost as part of a promotion at an  
 27.6 individual location for no more than three days in any calendar quarter is not in violation  
 27.7 of this section.

27.8 A retailer who offers gasoline for sale at a price below cost through the use of coupons,  
 27.9 loyalty programs, membership-based pricing programs, or promotions or programs of similar  
 27.10 import is not in violation of this section.

27.11 Sec. 25. Minnesota Statutes 2022, section 325E.31, is amended to read:

27.12 **325E.31 REMEDIES.**

27.13 (a) A person who is found to have violated sections 325E.27 to 325E.30 is subject to  
 27.14 the penalties and remedies, including a private right of action to recover damages, as provided  
 27.15 in section 8.31.

27.16 (b) In addition to the penalties and remedies under paragraph (a), the attorney general  
 27.17 is entitled to sue for and recover on behalf of the state a civil penalty from a person found  
 27.18 to have violated sections 325E.27 to 325E.30. The court must determine the civil penalty  
 27.19 amount, which must not exceed \$50,000.

27.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

27.21 Sec. 26. Minnesota Statutes 2022, section 325E.66, is amended by adding a subdivision  
 27.22 to read:

27.23 Subd. 1a. **Prices and rates.** Upon the occurrence of a weather event classified as a severe  
 27.24 thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric  
 27.25 Administration, a residential building contractor operating within the geographic region  
 27.26 impacted by the weather event and repairing damage caused by the weather event shall not:

27.27 (1) charge an unconscionably excessive price for labor in comparison to the market price  
 27.28 charged for comparable services in the geographic region impacted by the weather event;  
 27.29 or

27.30 (2) charge an insurance company a rate that exceeds what the residential building  
 27.31 contractor otherwise charges members of the general public.

28.1 Sec. 27. Minnesota Statutes 2022, section 325E.66, subdivision 2, is amended to read:

28.2 Subd. 2. **Private remedy.** If a residential contractor violates subdivision 1 or 1a, the  
 28.3 insured or the applicable insurer may bring an action against the residential contractor in a  
 28.4 court of competent jurisdiction for damages sustained by the insured or insurer as a  
 28.5 consequence of the residential contractor's violation.

28.6 Sec. 28. Minnesota Statutes 2022, section 325E.66, subdivision 3, is amended to read:

28.7 Subd. 3. **Public enforcement.** The commissioner of labor and industry shall enforce  
 28.8 ~~this section~~ subdivision 1 under sections 326B.081 to 326B.085.

28.9 Sec. 29. **[325E.67] POST-LOSS ASSIGNMENT OF BENEFITS.**

28.10 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision  
 28.11 have the meanings given.

28.12 (b) "Residential contractor" means a residential roofer, as defined in section 326B.802,  
 28.13 subdivision 14; a residential building contractor, as defined in section 326B.802, subdivision  
 28.14 11; or a residential remodeler, as defined in section 326B.802, subdivision 12.

28.15 (c) "Residential real estate" means a new or existing building, including appurtenant  
 28.16 structures, constructed for habitation by at least one family but no more than four families.

28.17 Subd. 2. **Post-loss assignment.** A post-loss assignment of rights or benefits to a residential  
 28.18 contractor under a property and casualty insurance policy insuring residential real estate  
 28.19 must comply with the following:

28.20 (1) the assignment must only authorize a residential contractor to be named as a copayee  
 28.21 for the payment of benefits under a property and casualty insurance policy covering  
 28.22 residential real estate;

28.23 (2) the assignment must include all of the following:

28.24 (i) an itemized description of the work to be performed;

28.25 (ii) an itemized description of materials, labor, and fees for the work to be performed;

28.26 and

28.27 (iii) a total itemized amount to be paid for the work to be performed;

28.28 (3) the assignment must include a statement that the residential contractor has made no  
 28.29 assurances that the claimed loss is fully covered by an insurance contract and must include  
 28.30 the following notice in capitalized 14-point type:

29.1 "YOU ARE AGREEING TO ASSIGN CERTAIN RIGHTS YOU HAVE UNDER  
 29.2 YOUR INSURANCE POLICY. THE ITEMIZED DESCRIPTION OF THE WORK  
 29.3 PERFORMED, AS SET FORTH IN THIS ASSIGNMENT FORM, HAS NOT BEEN  
 29.4 AGREED TO BY THE INSURER. PLEASE READ AND UNDERSTAND THIS  
 29.5 DOCUMENT BEFORE SIGNING. THE INSURER MAY ONLY PAY FOR THE  
 29.6 REASONABLE COST TO REPAIR OR REPLACE DAMAGED PROPERTY CAUSED  
 29.7 BY A COVERED PERIL, SUBJECT TO THE TERMS OF THE POLICY.";

29.8 (4) the named insured has the right to cancel the assignment within ten business days  
 29.9 after receipt of the scope of work by the insurance company. The cancellation must be made  
 29.10 in writing or a comparable digital format. Within ten business days of the date of the written  
 29.11 cancellation, the residential contractor must tender to the named insured, the landowner, or  
 29.12 the possessor of the real estate any payments, partial payments, or deposits that have been  
 29.13 made by that person;

29.14 (5) the assignment must include the following notice in capitalized 14-point type, located  
 29.15 in the immediate proximity of the space reserved in the assignment for the signature of the  
 29.16 named insured:

29.17 "YOU MAY CANCEL THIS ASSIGNMENT WITHOUT PENALTY WITHIN TEN  
 29.18 (10) BUSINESS DAYS FROM THE LATER OF THE DATE THE ASSIGNMENT IS  
 29.19 EXECUTED OR THE DATE ON WHICH YOU RECEIVE A COPY OF THE EXECUTED  
 29.20 ASSIGNMENT. YOU MUST CANCEL THE ASSIGNMENT IN WRITING AND THE  
 29.21 CANCELLATION MUST BE DELIVERED TO [insert the name and address of residential  
 29.22 contractor as provided by the residential contractor]. IF MAILED, THE CANCELLATION  
 29.23 MUST BE POSTMARKED ON OR BEFORE THE TEN (10) BUSINESS DAY  
 29.24 DEADLINE. IF YOU CANCEL THIS ASSIGNMENT, THE RESIDENTIAL  
 29.25 CONTRACTOR HAS UP TO TEN (10) BUSINESS DAYS TO RETURN ANY  
 29.26 PAYMENTS OR DEPOSITS YOU HAVE MADE.";

29.27 (6) the assignment must not impair the interests of a mortgagee or other parties with any  
 29.28 legal interests listed on the declarations page of the property and casualty insurance policy  
 29.29 that is the subject of the assignment; and

29.30 (7) the assignment must not prevent or inhibit an insurer from communicating with the  
 29.31 named insured or mortgagee listed on the declarations page of the property and casualty  
 29.32 insurance policy that is the subject of the assignment.

29.33 Subd. 3. **Other requirements.** A residential contractor receiving the assignment described  
 29.34 in subdivision 2 must:

30.1 (1) deliver a copy of the assignment to the insurer of the residential real estate within  
30.2 five business days of the date the assignment is executed;

30.3 (2) cooperate with the insurer of the residential real estate in an investigation into the  
30.4 claim by providing documents and records requested by the insurer and complying with the  
30.5 post-loss duties under the insurance policy; and

30.6 (3) comply with section 325E.66.

30.7 Subd. 4. **Certain assignments void.** A post-loss assignment of benefits entered into  
30.8 with a residential contractor that violates any provision of the federal Insured Homeowner's  
30.9 Protection Act of 1998, Public Law 105-216, as amended, is void.

30.10 Sec. 30. **[325E.72] DIGITAL FAIR REPAIR.**

30.11 Subdivision 1. **Short title.** This act may be cited as the "Digital Fair Repair Act."

30.12 Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the  
30.13 meanings given.

