

Senator Klein from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 4097: A bill for an act relating to commerce; making technical and housekeeping changes to various provisions governing or administered by the Department of Commerce; amending Minnesota Statutes 2022, sections 82B.021, subdivision 26; 82B.094; 82B.095, subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision 2; Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18; repealing Minnesota Statutes 2022, sections 45.014; 82B.25.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1
INSURANCE POLICY**

Section 1. Minnesota Statutes 2022, section 60A.201, is amended by adding a subdivision to read:

Subd. 6. Coverage deemed unavailable. Coverage for a risk that was referred to a surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with that surplus lines broker shall be deemed unavailable from a licensed insurer.

Sec. 2. Minnesota Statutes 2022, section 67A.01, subdivision 2, is amended to read:

Subd. 2. **Authorized territory.** (a) A township mutual fire insurance company may be authorized to write business in up to nine adjoining counties in the aggregate at the same time. If policyholder surplus is at least \$500,000 as reported in the company's last annual financial statement filed with the commissioner, the company may, if approval has been granted by the commissioner, be authorized to write business in ten or more counties in the aggregate at the same time, subject to a maximum of ~~20~~ 30 adjoining counties, in accordance with the following schedule:

Number of Counties	Surplus Requirement
10	\$500,000
11	600,000
12	700,000
13	800,000
14	900,000
15	1,000,000
16	1,100,000
17	1,200,000
18	1,300,000

2.1	19	1,400,000
2.2	20	1,500,000
2.3	<u>21</u>	<u>1,600,000</u>
2.4	<u>22</u>	<u>1,700,000</u>
2.5	<u>23</u>	<u>1,800,000</u>
2.6	<u>24</u>	<u>1,900,000</u>
2.7	<u>25</u>	<u>2,000,000</u>
2.8	<u>26</u>	<u>2,100,000</u>
2.9	<u>27</u>	<u>2,200,000</u>
2.10	<u>28</u>	<u>2,300,000</u>
2.11	<u>29</u>	<u>2,400,000</u>
2.12	<u>30</u>	<u>2,500,000</u>

2.13 (b) In the case of a merger of two or more companies having contiguous territories, the
 2.14 surviving company in the merger may transact business in the entire territory of the merged
 2.15 companies; however, the territory of the surviving company in the merger ~~may not be larger~~
 2.16 ~~than 20~~ must be approved by the commissioner and may not be in excess of 30 counties,
 2.17 provided the company complies with the additional reporting requirements stipulated in
 2.18 paragraph (g).

2.19 (c) Notwithstanding paragraph (b), a policy issued by a constituent company to the
 2.20 merger may remain effective, without respect to the policy being issued in a county outside
 2.21 the territory of the surviving company, until the policy:

2.22 (1) expires or is terminated by the policy's terms; or

2.23 (2) is terminated or annulled and canceled in accordance with section 67A.18.

2.24 The surviving company must not amend or renew a policy issued in a county outside the
 2.25 surviving company's territory.

2.26 ~~(e)~~ (d) A township mutual fire insurance company may write new and renewal insurance
 2.27 on property in cities within the company's authorized territory having a population less than
 2.28 25,000. A township mutual fire insurance company may continue to write new and renewal
 2.29 insurance once the population increases to 25,000 or greater provided that amended and
 2.30 restated articles are filed with the commissioner along with a certification that such city's
 2.31 population has increased to 25,000 or greater.

2.32 ~~(d)~~ (e) A township mutual fire insurance company may write new and renewal insurance
 2.33 on property in cities within the company's authorized territory with a population of 25,000
 2.34 or greater, but less than 150,000, if approval has been granted by the commissioner. No

township mutual fire insurance company shall insure any property in cities with a population of 150,000 or greater.

~~(e)~~ (f) If a township mutual fire insurance company provides evidence to the commissioner that the company had insurance in force on December 31, 2007, in a city within the company's authorized territory with a population of 25,000 or greater, but less than 150,000, the company may write new and renewal insurance on property in that city provided that the company files amended and restated articles by July 31, 2010, naming that city.

(g) If a surviving company of a merger writes in more than 20 counties, that company must report to the commissioner the following items on a quarterly basis:

(1) income statement;

(2) balance sheet;

(3) insurance in force; and

(4) number of policies.

Sec. 3. Minnesota Statutes 2022, section 67A.14, subdivision 1, is amended to read:

Subdivision 1. **Kinds of property; property outside authorized territory.** (a) Township mutual fire insurance companies may insure qualified property. Qualified property means dwellings, household goods, appurtenant structures, farm buildings, farm personal property, churches, church personal property, county fair buildings, community and township meeting halls and their usual contents.

(b) Township mutual fire insurance companies may extend coverage to include an insured's secondary property if the township mutual fire insurance company covers qualified property belonging to the insured. Secondary property means any real or personal property that is not considered qualified property for a township mutual fire insurance company to cover under this chapter. The maximum amount of coverage that a township mutual fire insurance company may write for secondary property is 25 percent of the total limit of liability of the policy issued to an insured covering the qualified property.

(c) A township mutual fire insurance company may insure any real or personal property, including qualified or secondary property, subject to the limitations in subdivision 1, paragraph (b), located outside the limits of the territory in which the company is authorized by its certificate or articles of incorporation to transact business, if the company is already covering qualified property belonging to the insured, inside the limits of the company's

territory. For purposes of this paragraph, qualified property inside the limits of the company's territory includes qualified property outside the territory of the surviving company to a merger for the duration of the policy insuring the qualified property if the qualified property was qualified property inside the territory of a constituent company to the merger.

(d) A township mutual fire insurance company may insure property temporarily outside of the authorized territory of the township mutual fire insurance company.

Sec. 4. Minnesota Statutes 2022, section 507.071, is amended to read:

507.071 TRANSFER ON DEATH DEEDS.

Subdivision 1. **Definitions.** For the purposes of this section the following terms have the meanings given:

(a) "Beneficiary" or "grantee beneficiary" means a person or entity named as a grantee beneficiary in a transfer on death deed, including a successor grantee beneficiary.

(b) "County agency" means the county department or office designated to recover medical assistance benefits from the estates of decedents.

(c) "Grantor owner" means an owner, whether individually, as a joint tenant, or as a tenant in common, named as a grantor in a transfer on death deed upon whose death the conveyance or transfer of the described real property is conditioned. Grantor owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(d) "Owner" means a person having an ownership or other interest in all or part of the real property to be conveyed or transferred by a transfer on death deed either at the time the deed is executed or at the time the transfer becomes effective. Owner does not include a spouse who joins in a transfer on death deed solely for the purpose of conveying or releasing statutory or other marital interests in the real property to be conveyed or transferred by the transfer on death deed.

(e) "Property" and "interest in real property" mean any interest in real property located in this state which is transferable on the death of the owner and includes, without limitation, an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security interest in, or a security pledge of, an interest in real property, including the rights to payments of the indebtedness secured by the security instrument, a judgment, a tax lien, both the seller's and purchaser's interest in a contract for deed, land contract, purchase

agreement, or earnest money contract for the sale and purchase of real property, including the rights to payments under such contracts, or any other lien on, or interest in, real property.

(f) "Recorded" means recorded in the office of the county recorder or registrar of titles, as appropriate for the real property described in the instrument to be recorded.

(g) "State agency" means the Department of Human Services or any successor agency.

(h) "Transfer on death deed" means a deed authorized under this section.