30.14 (b) "Authorized repair provider" means an individual or business who is unaffiliated  
30.15 with an original equipment manufacturer and who has: (1) an arrangement with the original  
30.16 equipment manufacturer, for a definite or indefinite period, under which the original  
30.17 equipment manufacturer grants to the individual or business a license to use a trade name,  
30.18 service mark, or other proprietary identifier to offer diagnostic, maintenance, or repair  
30.19 services for digital electronic equipment under the name of the original equipment  
30.20 manufacturer; or (2) an arrangement with the original equipment manufacturer to offer  
30.21 diagnostic, maintenance, or repair services for digital electronic equipment on behalf of the  
30.22 original equipment manufacturer. An original equipment manufacturer that offers diagnostic,  
30.23 maintenance, or repair services for the original equipment manufacturer's digital electronic  
30.24 equipment is considered an authorized repair provider with respect to the digital electronic  
30.25 equipment if the original equipment manufacturer does not have an arrangement described  
30.26 in this paragraph with an unaffiliated individual or business.

30.27 (c) "Contractor" has the meaning given in section 326B.31, subdivision 14.

30.28 (d) "Cybersecurity" means the practice of protecting networks, devices, and data from  
30.29 unauthorized access or criminal use and the practice of ensuring confidentiality, integrity,  
30.30 and availability of information.

30.31 (e) "Digital electronic equipment" or "equipment" means any hardware product that  
30.32 depends, in whole or in part, on digital electronics embedded in or attached to the product

31.1 in order for the product to function, for which the original equipment manufacturer makes  
31.2 available tools, parts, or documentation to authorized repair providers.

31.3 (f) "Documentation" means a manual, diagram, reporting output, service code description,  
31.4 schematic diagram, or similar information made available by an original equipment  
31.5 manufacturer to an authorized repair provider to facilitate diagnostic, maintenance, or repair  
31.6 services for digital electronic equipment.

31.7 (g) "Embedded software" means any programmable instructions provided on firmware  
31.8 delivered with digital electronic equipment, or with a part for the equipment, in order to  
31.9 operate the equipment. Embedded software includes all relevant patches and fixes made by  
31.10 the manufacturer of the equipment or part in order to operate the equipment.

31.11 (h) "Fair and reasonable terms" means, with respect to:

31.12 (1) parts for digital electronic equipment offered by an original equipment manufacturer:

31.13 (i) costs that are fair to both parties; and

31.14 (ii) terms under which an original equipment manufacturer offers the part to an authorized  
31.15 repair provider and which:

31.16 (A) is not conditioned on or imposing a substantial obligation to use or restrict the use  
31.17 of the part to diagnose, maintain, or repair digital electronic equipment sold, leased, or  
31.18 otherwise supplied by the original equipment manufacturer, including a condition that the  
31.19 owner or independent repair provider become an authorized repair provider of the original  
31.20 equipment manufacturer; or

31.21 (B) a requirement that a part be registered, paired with, or approved by the original  
31.22 equipment manufacturer or an authorized repair provider before the part is operational or  
31.23 prohibit an original equipment manufacturer from imposing any additional cost or burden  
31.24 that is not reasonably necessary or is designed to be an impediment on the owner or  
31.25 independent repair provider;

31.26 (2) tools, software, and documentation for digital electronic equipment offered by an  
31.27 original equipment manufacturer:

31.28 (i) costs that are equivalent to the lowest actual cost for which the original equipment  
31.29 manufacturer offers the tool, software, or documentation to an authorized repair provider,  
31.30 including any discount, rebate, or other financial incentive offered to an authorized repair  
31.31 provider; and

32.1 (ii) terms that are equivalent to the most favorable terms under which an original  
 32.2 equipment manufacturer offers the tool, software, or documentation to an authorized repair  
 32.3 provider, including the methods and timeliness of delivery of the tool, software, or  
 32.4 documentation, do not impose on an owner or an independent repair provider:

32.5 (A) a substantial obligation to use or restrict the use of the tool, software, or  
 32.6 documentation to diagnose, maintain, or repair digital electronic equipment sold, leased, or  
 32.7 otherwise supplied by the original equipment manufacturer, including a condition that the  
 32.8 owner or independent repair provider become an authorized repair provider of the original  
 32.9 equipment manufacturer; or

32.10 (B) a requirement that a tool be registered, paired with, or approved by the original  
 32.11 equipment manufacturer or an authorized repair provider before the part or tool is operational;  
 32.12 and

32.13 (3) documentation offered by an original equipment manufacturer: that the documentation  
 32.14 is made available by the original equipment manufacturer at no charge, except that when  
 32.15 the documentation is requested in physical printed form, a charge may be included for the  
 32.16 reasonable actual costs of preparing and sending the copy.

32.17 (i) "Independent repair provider" means an individual or business operating in Minnesota  
 32.18 that: (1) does not have an arrangement described in paragraph (b) with an original equipment  
 32.19 manufacturer; (2) is not affiliated with any individual or business that has an arrangement  
 32.20 described in paragraph (b); and (3) is engaged in providing diagnostic, maintenance, or  
 32.21 repair services for digital electronic equipment. An original equipment manufacturer or,  
 32.22 with respect to the original equipment manufacturer, an individual or business that has an  
 32.23 arrangement with the original equipment manufacturer or is affiliated with an individual or  
 32.24 business that has an arrangement with that original equipment manufacturer, is considered  
 32.25 an independent repair provider for purposes of the instances the original equipment  
 32.26 manufacturer engages in diagnostic, maintenance, or repair services for digital electronic  
 32.27 equipment that is not manufactured by or sold under the name of the original equipment  
 32.28 manufacturer.

32.29 (j) "Manufacturer of motor vehicle equipment" means a business engaged in the business  
 32.30 of manufacturing or supplying components used to manufacture, maintain, or repair a motor  
 32.31 vehicle.

32.32 (k) "Motor vehicle" means a vehicle that is: (1) designed to transport persons or property  
 32.33 on a street or highway; and (2) certified by the manufacturer under (i) all applicable federal  
 32.34 safety and emissions standards, and (ii) all requirements for distribution and sale in the



33.1 United States. Motor vehicle does not include a recreational vehicle or an auto home equipped  
33.2 for habitation.

33.3 (l) "Motor vehicle dealer" means an individual or business that, in the ordinary course  
33.4 of business: (1) is engaged in the business of selling or leasing new motor vehicles to an  
33.5 individual or business pursuant to a franchise agreement; (2) has obtained a license under  
33.6 section 168.27; and (3) is engaged in providing diagnostic, maintenance, or repair services  
33.7 for motor vehicles or motor vehicle engines pursuant to a franchise agreement.

33.8 (m) "Motor vehicle manufacturer" means a business engaged in the business of  
33.9 manufacturing or assembling new motor vehicles.

33.10 (n) "Original equipment manufacturer" means any individual or business that, in the  
33.11 normal course of business, is engaged in the business of selling or leasing to any individual  
33.12 or business new digital electronic equipment manufactured by or on behalf of the original  
33.13 equipment manufacturer.

33.14 (o) "Owner" means an individual or business that owns or leases digital electronic  
33.15 equipment purchased or used in Minnesota.

33.16 (p) "Part" means any replacement part or assembly of parts, either new or used, made  
33.17 available by an original equipment manufacturer to authorized repair providers to facilitate  
33.18 the maintenance or repair of digital electronic equipment manufactured or sold by the original  
33.19 equipment manufacturer.

33.20 (q) "Tool" means any software program, hardware implement, or other apparatus used  
33.21 for diagnosis, maintenance, or repair of digital electronic equipment, including software or  
33.22 other mechanisms that provide, program, pair a part, calibrate functionality, or perform any  
33.23 other function required to repair the original equipment or part back to fully functional  
33.24 condition, including updates.

33.25 (r) "Trade secret" has the meaning given in section 325C.01, subdivision 5.

33.26 (s) "Video game console" means a computing device, such as a console machine, a  
33.27 handheld console device, or another device or system, and its components and peripherals,  
33.28 that is primarily used by consumers for playing video games but which is neither a general  
33.29 nor an all-purpose computer. A general or all-purpose computer includes but is not limited  
33.30 to a desktop computer, laptop, tablet, or cell phone.

33.31 Subd. 3. **Requirements.** (a) For digital electronic equipment and parts for the equipment  
33.32 sold or used in Minnesota, an original equipment manufacturer must make available to any  
33.33 independent repair provider or to the owner of digital electronic equipment manufactured

34.1 by or on behalf of, or sold by, the original equipment manufacturer, on fair and reasonable  
34.2 terms, documentation, parts, and tools, inclusive of any updates to information or embedded  
34.3 software, for diagnostic, maintenance, or repair purposes. Nothing in this section requires  
34.4 an original equipment manufacturer to make available a part, a tool, or documentation if it  
34.5 is no longer available to the original equipment manufacturer.

34.6 (b) Such parts, tools, and documentation shall be made available within 60 days after  
34.7 the first sale of the digital electronic equipment in Minnesota.

34.8 Subd. 4. **Enforcement by attorney general.** A violation of this section is an unlawful  
34.9 practice under section 325D.44. All remedies, penalties, and authority granted to the attorney  
34.10 general under section 8.31 are available to the attorney general to enforce this section.

34.11 Subd. 5. **Limitations.** (a) Nothing in this section requires an original equipment  
34.12 manufacturer to divulge a trade secret or license any intellectual property to an owner or  
34.13 an independent service provider, except as necessary to provide documentation, parts, and  
34.14 tools on fair and reasonable terms.

34.15 (b) Nothing in this section alters the terms of any arrangement described in subdivision  
34.16 2, paragraph (b), including but not limited to the performance or provision of warranty or  
34.17 recall repair work by an authorized repair provider on behalf of an original equipment  
34.18 manufacturer pursuant to the arrangement, in force between an authorized repair provider  
34.19 and an original equipment manufacturer. A provision in the terms of an arrangement  
34.20 described in subdivision 2, paragraph (b), that purports to waive, avoid, restrict, or limit the  
34.21 original equipment manufacturer's obligations to comply with this section is void and  
34.22 unenforceable.

34.23 (c) Nothing in this section requires an original equipment manufacturer or an authorized  
34.24 repair provider to provide to an owner or independent repair provider access to information,  
34.25 other than documentation, that is provided by the original equipment manufacturer to an  
34.26 authorized repair provider pursuant to the terms of an arrangement described in subdivision  
34.27 2, paragraph (b).

34.28 (d) Nothing in this section requires an original equipment manufacturer or authorized  
34.29 repair provider to make available any parts, tools, or documentation for the purpose of  
34.30 making modifications to any digital electronic equipment.

34.31 (e) Nothing in this section shall be construed to require the original equipment  
34.32 manufacturer to sell service parts if the service parts are no longer provided by the original  
34.33 equipment manufacturer or made available to authorized repair providers of the original  
34.34 equipment manufacturer.

35.1 (f) Nothing in this section shall require an original manufacturer to make available special  
35.2 documentation, tools, and parts that would disable or override antitheft security measures  
35.3 set by the owner of the equipment without the owner's authorization.

35.4 (g) Nothing in this section shall apply if the original equipment manufacturer provides  
35.5 equivalent or better, readily available replacement equipment at no charge to the customer.

35.6 (h) Nothing in this section requires the original manufacturer to provide access to parts,  
35.7 tools, or documentation for work that is required to be done or supervised by an individual  
35.8 or contractor licensed under chapter 326B or with any individual or contractor who does  
35.9 not possess the relevant license required for that work.

35.10 Subd. 6. Exclusions. (a) Nothing in this section applies to: (1) a motor vehicle  
35.11 manufacturer, manufacturer of motor vehicle equipment, or motor vehicle dealer acting in  
35.12 that capacity; or (2) any product or service of a motor vehicle manufacturer, manufacturer  
35.13 of motor vehicle equipment, or motor vehicle dealer acting in that capacity.

35.14 (b) Nothing in this section applies to manufacturers or distributors of a medical device  
35.15 as defined in the Federal Food, Drug, and Cosmetic Act, United States Code, title 21, section  
35.16 301 et seq., or a digital electronic product or software manufactured for use in a medical  
35.17 setting including diagnostic, monitoring, or control equipment or any product or service  
35.18 that the manufacturer or distributor of a medical device offers.

35.19 (c) Nothing in this section applies to manufacturers, distributors, importers, or dealers  
35.20 of any off-road or nonroad equipment, including without limitation farm and utility tractors;  
35.21 farm implements; farm machinery; forestry equipment; industrial equipment; utility  
35.22 equipment; construction equipment; compact construction equipment; road-building  
35.23 equipment; electronic vehicle charging infrastructure equipment; mining equipment; turf,  
35.24 yard, and garden equipment; outdoor power equipment; portable generators; marine,  
35.25 all-terrain sports, and recreational vehicles, including without limitation racing vehicles;  
35.26 stand-alone or integrated stationary or mobile internal combustion engines; generator sets  
35.27 and fuel cell power; power tools; and any tools, technology, attachments, accessories,  
35.28 components, and repair parts for any of the foregoing.

35.29 (d) Nothing in this section shall be construed to require any original equipment  
35.30 manufacturer or authorized repair provider to make available any parts, tools, or  
35.31 documentation required for the diagnosis, maintenance, or repair of a video game console  
35.32 and its components and peripherals.

35.33 (e) Nothing in this section applies to an energy storage system, as defined in section  
35.34 216B.2422, subdivision 1, paragraph (f).

36.1 (f) Nothing in this section requires an original equipment manufacturer to make available  
 36.2 parts, documentation, or tools related to cybersecurity.

36.3 Subd. 7. **Liability, defenses, and warranties.** No original equipment manufacturer or  
 36.4 authorized repair provider shall be liable for any damage or injury caused to any digital  
 36.5 electronic equipment, person, or property that occurs as a result of repair, diagnosis,  
 36.6 maintenance, or modification performed by an independent repair provider or owner,  
 36.7 including but not limited to any indirect, incidental, special, or consequential damages; any  
 36.8 loss of data, privacy, or profits; or an inability to use, or reduced functionality of, the digital  
 36.9 electronic equipment.

36.10 Subd. 8. **Applicability.** This section applies to equipment sold on or after July 1, 2017.

36.11 **EFFECTIVE DATE.** This section is effective July 1, 2024.

36.12 Sec. 31. **[325E.80] ABNORMAL MARKET DISRUPTIONS; UNCONSCIONABLY**  
 36.13 **EXCESSIVE PRICES.**

36.14 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms in this subdivision  
 36.15 have the meanings given.

36.16 (b) "Essential consumer good or service" means a good or service that is vital for the  
 36.17 health, safety, or welfare of the public, including without limitation: food; water; fuel;  
 36.18 gasoline; shelter; transportation; health care services; pharmaceuticals; and medical, personal  
 36.19 hygiene, sanitation, and cleaning supplies.

36.20 (c) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of  
 36.21 goods and services.

36.22 (d) "Unconscionably excessive price" means a price that represents a gross disparity  
 36.23 compared to the seller's average price of an essential good or service, offered for sale or  
 36.24 sold in the usual course of business, in the 60-day period before an abnormal market  
 36.25 disruption is declared under subdivision 2. None of the following is an unconscionably  
 36.26 excessive price:

36.27 (1) a price that is substantially related to an increase in the cost of manufacturing,  
 36.28 obtaining, replacing, providing, or selling a good or service;

36.29 (2) a price that is no more than 25 percent above the seller's average price during the  
 36.30 60-day period before an abnormal market disruption is declared under subdivision 2;

36.31 (3) a price that is consistent with the fluctuations in applicable commodity markets or  
 36.32 seasonal fluctuations; or

37.1 (4) a contract price, or the results of a price formula, that was established before an  
37.2 abnormal market disruption is declared under subdivision 2.

37.3 Subd. 2. **Abnormal market disruption.** (a) The governor may by executive order declare  
37.4 an abnormal market disruption if there is a substantial and atypical change in the market  
37.5 for an essential consumer good or service caused by an event that results in a declaration  
37.6 of a state of emergency by the governor.