Subd. 2. Effect of transfer on death deed. A deed that conveys or assigns an interest in real property, to a grantee beneficiary and that expressly states that the deed is only effective on the death of one or more of the grantor owners, transfers the interest to the grantee beneficiary upon the death of the grantor owner upon whose death the conveyance or transfer is stated to be effective, but subject to the survivorship provisions and requirements of section 524.2-702. Until a transfer on death deed becomes effective, it has no effect on title to the real property described in the deed, but it does create an insurable interest in the real property in favor of the designated grantee beneficiary or beneficiaries for purposes of insuring the real property against loss or damage that occurs on or after the transfer on death deed becomes effective. A transfer on death deed must comply with all provisions of Minnesota law applicable to deeds of real property including, but not limited to, the provisions of sections 507.02, 507.24, 507.34, 508.48, and 508A.48. If a spouse who is neither a grantor owner nor an owner joins in the execution of, or consents in writing to, the transfer on death deed, such joinder or consent shall be conclusive proof that upon the transfer becoming effective, the spouse no longer has or can claim any statutory interest or other marital interest in the interest in real property transferred by the transfer on death deed. However, such transfer shall remain an interest as identified in section 256B.15 for purposes of complying with and satisfying any claim or lien as authorized by subdivision 3.

Subd. 3. Rights of creditors and rights of state and county under sections 246.53, 256B.15, 256D.16, 261.04, and 514.981. The interest transferred to a beneficiary under a transfer on death deed after the death of a grantor owner is transferred subject to all effective conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges, judgments, tax liens, and any other matters or encumbrances to which the interest was subject on the date of death of the grantor owner, upon whose death the transfer becomes effective including, but not limited to, any claim by a surviving spouse who did not join in the execution of, or consent in writing to, the transfer on death deed, and any claim or lien by the state or county agency authorized by sections 246.53, 256B.15, 256D.16, 261.04, and 514.981, if other assets of the deceased grantor's estate are insufficient to pay the amount

of any such claim. A beneficiary to whom the interest is transferred after the death of a grantor owner shall be liable to account to the state or county agency with a claim or lien authorized by section 246.53, 256B.15, 256D.16, 261.04, or 514.981, to the extent necessary to discharge any such claim remaining unpaid after application of the assets of the deceased grantor owner's estate, but such liability shall be limited to the value of the interest transferred to the beneficiary. To establish compliance with this subdivision and subdivision 23, the beneficiary must record a clearance certificate issued in accordance with subdivision 23 in each county in which the real property described in the transfer on death deed is located.

Subd. 4. **Multiple grantee beneficiaries.** A transfer on death deed may designate multiple grantee beneficiaries to take title as joint tenants, as tenants in common or in any other form of ownership or tenancy that is valid under the laws of this state. If a grantee joint tenant dies before the grantor owner upon whose death the transfer occurs and no successor beneficiary for the deceased grantee is designated in the transfer on death deed, the surviving joint tenants are the successors and no interest lapses.

Subd. 5. **Successor grantee beneficiaries.** A transfer on death deed may designate one or more successor grantee beneficiaries or a class of successor grantee beneficiaries, or both. If the transfer on death deed designates successor grantee beneficiaries or a class of successor grantee beneficiaries, the deed shall state the condition under which the interest of the successor grantee beneficiaries would vest.

Subd. 6. **Multiple joint tenant grantors.** If an interest in real property is owned as joint tenants, a transfer on death deed executed by all of the owners and, if required by section 507.02, their respective spouses, if any, that conveys an interest in real property to one or more grantee beneficiaries transfers the interest to the grantee beneficiary or beneficiaries effective only after the death of the last surviving grantor owner. If the last surviving joint tenant owner did not execute the transfer on death deed, the deed is ineffective to transfer any interest and the deed is void. An estate in joint tenancy is not severed or affected by the subsequent execution of a transfer on death deed and the right of a surviving joint tenant owner who did not execute the transfer on death deed shall prevail over a grantee beneficiary named in a transfer on death deed unless the deed specifically states that it severs the joint tenancy ownership.

Subd. 7. **Execution by attorney-in-fact.** A transfer on death deed may be executed by a duly appointed attorney-in-fact pursuant to a power of attorney which grants the attorney-in-fact the authority to execute deeds.