37.7 (b) The governor's abnormal market disruption declaration must state that the declaration  
37.8 is activating this section and must specify the geographic area of Minnesota to which the  
37.9 declaration applies.

37.10 (c) A declaration under this subdivision terminates 30 days after the date that the state  
37.11 of emergency for which it was activated ends.

37.12 Subd. 3. **Notice.** Upon the implementation, renewal, limitation, or termination of an  
37.13 abnormal market disruption declaration made under subdivision 2: (1) the governor must  
37.14 immediately post notice on applicable government websites and provide notice to the media;  
37.15 and (2) the commissioner of commerce must provide notice directly to sellers by any practical  
37.16 means.

37.17 Subd. 4. **Prohibition.** If the governor declares an abnormal market disruption, a person  
37.18 is prohibited from selling or offering to sell an essential consumer good or service for an  
37.19 amount that represents an unconscionably excessive price during the period in which the  
37.20 abnormal market disruption declaration is effective.

37.21 Subd. 5. **Civil penalty.** A person who is found to have violated this section is subject  
37.22 to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum penalty  
37.23 of \$25,000 per day, in addition to any damages that may be owed under subdivision 7.

37.24 Subd. 6. **Enforcement authority.** The attorney general may investigate and bring an  
37.25 action against a seller for an alleged violation of this section. If the attorney general  
37.26 investigates a violation of this section, the attorney general must: (1) promptly notify the  
37.27 seller that they are the subject of an investigation; and (2) notify the seller when the  
37.28 investigation closes. A notice issued by the attorney general notifying the seller that an  
37.29 investigation has closed is not a determination on the merits of an investigation.

37.30 Subd. 7. **Damages.** Any person, any governmental body, or the state of Minnesota or  
37.31 any of its subdivisions or agencies, injured directly or indirectly by a violation of this section  
37.32 may bring a civil action and may recover up to three times the actual damages sustained.  
37.33 In any subsequent action arising from the same conduct, the court may take any steps

38.1 necessary to avoid duplicative recovery against a defendant. In any action brought by the  
38.2 attorney general pursuant to this section, the court may award any of the remedies allowable  
38.3 under this subdivision or otherwise permitted by law.

38.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

38.5 Sec. 32. Minnesota Statutes 2022, section 325F.662, subdivision 2, is amended to read:

38.6 Subd. 2. **Written warranty required.** (a) Every used motor vehicle sold by a dealer is  
38.7 covered by an express warranty which the dealer shall provide to the consumer in writing.  
38.8 At a minimum, the express warranty applies for the following terms:

38.9 (1) if the used motor vehicle has less than 36,000 miles, the warranty must remain in  
38.10 effect for at least 60 days or 2,500 miles, whichever comes first;

38.11 (2) if the used motor vehicle has 36,000 miles or more, but less than 75,000 miles, the  
38.12 warranty must remain in effect for at least 30 days or 1,000 miles, whichever comes first;  
38.13 and

38.14 (3) unless the vehicle is sold by a new motor vehicle dealer, as defined in section 168.27,  
38.15 subdivision 2, if the used motor vehicle has 75,000 miles or more, but less than 200,000  
38.16 miles, the warranty must remain in effect for at least 15 days or 500 miles, whichever comes  
38.17 first.

38.18 (b) The express warranty must require the dealer, in the event of a malfunction, defect,  
38.19 or failure in a covered part, to repair or replace the covered part, or at the dealer's election,  
38.20 to accept return of the used motor vehicle from the consumer and provide a refund to the  
38.21 consumer.

38.22 (c) For used motor vehicles with less than 36,000 miles, the dealer's express warranty  
38.23 shall cover, at minimum, the following parts:

38.24 (1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder  
38.25 head, rotary engine housings, and ring gear;

38.26 (2) with respect to the transmission, the automatic transmission case, internal parts, and  
38.27 the torque converter; or, the manual transmission case, and the internal parts;

38.28 (3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive  
38.29 shafts and output shafts, and universal joints; but excluding the secondary drive axle on  
38.30 vehicles, other than passenger vans, mounted on a truck chassis;

38.31 (4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders,  
38.32 hydraulic lines and fittings, and disc brakes calipers;

39.1 (5) with respect to the steering, the steering gear housing and all internal parts, power  
39.2 steering pump, valve body, piston, and rack;

39.3 (6) the water pump;

39.4 (7) the externally mounted mechanical fuel pump;

39.5 (8) the radiator;

39.6 (9) the alternator, generator, and starter.

39.7 (d) For used motor vehicles with 36,000 miles or more, but less than ~~75,000~~ 200,000  
39.8 miles, the dealer's express warranty shall cover, at minimum, the following parts:

39.9 (1) with respect to the engine, all lubricated parts, intake manifolds, engine block, cylinder  
39.10 head, rotary engine housings, and ring gear;

39.11 (2) with respect to the transmission, the automatic transmission case, internal parts, and  
39.12 the torque converter; or, the manual transmission case, and internal parts;

39.13 (3) with respect to the drive axle, the axle housings and internal parts, axle shafts, drive  
39.14 shafts and output shafts, and universal joints; but excluding the secondary drive axle on  
39.15 vehicles, other than passenger vans, mounted on a truck chassis;

39.16 (4) with respect to the brakes, the master cylinder, vacuum assist booster, wheel cylinders,  
39.17 hydraulic lines and fittings, and disc brake calipers;

39.18 (5) with respect to the steering, the steering gear housing and all internal parts, power  
39.19 steering pump, valve body, and piston;

39.20 (6) the water pump;

39.21 (7) the externally mounted mechanical fuel pump.

39.22 (e)(1) A dealer's obligations under the express warranty remain in effect notwithstanding  
39.23 the fact that the warranty period has expired, if the consumer promptly notified the dealer  
39.24 of the malfunction, defect, or failure in the covered part within the specified warranty period  
39.25 and, within a reasonable time after notification, brings the vehicle or arranges with the dealer  
39.26 to have the vehicle brought to the dealer for inspection and repair.

39.27 (2) If a dealer does not have a repair facility, the dealer shall designate where the vehicle  
39.28 must be taken for inspection and repair.

39.29 (3) In the event the malfunction, defect, or failure in the covered part occurs at a location  
39.30 which makes it impossible or unreasonable to return the vehicle to the selling dealer, the

40.1 consumer may have the repairs completed elsewhere with the consent of the selling dealer,  
40.2 which consent may not be unreasonably withheld.

40.3 (4) Notwithstanding the provisions of this paragraph, a consumer may have nonwarranty  
40.4 maintenance and nonwarranty repairs performed other than by the selling dealer and without  
40.5 the selling dealer's consent.

40.6 (f) Nothing in this section diminishes the obligations of a manufacturer under an express  
40.7 warranty issued by the manufacturer. The express warranties created by this section do not  
40.8 require a dealer to repair or replace a covered part if the repair or replacement is covered  
40.9 by a manufacturer's new car warranty, or the manufacturer otherwise agrees to repair or  
40.10 replace the part.

40.11 (g) The express warranties created by this section do not cover defects or repair problems  
40.12 which result from collision, abuse, negligence, or lack of adequate maintenance following  
40.13 sale to the consumer.

40.14 (h) The terms of the express warranty, including the duration of the warranty and the  
40.15 parts covered, must be fully, accurately, and conspicuously disclosed by the dealer on the  
40.16 front of the Buyers Guide.