7.1 Subd. 8. **Recording requirements and authorization.** A transfer on death deed is valid
7.2 if the deed is recorded in a county in which at least a part of the real property described in
7.3 the deed is located and is recorded before the death of the grantor owner upon whose death
7.4 the conveyance or transfer is effective. Notwithstanding the definition of recorded under
7.5 subdivision 1, if the real property is registered property, a transfer on death deed that was
7.6 recorded incorrectly or incompletely is valid if the deed was recorded before the death of
7.7 the grantor owner in the office of the county recorder or the registrar of titles in a county
7.8 in which at least part of the real property is located, and is memorialized on the certificate
7.9 of title after death. A transfer on death deed is not effective for purposes of section 507.34,
7.10 508.47, or 508A.47 until the deed is properly recorded in the county in which the real
7.11 property is located. When a transfer on death deed is presented for recording, no certification
7.12 by the county auditor as to transfer of ownership and current and delinquent taxes shall be
7.13 required or made and the transfer on death deed shall not be required to be accompanied
7.14 by a certificate of real estate value. A transfer on death deed that otherwise satisfies all
7.15 statutory requirements for recording may be recorded and shall be accepted for recording
7.16 in the county in which the property described in the deed is located. If any part of the property
7.17 described in the transfer on death deed is registered property, the registrar of titles shall
7.18 accept the transfer on death deed for recording only if at least one of the grantors who
7.19 executes the transfer on death deed appears of record to have an ownership interest or other
7.20 interest in the real property described in the deed. No certification or approval of a transfer
7.21 on death deed shall be required of the examiner of titles prior to recording of the deed in
7.22 the office of the registrar of titles.

7.23 Subd. 9. **Deed to trustee or other entity.** A transfer on death deed may transfer an
7.24 interest in real property to the trustee of an inter vivos trust even if the trust is revocable, to
7.25 the trustee of a testamentary trust or to any other entity legally qualified to hold title to real
7.26 property under the laws of this state.

7.27 Subd. 10. **Revocation or modification of transfer on death deed.** (a) A transfer on
7.28 death deed may be revoked at any time by the grantor owner or, if there is more than one
7.29 grantor owner, by any of the grantor owners. A revocation revokes the transfer on death
7.30 deed in its entirety. To be effective, the revocation must be recorded in a county in which
7.31 at least a part of the real property is located before the death of the grantor owner or owners
7.32 who execute the revocation. Notwithstanding the definition of recorded under subdivision
7.33 1, if the real property is registered property, a revocation that was recorded incorrectly or
7.34 incompletely is effective if it was recorded before the death of the grantor owner in the
7.35 office of the county recorder or the registrar of titles in a county in which at least part of

the real property is located, and is memorialized on the certificate of title after death. The revocation is not effective for purposes of section 507.34, 508.47, or 508A.47 until the revocation is properly recorded in a county in which the real property is located.

(b) If a grantor owner conveys to a third party, subsequent to the recording of the transfer on death deed, by means other than a transfer on death deed, all or a part of such grantor owner's interest in the property described in the transfer on death deed, no transfer of the conveyed interest shall occur on such grantor owner's death and the transfer on death deed shall be ineffective as to the conveyed or transferred interests, but the transfer on death deed remains effective with respect to the conveyance or transfer on death of any other interests described in the transfer on death deed owned by the grantor owner at the time of the grantor owner's death.

(c) A transfer on death deed is a "governing instrument" within the meaning of section 524.2-804 and, except as may otherwise be specifically provided for in the transfer on death deed, is subject to the same provisions as to revocation, revival, and nonrevocation set forth in section 524.2-804.

Subd. 11. **Antilapse; deceased beneficiary; words of survivorship.** (a) Except when a successor grantee beneficiary is designated in the transfer on death deed for the grantee beneficiary who did not survive the grantor owner, if a grantee beneficiary who is a grandparent or lineal descendant of a grandparent of the grantor owner fails to survive the grantor owner, the issue of the deceased grantee beneficiary who survive the grantor owner take in place of the deceased grantee beneficiary. If they are all of the same degree of kinship to the deceased grantee beneficiary, they take equally. If they are of unequal degree, those of more remote degree take by right of representation.

(b) For the purposes of this subdivision, words of survivorship such as, in a conveyance to an individual, "if he or she survives me," or, in a class gift, to "my surviving children," are a sufficient indication of intent to condition the conveyance or transfer upon the beneficiary surviving the grantor owner.

(c) When issue of a deceased grantee beneficiary or members of a class take in place of the named grantee beneficiary pursuant to subdivision 5 or paragraph (a) or (b) or when a beneficiary dies and has no issue under paragraph (a), an affidavit of survivorship stating the names and shares of the beneficiaries or stating that a deceased beneficiary had no issue is not conclusive and a court order made in accordance with Minnesota probate law determining the beneficiaries and shares must also be recorded.

9.1 Subd. 12. **Lapse.** If all beneficiaries and all successor beneficiaries, if any, designated
9.2 in a transfer on death deed, and also all successor beneficiaries who would take under the
9.3 antilapse provisions of subdivision 11, fail to survive the grantor owner or the last survivor
9.4 of the grantor owners if there are multiple grantor owners, if the beneficiary is a trust which
9.5 has been revoked prior to the grantor owner's death, or if the beneficiary is an entity no
9.6 longer in existence at the grantor owner's death, no transfer shall occur and the transfer on
9.7 death deed is void.

9.8 Subd. 13. **Multiple transfer on death deeds.** If a grantor owner executes and records
9.9 more than one transfer on death deed conveying the same interest in real property or a
9.10 greater interest in the real property, or conveying part of the property in the earlier transfer
9.11 on death deed, the transfer on death deed that has the latest acknowledgment date and that
9.12 is recorded before the death of the grantor owner upon whose death the conveyance or
9.13 transfer is conditioned is the effective transfer on death deed and all other transfer on death
9.14 deeds, if any, executed by the grantor owner or the grantor owners are ineffective to transfer
9.15 any interest and are void, except that if the later transfer on death deed included only part
9.16 of the land of the earlier deed, the earlier deed is effective for the lands not included in the
9.17 subsequent deed, absent language to the contrary in the subsequent deed.

9.18 Subd. 14. **Nonademption; unpaid proceeds of sale, condemnation, or insurance;**
9.19 **sale by conservator or guardian.** If at the time of the death of the grantor owner upon
9.20 whose death the conveyance or transfer is stated to be effective, the grantor owner did not
9.21 own a part or all of the real property described in the transfer on death deed, no conveyance
9.22 or transfer to the beneficiary of the nonowned part of the real property shall occur upon the
9.23 death of the grantor owner and the transfer on death deed is void as to the nonowned part
9.24 of the real property, but the beneficiary shall have the same rights to unpaid proceeds of
9.25 sale, condemnation or insurance, and, if sold by a conservator or guardian of the grantor
9.26 owner during the grantor owner's lifetime, the same rights to a general pecuniary devise, as
9.27 that of a specific devisee as set forth in section 524.2-606.

9.28 Subd. 15. **Nonexoneration.** Except as otherwise provided in subdivision 3, a conveyance
9.29 or transfer under a transfer on death deed passes the described property subject to any
9.30 mortgage or security interest existing at the date of death of the grantor owner, without right
9.31 of exoneration, regardless of any statutory obligations to pay the grantor owner's debts upon
9.32 death and regardless of a general directive in the grantor owner's will to pay debts.

9.33 Subd. 16. **Disclaimer by beneficiary.** A grantee beneficiary's interest under a transfer
9.34 on death deed may be disclaimed as provided in sections 524.2-1101 to 524.2-1116, or as
9.35 otherwise provided by law.