40.17 Sec. 33. Minnesota Statutes 2022, section 325F.662, subdivision 3, is amended to read:

40.18 Subd. 3. **Exclusions.** Notwithstanding the provisions of subdivision 2, a dealer is not  
40.19 required to provide an express warranty for a used motor vehicle:

40.20 (1) except for a used motor vehicle described in subdivision 2, paragraph (a), clause (3),  
40.21 sold for a total cash sale price of less than \$3,000, including the trade-in value of any vehicle  
40.22 traded in by the consumer, but excluding tax, license fees, registration fees, and finance  
40.23 charges;

40.24 (2) with an engine designed to use diesel fuel;

40.25 (3) with a gross weight, as defined in section 168.002, subdivision 13, in excess of 9,000  
40.26 pounds;

40.27 (4) that has been custom-built or modified for show or for racing;

40.28 (5) except for a used motor vehicle described in subdivision 2, paragraph (a), clause (3),  
40.29 that is eight years of age or older, as calculated from the first day in January of the designated  
40.30 model year of the vehicle;

40.31 (6) that has been produced by a manufacturer which has never manufactured more than  
40.32 10,000 motor vehicles in any one year;



41.1 (7) that has ~~75,000~~ 200,000 miles or more at time of sale;

41.2 (8) that has not been manufactured in compliance with applicable federal emission  
41.3 standards in force at the time of manufacture as provided by the Clean Air Act, United  
41.4 States Code, title 42, sections 7401 through 7642, and regulations adopted pursuant thereto,  
41.5 and safety standards as provided by the National Traffic and Motor Safety Act, United  
41.6 States Code, title 15, sections 1381 through 1431, and regulations adopted pursuant thereto;  
41.7 or

41.8 (9) that has been issued a certificate of title that bears a "salvage" brand or stamp under  
41.9 section 168A.151.

41.10 Sec. 34. [325F.995] GENETIC INFORMATION PRIVACY ACT.

41.11 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have  
41.12 the meanings given them.

41.13 (b) "Biological sample" means any material part of a human, discharge from a material  
41.14 part of a human, or derivative from a material part of a human, including but not limited to  
41.15 tissue, blood, urine, or saliva, that is known to contain deoxyribonucleic acid (DNA).

41.16 (c) "Consumer" means an individual who is a Minnesota resident.

41.17 (d) "Deidentified data" means data that cannot reasonably be used to infer information  
41.18 about, or otherwise be linked to, an identifiable consumer and that is subject to:

41.19 (1) administrative and technical measures to ensure the data cannot be associated with  
41.20 a particular consumer;

41.21 (2) public commitment by the company to (i) maintain and use data in deidentified form,  
41.22 and (ii) not attempt to reidentify the data; and

41.23 (3) legally enforceable contractual obligations that prohibit any recipients of the data  
41.24 from attempting to reidentify the data.

41.25 (e) "Direct-to-consumer genetic testing company" or "company" means an entity that:  
41.26 (1) offers consumer genetic testing products or services directly to consumers; or (2) collects,  
41.27 uses, or analyzes genetic data that was (i) collected via a direct-to-consumer genetic testing  
41.28 product or service, and (ii) provided to the company by a consumer. Direct-to-consumer  
41.29 genetic testing company does not include an entity that collects, uses, or analyzes genetic  
41.30 data or biological samples only in the context of research, as defined in Code of Federal  
41.31 Regulations, title 45, section 164.501, that is conducted in a manner that complies with the  
41.32 federal policy for the protection of human research subjects under Code of Federal

42.1 Regulations, title 45, part 46; the Good Clinical Practice Guideline issued by the International  
42.2 Council for Harmonisation; or the United States Food and Drug Administration Policy for  
42.3 the Protection of Human Subjects under Code of Federal Regulations, title 21, parts 50 and  
42.4 56.

42.5 (f) "Express consent" means a consumer's affirmative written response to a clear,  
42.6 meaningful, and prominent written notice regarding the collection, use, or disclosure of  
42.7 genetic data for a specific purpose.

42.8 (g) "Genetic data" means any data, regardless of the data's format, that concerns a  
42.9 consumer's genetic characteristics. Genetic data includes but is not limited to:

42.10 (1) raw sequence data that results from sequencing a consumer's complete extracted  
42.11 DNA or a portion of the extracted DNA;

42.12 (2) genotypic and phenotypic information that results from analyzing the raw sequence  
42.13 data; and

42.14 (3) self-reported health information that a consumer submits to a company regarding  
42.15 the consumer's health conditions and that is (i) used for scientific research or product  
42.16 development, and (ii) analyzed in connection with the consumer's raw sequence data.

42.17 Genetic data does not include deidentified data.

42.18 (h) "Genetic testing" means any laboratory test of a consumer's complete DNA, regions  
42.19 of a consumer's DNA, chromosomes, genes, or gene products to determine the presence of  
42.20 genetic characteristics.

42.21 (i) "Person" means an individual, partnership, corporation, association, business, business  
42.22 trust sole proprietorship, other entity, or representative of an organization.

42.23 (j) "Service provider" means a person that is involved in the collection, transportation,  
42.24 analysis of, or any other service in connection with, a consumer's biological sample, extracted  
42.25 genetic material, or genetic data on behalf of the direct-to-consumer genetic testing company,  
42.26 or on behalf of any other person that collects, uses, maintains, or discloses biological samples,  
42.27 extracted genetic material, or genetic data collected or derived from a direct-to-consumer  
42.28 genetic testing product or service, or is directly provided by a consumer, or the delivery of  
42.29 the results of the analysis of the biological sample, extracted genetic material, or genetic  
42.30 data.

42.31 Subd. 2. **Disclosure and consent requirements.** (a) To safeguard the privacy,  
42.32 confidentiality, security, and integrity of a consumer's genetic data, a direct-to-consumer  
42.33 genetic testing company must:

43.1 (1) provide clear and complete information regarding the company's policies and  
43.2 procedures governing the collection, use, maintenance, and disclosure of genetic data by  
43.3 making available to a consumer:

43.4 (i) a high-level privacy policy overview that includes basic, essential information about  
43.5 the company's collection, use, or disclosure of genetic data; and

43.6 (ii) a prominent, publicly available privacy notice that includes at a minimum information  
43.7 about the company's data collection, consent, use, access, disclosure, maintenance, transfer,  
43.8 security, retention, and deletion practices;

43.9 (2) obtain a consumer's express consent to collect, use, and disclose the consumer's  
43.10 genetic data, including at a minimum:

43.11 (i) initial express consent that clearly (A) describes the uses of the genetic data collected  
43.12 through the genetic testing product service, and (B) specifies who has access to the test  
43.13 results and how the genetic data may be shared;

43.14 (ii) separate express consent to (A) transfer or disclose the consumer's genetic data to  
43.15 any person other than the company's vendors and service providers, or (B) use genetic data  
43.16 beyond the primary purpose of the genetic testing product or service and inherent contextual  
43.17 uses;

43.18 (iii) separate express consent to retain any biological sample provided by the consumer  
43.19 following completion of the initial testing service requested by the consumer;

43.20 (iv) informed consent in compliance with federal policy for the protection of human  
43.21 research subjects under Code of Federal Regulations, title 45, part 46, to transfer or disclose  
43.22 the consumer's genetic data to a third-party person for research purposes or research  
43.23 conducted under the control of the company for publication or generalizable knowledge  
43.24 purposes; and

43.25 (v) express consent for marketing by (A) the direct-to-consumer genetic testing company  
43.26 to a consumer based on the consumer's genetic data, or (B) a third party to a consumer based  
43.27 on the consumer having ordered or purchased a genetic testing product or service. For  
43.28 purposes of this clause, "marketing" does not include customized content or offers provided  
43.29 on the websites or through the applications or services provided by the direct-to-consumer  
43.30 genetic testing company with the first-party relationship to the customer;

43.31 (3) not disclose genetic data to law enforcement or any other governmental agency  
43.32 without a consumer's express written consent unless the disclosure is made pursuant to a  
43.33 valid search warrant or court order;

44.1 (4) develop, implement, and maintain a comprehensive security program to protect a  
44.2 consumer's genetic data against unauthorized access, use, or disclosure; and

44.3 (5) provide a process for a consumer to:

44.4 (i) access the consumer's genetic data;

44.5 (ii) delete the consumer's account and genetic data; and

44.6 (iii) request and obtain the destruction of the consumer's biological sample.

44.7 (b) Notwithstanding any other provisions in this section, a direct-to-consumer genetic  
44.8 testing company is prohibited from disclosing a consumer's genetic data without the  
44.9 consumer's express consent to: (1) any entity offering health insurance, life insurance, or  
44.10 long-term care insurance; or (2) any employer of the consumer. Any consent under this  
44.11 paragraph must clearly identify the recipient of the consumer's genetic data proposed to be  
44.12 disclosed.