Subd. 17. **Effect on other conveyances.** This section does not prohibit other methods of conveying property that are permitted by law and that have the effect of postponing ownership or enjoyment of an interest in real property until the death of the owner. This section does not invalidate any deed that is not a transfer on death deed and that is otherwise effective to convey title to the interests and estates described in the deed that is not recorded until after the death of the owner.

Subd. 18. **Notice, consent, and delivery not required.** The signature, consent or agreement of, or notice to, a grantee beneficiary under a transfer on death deed, or delivery of the transfer on death deed to the grantee beneficiary, is not required for any purpose during the lifetime of the grantor owner.

Subd. 19. **Nonrevocation by will.** A transfer on death deed that is executed, acknowledged, and recorded in accordance with this section is not revoked by the provisions of a will.

Subd. 20. **Proof of survivorship and clearance from public assistance claims and liens; recording.** An affidavit of identity and survivorship with a certified copy of a record of death as an attachment may be combined with a clearance certificate under this section and the combined documents may be recorded separately or as one document in each county in which the real estate described in the clearance certificate is located. The affidavit must include the name and mailing address of the person to whom future property tax statements should be sent. The affidavit, record of death, and clearance certificate, whether combined or separate, shall be prima facie evidence of the facts stated in each, and the registrar of titles may rely on the statements to transfer title to the property described in the clearance certificate, except in cases where a court order is required pursuant to the provisions of subdivision 11, paragraph (c).

Subd. 21. **After-acquired property.** Except as provided in this subdivision, a transfer on death deed is not effective to transfer any interest in real property acquired by a grantor owner subsequent to the date of signing of a transfer on death deed. A grantor owner may provide by specific language in a transfer on death deed that the transfer on death deed will apply to any interest in the described property acquired by the grantor owner after the signing or recording of the deed.

Subd. 22. **Anticipatory alienation prohibited.** The interest of a grantee beneficiary under a transfer on death deed which has not yet become effective is not subject to alienation; assignment; encumbrance; appointment or anticipation by the beneficiary; garnishment; attachment; execution or bankruptcy proceedings; claims for alimony, support, or

11.1 maintenance; payment of other obligations by any person against the beneficiary; or any
11.2 other transfer, voluntary or involuntary, by or from any beneficiary.

11.3 Subd. 23. **Clearance for public assistance claims and liens.** Any person claiming an
11.4 interest in real property conveyed or transferred by a transfer on death deed, or the person's
11.5 attorney or other agent, may apply to the county agency in the county in which the real
11.6 property is located for a clearance certificate for the real property described in the transfer
11.7 on death deed. The application for a clearance certificate and the clearance certificate must
11.8 contain the legal description of each parcel of property covered by the clearance certificate.
11.9 The county agency shall provide a sufficient number of clearance certificates to allow a
11.10 clearance certificate to be recorded in each county in which the real property described in
11.11 the transfer on death deed is located. The real property described in the clearance certificate
11.12 is bound by any conditions or other requirements imposed by the county agency as specified
11.13 in the clearance certificate. If the real property is registered property, a new certificate of
11.14 title must not be issued until the clearance certificate is recorded. If the clearance certificate
11.15 shows the continuation of a medical assistance claim or lien after issuance of the clearance
11.16 certificate, the real property remains subject to the claim or lien. If the real property is
11.17 registered property, the clearance certificate must be carried forward as a memorial in any
11.18 new certificate of title. The application shall contain the same information and shall be
11.19 submitted, processed, and resolved in the same manner and on the same terms and conditions
11.20 as provided in section 525.313 for a clearance certificate in a decree of descent proceeding,
11.21 except that a copy of a notice of hearing does not have to accompany the application. The
11.22 application may contain a statement that the applicant, after reasonably diligent inquiry, is
11.23 not aware of the existence of a predeceased spouse or the existence of a claim which could
11.24 be recovered under section 246.53, 256B.15, 256D.16, 261.04, or 514.981. If the county
11.25 agency determines that a claim or lien exists under section 246.53, 256B.15, 256D.16,
11.26 261.04, or 514.981, the provisions of section 525.313 shall apply to collection, compromise,
11.27 and settlement of the claim or lien. A person claiming an interest in real property transferred
11.28 or conveyed by a transfer on death deed may petition or move the district court, as
11.29 appropriate, in the county in which the real property is located or in the county in which a
11.30 probate proceeding affecting the estate of the grantor of the transfer on death deed is pending,
11.31 for an order allowing sale of the real property free and clear of any public assistance claim
11.32 or lien but subject to disposition of the sale proceeds as provided in section 525.313. On a
11.33 showing of good cause and subject to such notice as the court may require, the court without
11.34 hearing may issue an order allowing the sale free and clear of any public assistance claim
11.35 or lien on such terms and conditions as the court deems advisable to protect the interests of
11.36 the state or county agency.