44.13 (c) A company that is subject to the requirements described in paragraph (a), clause (2),  
44.14 shall provide effective mechanisms, without any unnecessary steps, for a consumer to revoke  
44.15 any consent of the consumer or all of the consumer's consents after a consent is given,  
44.16 including at least one mechanism which utilizes the primary medium through which the  
44.17 company communicates to the consumer. If a consumer revokes a consent provided pursuant  
44.18 to paragraph (a), clause (2), the company shall honor the consumer's consent revocation as  
44.19 soon as practicable, but not later than 30 days after the consumer revokes consent. The  
44.20 company shall destroy a consumer's biological sample within 30 days of receipt of revocation  
44.21 of consent to store the sample.

44.22 (d) A direct-to-consumer genetic testing company must provide a clear and complete  
44.23 notice to a consumer that the consumer's deidentified data may be shared with or disclosed  
44.24 to third parties for research purposes in accordance with Code of Federal Regulations, title  
44.25 45, part 46.

44.26 **Subd. 3. Service provider agreements.** (a) A contract between the company and a  
44.27 service provider must prohibit the service provider from retaining, using, or disclosing any  
44.28 biological sample, extracted genetic material, genetic data, or any information regarding  
44.29 the identity of the consumer, including whether that consumer has solicited or received  
44.30 genetic testing, as applicable, for any purpose other than for the specific purpose of  
44.31 performing the services specified in the service contract. The mandatory prohibition set  
44.32 forth in this subdivision requires a service contract to include, at minimum, the following  
44.33 provisions:

45.1 (1) a provision prohibiting the service provider from retaining, using, or disclosing the  
 45.2 biological sample, extracted genetic material, genetic data, or any information regarding  
 45.3 the identity of the consumer, including whether that consumer has solicited or received  
 45.4 genetic testing, as applicable, for any purpose other than providing the services specified  
 45.5 in the service contract; and

45.6 (2) a provision prohibiting the service provider from associating or combining the  
 45.7 biological sample, extracted genetic material, genetic data, or any information regarding  
 45.8 the identity of the consumer, including whether that consumer has solicited or received  
 45.9 genetic testing, as applicable, with information the service provider has received from or  
 45.10 on behalf of another person or persons, or has collected from its own interaction with  
 45.11 consumers or as required by law.

45.12 (b) A service provider subject to this subdivision is subject to the same confidentiality  
 45.13 obligations as a direct-to-consumer genetic testing company with respect to all biological  
 45.14 samples, extracted genetic materials, and genetic material, or any information regarding the  
 45.15 identity of any consumer in the service provider's possession.

45.16 Subd. 4. **Enforcement.** The commissioner of commerce may enforce this section under  
 45.17 section 45.027.

45.18 Subd. 5. **Limitations.** This section does not apply to:

45.19 (1) protected health information that is collected by a covered entity or business associate,  
 45.20 as those terms are defined in Code of Federal Regulations, title 45, parts 160 and 164;

45.21 (2) a public or private institution of higher education; or

45.22 (3) an entity owned or operated by a public or private institution of higher education.

45.23 Subd. 6. **Construction.** This section does not supersede the requirements and rights  
 45.24 described in section 13.386 or the remedies available under chapter 13 for violations of  
 45.25 section 13.386.

45.26 Sec. 35. Minnesota Statutes 2022, section 325G.051, subdivision 1, is amended to read:

45.27 Subdivision 1. **Limitation; prohibition.** (a) A seller or lessor of goods or services doing  
 45.28 business in Minnesota may impose a surcharge on transactions in Minnesota with a purchaser  
 45.29 customer who elects to use a credit or charge card in lieu of payment by cash, check, or  
 45.30 similar means, provided:

46.1 (1) if the sale or lease of goods or services is processed in person, the seller or lessor  
 46.2 informs the purchaser customer of the surcharge both orally at the time of sale and by a sign  
 46.3 conspicuously posted on the seller's or lessor's premises;

46.4 (2) if the sale or lease of goods or services is processed through a website or mobile  
 46.5 device, the seller or lessor informs the customer of the surcharge by conspicuously posting  
 46.6 a surcharge notice during the sale, at the point of sale, on the customer order summary, or  
 46.7 on the checkout page of the website;

46.8 (3) if the sale or lease of services is processed over the phone, the seller or lessor informs  
 46.9 the customer of the surcharge orally; and (2)

46.10 (4) the surcharge does not exceed five percent of the purchase price.

46.11 (b) A seller or lessor of goods or services that establishes and is responsible for ~~its~~ the  
 46.12 seller or lessor's own customer credit or charge card may not impose a surcharge on a  
 46.13 purchaser customer who elects to use that credit or charge card in lieu of payment by cash,  
 46.14 check, or similar means.

46.15 (c) For purposes of this section "surcharge" means a fee or charge imposed by a seller  
 46.16 or lessor upon a buyer customer that increases the price of goods or services to the buyer  
 46.17 customer because the buyer customer uses a credit or charge card to purchase or lease the  
 46.18 goods or services. The term does not include a discount offered by a seller or lessor to a  
 46.19 buyer customer who makes payment for goods or services by cash, check, or similar means  
 46.20 not involving a credit or charge card if the discount is offered to all prospective buyers  
 46.21 customers and its availability is clearly and conspicuously disclosed to all prospective buyers  
 46.22 customers.

46.23 (d) This subdivision applies to an agent of a seller or lessor.

46.24 Sec. 36. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision  
 46.25 to read:

46.26 Subd. 3a. **Commodity rate.** "Commodity rate" means the per unit price for utility service  
 46.27 that varies directly with the volume of a resident's consumption of utility service and that  
 46.28 is established or approved by the Minnesota Public Utilities Commission or a municipal  
 46.29 public utilities commission, an electric cooperative association, or a municipality and charged  
 46.30 to a user of the service.

46.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.1 Sec. 37. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision  
47.2 to read:

47.3 Subd. 11a. **Public utility.** "Public utility" has the meaning given in section 216B.02,  
47.4 subdivision 4.

47.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.6 Sec. 38. Minnesota Statutes 2022, section 327C.015, subdivision 17, is amended to read:

47.7 Subd. 17. **Substantial modification.** "Substantial modification" means any change in  
47.8 a rule which: (a) significantly diminishes or eliminates any material obligation of the park  
47.9 owner; (b) significantly diminishes or eliminates any material right, privilege or freedom  
47.10 of action of a resident; or (c) involves a significant new expense for a resident. The  
47.11 installation of water and sewer meters and the subsequent metering of and billing for water  
47.12 and sewer service is not a substantial modification of the lease, provided the park owner  
47.13 complies with section 327C.04, subdivision 6.

47.14 **EFFECTIVE DATE.** This section is effective for meter installations initiated on or  
47.15 after August 1, 2023.

47.16 Sec. 39. Minnesota Statutes 2022, section 327C.015, is amended by adding a subdivision  
47.17 to read:

47.18 Subd. 17a. **Utility provider.** "Utility provider" means a public utility, an electric  
47.19 cooperative association, or a municipal utility.

47.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.21 Sec. 40. Minnesota Statutes 2022, section 327C.04, subdivision 1, is amended to read:

47.22 Subdivision 1. **Billing permitted.** A park owner who either provides utility service  
47.23 directly to residents or who redistributes to residents utility service provided to the park  
47.24 owner by a utility provider may charge the residents for that service, only if the charges  
47.25 comply with this section.

47.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

47.27 Sec. 41. Minnesota Statutes 2022, section 327C.04, subdivision 2, is amended to read:

47.28 Subd. 2. **Metering required.** A park owner who charges residents for a utility service  
47.29 must charge each household the same amount, unless the park owner has installed measuring  
47.30 devices which accurately meter each household's use of the utility. Utility measuring devices

48.1 installed by the park owner must be installed or repaired only by a licensed plumber, licensed  
 48.2 electrician, or licensed manufactured home installer.

48.3 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to meters  
 48.4 installed or repaired on or after that date.

48.5 Sec. 42. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision  
 48.6 to read:

48.7 Subd. 5. **Utility charge for metered service.** (a) A park owner who redistributes utility  
 48.8 service may not charge a resident a commodity rate that exceeds the commodity rate at  
 48.9 which the park owner purchases utility service from a utility provider. Before billing residents  
 48.10 for redistributed utility service, a park owner must deduct utility service used exclusively  
 48.11 or primarily for the park owner's purposes.

48.12 (b) If a utility bill that a park owner receives from a utility provider separates from  
 48.13 variable consumption charges a fixed service or meter charge or fee, taxes, surcharges, or  
 48.14 other miscellaneous charges, the park owner must deduct the park owner's pro rata share  
 48.15 of these separately itemized charges and apportion the remaining fixed portion of the bill  
 48.16 equally among residents based on the total number of occupied units in the park.

48.17 (c) A park owner may not charge to or collect from residents any administrative, capital,  
 48.18 or other expenses associated with the distribution of utility services, including but not limited  
 48.19 to disconnection, reconnection, and late payment fees.

48.20 **EFFECTIVE DATE.** This section is effective July 1, 2023.

48.21 Sec. 43. Minnesota Statutes 2022, section 327C.04, is amended by adding a subdivision  
 48.22 to read:

48.23 Subd. 6. **Rent increases following the installation of water meters.** A park owner may  
 48.24 not increase lot rents for 13 months following the commencement of utility bills for a resident  
 48.25 whose lease included water service. In each of the three months prior to commencement of  
 48.26 utility billing, a park owner must provide the resident with a sample bill for water service.

48.27 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to meter  
 48.28 installations initiated on or after that date.

48.29 Sec. 44. **[332.71] DEFINITIONS.**

48.30 Subdivision 1. **Scope.** For the purposes of sections 332.71 to 332.75, the definitions in  
 48.31 this section have the meanings given them.



49.1 Subd. 2. **Coerced debt.** (a) "Coerced debt" means all or a portion of debt in a debtor's  
49.2 name that has been incurred as a result of:

49.3 (1) the use of the debtor's personal information without the debtor's knowledge,  
49.4 authorization, or consent;

49.5 (2) the use or threat of force, intimidation, undue influence, harassment, fraud, deception,  
49.6 coercion, or other similar means against the debtor; or

49.7 (3) economic abuse perpetrated against the debtor.

49.8 (b) Coerced debt does not include secured debt.

49.9 Subd. 3. **Creditor.** "Creditor" means a person, or the person's successor, assignee, or  
49.10 agent, claiming to own or have the right to collect a debt owed by the debtor.

49.11 Subd. 4. **Debtor.** "Debtor" means a person who (1) is a victim of domestic abuse,  
49.12 harassment, or sex or labor trafficking, and (2) owes coerced debt.

49.13 Subd. 5. **Documentation.** "Documentation" means a writing that identifies a debt or a  
49.14 portion of a debt as coerced debt, describes the circumstances under which the coerced debt  
49.15 was incurred, and takes the form of:

49.16 (1) a police report;

49.17 (2) a Federal Trade Commission identity theft report;

49.18 (3) an order in a dissolution proceeding under chapter 518 that declares that one or more  
49.19 debts are coerced; or

49.20 (4) a sworn written certification.

49.21 Subd. 6. **Domestic abuse.** "Domestic abuse" has the meaning given in section 518B.01,  
49.22 subdivision 2.

49.23 Subd. 7. **Economic abuse.** "Economic abuse" means behavior in the context of a domestic  
49.24 relationship that controls, restrains, restricts, impairs, or interferes with the ability of a victim  
49.25 of domestic abuse, harassment, or sex or labor trafficking to acquire, use, or maintain  
49.26 economic resources, including but not limited to:

49.27 (1) withholding or restricting access to, or the acquisition of, money, assets, credit, or  
49.28 financial information;

49.29 (2) interfering with the victim's ability to work and earn wages; or

49.30 (3) exerting undue influence over a person's financial and economic behavior or decisions.

50.1 Subd. 8. **Harassment.** "Harassment" has the meaning given in section 609.748.

50.2 Subd. 9. **Labor trafficking.** "Labor trafficking" has the meaning given in section 609.281,  
50.3 subdivision 5.

50.4 Subd. 10. **Qualified third-party professional.** "Qualified third-party professional"  
50.5 means:

50.6 (1) a domestic abuse advocate, as defined under section 595.02, subdivision 1, paragraph  
50.7 (l);

50.8 (2) a sexual assault counselor, as defined under section 595.02, subdivision 1, paragraph  
50.9 (k);

50.10 (3) a licensed health care provider, mental health care provider, social worker, or marriage  
50.11 and family therapist; or

50.12 (4) a nonprofit organization in Minnesota that provides direct assistance to victims of  
50.13 domestic abuse, sexual assault, or sex or labor trafficking.

50.14 Subd. 11. **Sex trafficking.** "Sex trafficking" has the meaning given in section 609.321,  
50.15 subdivision 7a.

50.16 Subd. 12. **Sworn written certification.** "Sworn written certification" means a statement  
50.17 by a qualified third-party professional in the following form:

50.18 CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

50.19 I, ..... (name of qualified third-party professional), do hereby certify under  
50.20 penalty of perjury as follows:

50.21 1. I am a licensed health care provider, mental health care provider, social worker,  
50.22 marriage and family therapist, domestic abuse advocate, as that term is defined in Minnesota  
50.23 Statutes, section 595.02, subdivision 1, paragraph (l), or sexual assault counselor, as that  
50.24 term is defined in Minnesota Statutes, section 595.02, subdivision 1, paragraph (k), or a  
50.25 staff member of a nonprofit organization that provides direct assistance to victims of domestic  
50.26 abuse, sexual assault, or sex or labor trafficking, who has had in-person contact or  
50.27 face-to-face contact through an electronic medium with ..... (name of debtor).

50.28 2. Based on my professional interactions with the debtor and information presented to  
50.29 me in my professional capacity, I have a reasonable basis to believe ..... (name of  
50.30 debtor) is a victim of domestic abuse, harassment, sex trafficking or labor trafficking and  
50.31 has incurred all or a portion of debt that is coerced debt, as that term is defined in Minnesota  
50.32 Statutes, section 332.71, subdivision 2.

51.1 3. Based on my professional interactions with the debtor and on information presented  
 51.2 to me, I have reason to believe that the circumstances under which the coerced debt was  
 51.3 incurred are as follows:

51.4 4. The following debts or portions of the debts have been identified to me as coerced:

51.5 I attest that the foregoing is true and correct.

51.6 (Printed name of qualified third party)

51.7 (Signature of qualified third party)

51.8 (Business address and business telephone)

51.9 (Date)

51.10 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
 51.11 incurred on or after that date.

51.12 **Sec. 45. [332.72] COERCED DEBT PROHIBITED.**

51.13 A person is prohibited from causing another person to incur coerced debt.

51.14 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
 51.15 incurred on or after that date.

51.16 **Sec. 46. [332.73] NOTICE TO CREDITOR OF COERCED DEBT.**

51.17 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,  
 51.18 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on  
 51.19 which the creditor demands payment is coerced debt and request that the creditor cease all  
 51.20 collection activity on the coerced debt. The notification and request must be in writing and  
 51.21 include documentation. The creditor, within 30 days of the date the notification and request  
 51.22 is received, must notify the debtor in writing of the creditor's decision to either immediately  
 51.23 cease all collection activity or continue to pursue collection.

51.24 (b) If a creditor ceases collection but subsequently decides to resume collection activity,  
 51.25 the creditor must notify the debtor ten days prior to the date the collection activity resumes.

51.26 (c) A debtor must not proceed with an action under section 332.74 until the 30-day  
 51.27 period provided under paragraph (a) has expired.