Subd. 24. **Form of transfer on death deed.** A transfer on death deed may be substantially in the following form:

Transfer on Death Deed

I (we) (grantor owner or owners and spouses, if any, with marital status designated), grantor(s), hereby convey(s) and quitclaim(s) to (grantee beneficiary, whether one or more) effective (check only one of the following)

.... on the death of the grantor owner, if only one grantor is named above, or on the death of the last of the grantor owners to die, if more than one grantor owner is named above, or

.... on the death of (name of grantor owner)

..... (must be one of the grantor owners named above), the following described real property:

(Legal description)

If checked, the following optional statement applies:

....When effective, this instrument conveys any and all interests in the described real property acquired by the grantor owner(s) before, on, or after the date of this instrument.

.....

(Signature of grantor(s))

(acknowledgment)

Subd. 25. **Form of instrument of revocation.** An instrument of revocation may be substantially in the following form:

Revocation of Transfer on Death Deed

The undersigned hereby revokes the transfer on death deed recorded on,, as Document No. (or in Book of, Page) in the office of the (County Recorder) (Registrar of Titles) of County, Minnesota, affecting real property legally described as follows:

(legal description)

Dated:

.....

Signature

(acknowledgment)

Subd. 26. **Jurisdiction.** In counties where the district court has a probate division, the application of subdivision 11 or other issues of interpretation or validity of the transfer on death deed, and actions to enforce a medical assistance lien or claim against real property described in a transfer on death deed and any matter raised in connection with enforcement shall be determined in the probate division. ~~Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.~~ In other counties, the district court shall have jurisdiction to determine any matter affecting real property purporting to be transferred by a transfer on death deed. Notwithstanding any other law to the contrary, the provisions of section 256B.15 shall apply to any proceeding to enforce a medical assistance lien or claim under chapter 524 or 525.

Sec. 5. **[507.072] PROPERTY INSURANCE FOR GRANTEE BENEFICIARIES OF TRANSFER ON DEATH DEEDS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following definitions apply unless the context indicates otherwise.

(b) "Grantee beneficiary" has the meaning given in section 507.071, subdivision 1.

(c) "Insurance policy" means an insurance policy governed by chapter 65A.

(d) "Transfer on death deed" means a deed described in section 507.071.

(e) "Grantor owner" has the meaning given in section 507.071, subdivision 1.

(f) "Extended coverage" or "temporary extended coverage" means insurance coverage continuing beyond the death of the named insured.

Subd. 2. **Insurance policy to include grantee beneficiary.** An insurer providing an insurance policy on real property transferred by a transfer on death deed shall provide temporary extended coverage on the real property to the designated grantee beneficiary for a period commencing on the date of death of the grantor owner and ending when the grantee beneficiary replaces the insurance policy on the insured property with an insurance policy or the expiration of the time limitations set forth in subdivision 4, whichever is sooner.

Subd. 3. **Notice to the insurer.** To obtain temporary extended coverage for a transfer on death deed as provided in this section, the grantor owner must notify the insurer of the

14.1 existence of a transfer on death deed. The notice shall include the names and contact
14.2 information of all designated grantee beneficiaries.