51.28 Subd. 2. **Sale or assignment of coerced debt.** A creditor may sell or assign a debt for  
 51.29 which the creditor has been notified is coerced debt to another party if the creditor selling

52.1 or assigning the debt includes notification to the buyer or assignee that the debtor has asserted  
 52.2 the debt is coerced debt.

52.3 Subd. 3. **No inference upon cessation of collection activity.** The fact that a creditor  
 52.4 ceases collection activity under this section or section 332.74 does not create an inference  
 52.5 or presumption regarding the validity or invalidity of a debt for which a debtor is liable or  
 52.6 not liable. The exercise or nonexercise of rights under this section is not a waiver of any  
 52.7 other debtor or creditor rights or defenses.

52.8 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
 52.9 incurred on or after that date.

52.10 Sec. 47. **[332.74] DEBTOR REMEDIES.**

52.11 Subdivision 1. **Right to petition for declaration and injunction.** A debtor alleging  
 52.12 violation of section 332.72 may petition for equitable relief in the district court in the county  
 52.13 where the debtor lives or where the coerced debt was incurred. The petition must include:

52.14 (1) the notice to the creditor required under section 332.73, subdivision 1;

52.15 (2) consistent with Rule 11 of the Minnesota Rules of General Practice, information  
 52.16 identifying (i) the account or accounts associated with the coerced debt, and (ii) the person  
 52.17 in whose name the debt was incurred; and

52.18 (3) the identity and, if known, contact information of the person who caused the debtor  
 52.19 to incur coerced debt, unless the debtor signs a sworn statement that disclosing the  
 52.20 information is likely to result in domestic abuse or other harm to the debtor, the debtor's  
 52.21 children, parents, other relatives, or a family pet.

52.22 Subd. 2. **Procedural safeguards.** The court must take appropriate steps necessary to  
 52.23 prevent abuse of the debtor or to the debtor, the debtor's children, parents, other relatives,  
 52.24 or a family pet. For purposes of this subdivision, appropriate steps include but are not limited  
 52.25 to sealing the file, marking the file as confidential, redacting personally identifiable  
 52.26 information about the debtor, and directing that any deposition or evidentiary hearing be  
 52.27 conducted remotely.

52.28 Subd. 3. **Relief.** (a) If a debtor shows by a preponderance of the evidence that the debtor  
 52.29 has been aggrieved by a violation of section 332.72 and the debtor has incurred coerced  
 52.30 debt, the debtor is entitled to one or more of the following:

52.31 (1) a declaratory judgment that the debt or portion of a debt is coerced debt;

53.1 (2) an injunction prohibiting the creditor from (i) holding or attempting to hold the debtor  
53.2 liable for the debt or portion of a debt, or (ii) enforcing a judgment related to the coerced  
53.3 debt; and

53.4 (3) an order dismissing any cause of action brought by the creditor to enforce or collect  
53.5 the coerced debt from the debtor or, if only a portion of the debt is established as coerced  
53.6 debt, an order directing that the judgment, if any, in the action be amended to reflect only  
53.7 the portion of the debt that is not coerced debt.

53.8 (b) If the court orders relief for the debtor under paragraph (a), the court, after the  
53.9 creditor's motion has been served by United States mail to the last known address of the  
53.10 person who violated section 332.72, shall issue a judgment in favor of the creditor against  
53.11 the person in the amount of the debt or a portion thereof.

53.12 (c) This subdivision applies regardless of the judicial district in which the creditor's  
53.13 action or the debtor's petition was filed.

53.14 Subd. 4. **Affirmative defense.** In an action against a debtor to satisfy a debt, it is an  
53.15 affirmative defense that the debtor incurred coerced debt.

53.16 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative  
53.17 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance  
53.18 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor  
53.19 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced  
53.20 debt has been criminally convicted, entered a guilty plea, or entered an Alford plea under  
53.21 section 609.27, 609.282, 609.322, or 609.527.

53.22 Subd. 6. **Statute of limitations tolled.** (a) The statute of limitations under section 541.05  
53.23 is tolled during the pendency of a proceeding instituted under this section.

53.24 (b) A creditor is prohibited from filing a collection action regarding a debt that is the  
53.25 subject of a proceeding instituted under this section while the proceeding is pending.

53.26 (c) If a debtor commences a proceeding under this section while a collection action is  
53.27 pending against the debtor regarding a debt that is subject to the proceeding, the court must  
53.28 immediately stay the collection action pending the disposition of the proceeding under this  
53.29 section.

53.30 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
53.31 incurred on or after that date.

54.1 Sec. 48. **[332.75] CREDITOR REMEDIES.**

54.2 Nothing in sections 332.71 to 332.74 diminishes the rights of a creditor to seek payment  
54.3 recovery for a coerced debt from the person who caused the debtor to incur the coerced  
54.4 debt.

54.5 **EFFECTIVE DATE.** This section is effective January 1, 2024, and applies to all debts  
54.6 incurred on or after that date.

54.7 Sec. 49. **UNAUDITED FINANCIAL STATEMENTS; RULEMAKING.**

54.8 The commissioner of commerce shall amend Minnesota Rules, part 2876.3021, subpart  
54.9 2, to remove the prohibition on use of unaudited financial statements if the aggregate amount  
54.10 of all previous sales of securities by the applicant, exclusive of debt financing with banks  
54.11 and similar commercial lenders, exceeds \$1,000,000. The commissioner of commerce may  
54.12 use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1,  
54.13 clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386,  
54.14 does not apply except as provided under Minnesota Statutes, section 14.388.

54.15 Sec. 50. **AUTOMOTIVE SELF-INSURANCE; RULES AMENDMENT; EXPEDITED**  
54.16 **RULEMAKING.**

54.17 Subdivision 1. **Self-insurance working capital condition.** The commissioner of  
54.18 commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item B, subitem (5),  
54.19 to require the commissioner's grant of self-insurance authority to an applicant to be based  
54.20 on the applicant's net working capital in lieu of the applicant's net funds flow.

54.21 Subd. 2. **Commissioner discretion to grant self-insurance authority.** The commissioner  
54.22 of commerce must amend Minnesota Rules, part 2770.6500, subpart 2, item D, to,  
54.23 notwithstanding any other provision of Minnesota Rules, part 2770.6500, permit the  
54.24 commissioner to grant self-insurance authority to an applicant that is not a political  
54.25 subdivision and that has not had positive net income or positive working capital in at least  
54.26 three years of the last five-year period if the applicant's working capital, debt structure,  
54.27 profitability, and overall financial integrity of the applicant and its parent company, if one  
54.28 exists, demonstrate a continuing ability of the applicant to satisfy any financial obligations  
54.29 that have been and might be incurred under the no-fault act.

54.30 Subd. 3. **Working capital.** The commissioner of commerce must define working capital  
54.31 for the purposes of Minnesota Rules, part 2770.6500.

55.1 Subd. 4. Commissioner discretion to revoke self-insurance authority. The  
55.2 commissioner of commerce must amend Minnesota Rules, part 2770.7300, to permit, in  
55.3 lieu of require, the commissioner to revoke a self-insurer's authorization to self-insure based  
55.4 on the commissioner's determinations under Minnesota Rules, part 2770.7300, items A and  
55.5 B.

55.6 Subd. 5. Expedited rulemaking authorized. The commissioner of commerce may use  
55.7 the expedited rulemaking process under Minnesota Statutes, section 14.389, to amend rules  
55.8 under this section.

55.9 EFFECTIVE DATE. This section is effective the day following final enactment.

55.10 Sec. 51. REPEALER.

55.11 Minnesota Statutes 2022, section 48.10, is repealed.

**48.10 ANNUAL AUDIT; REPORT.**

The board of directors of a bank, bank and trust, or trust company shall annually examine its books, either in person, or by appointing an examining committee, or an auditor, who may be an independent auditor or accountant. The examining committee or auditor shall be solely responsible to the directors. A report shall be made to the directors as to the scope of the examination or audit, and also to show those assets, excluding marketable securities and fixed assets, which are carried on the books for more than actual value. This report shall be retained as a permanent record or incorporated in the minutes of the meeting.