14.3 Subd. 4. **Coverage extended.** The coverage to be extended under this section applies
14.4 only with respect to the insurance policy insuring the real property of the grantor owner.
14.5 The period of extended coverage shall not exceed 30 days from the date of the grantor
14.6 owner's death or the expiration date of the insurance policy, whichever is less. An insurer
14.7 is not required to provide notice to the grantee beneficiary for cancellation of coverage
14.8 following the shorter of the 30 days or expiration date of the policy or the placement of
14.9 replacement insurance coverage.

14.10 Subd. 5. **Proof demanded; policy conditions.** Before making any payment for a claim
14.11 under this section, the insurer may require proof that the claimant is a grantee beneficiary
14.12 under a transfer on death deed, the transfer on death deed was recorded as provided in
14.13 section 507.071, and that an affidavit of survivorship and death certificate of the grantor
14.14 owner was recorded as provided in section 507.071. The grantee beneficiary shall comply
14.15 with the conditions of the policy.

14.16 Subd. 6. **Insurable interest.** A grantee beneficiary does not hold an insurable interest
14.17 in the real property described in a transfer on death deed prior to the death of the grantor
14.18 owner. Any claim on the insured real property described in a transfer on death deed initiated
14.19 before the death of the grantor owner or the death benefits associated with the policy prior
14.20 to the death of the grantor owner shall be settled with the estate of the grantor owner, not
14.21 with the grantee beneficiary. A grantee beneficiary is not entitled to recover benefits under
14.22 an insurance policy extended as provided in this section in an amount greater than the grantee
14.23 beneficiary's insurable interest at the time of loss or damage. A grantee beneficiary is not
14.24 entitled to any amounts paid out in prior claims on the property. If the transfer on death
14.25 deed designates multiple grantee beneficiaries, nothing in this section requires the insurer
14.26 to pay an amount for loss or damage to the insured real property that exceeds the amount
14.27 that would be owed to the grantor owner if the grantor owner was living at the time of loss
14.28 or damage.

14.29 Subd. 7. **Warnings on transfer on death deeds.** On or after August 1 of the year of the
14.30 effective date of this section, a transfer on death deed shall contain the following warnings
14.31 in substantially the following form:

14.32 "Warning to Grantor Owner: Temporary extended coverage of any fire and casualty
14.33 insurance policy on the property under Minnesota Statutes, chapter 65A, will exist only if
14.34 the grantor owner has given notice to the insurer under Minnesota Statutes, section 507.072,

15.1 subdivision 3, including the existence of a transfer on death deed and the names and contact
15.2 information of all designated grantee beneficiaries. Any temporary extended coverage
15.3 terminates on the earlier of (1) 30 days after the date of the grantor owner's death, (2) the
15.4 expiration date of the policy, or (3) upon placement of a replacement insurance policy.

15.5 Warning to Grantee Beneficiary: A grantee beneficiary shall not presume insurance
15.6 coverage continues after the death of the grantor owner. Upon the death of the grantor
15.7 owner, the grantee beneficiary should determine whether the provisions of Minnesota
15.8 Statutes, section 507.072, apply and consult with an insurance agent or attorney."

15.9 The failure to include warnings in a transfer on death deed in accordance with this
15.10 subdivision shall not invalidate the transfer on death deed or affect recording of the transfer
15.11 on death deed.

15.12 Sec. 6. **DIRECTION TO COMMISSIONERS; REVIEW OF SERVICE**
15.13 **TERMINATION REQUIREMENTS FOR RESIDENTIAL SERVICES.**

15.14 By August 1, 2024, the commissioners of human services and health must begin
15.15 consulting with residential services providers licensed under Minnesota Statutes, chapters
15.16 144G and 245D, whose facilities provide services to individuals reimbursed under medical
15.17 assistance to examine issues related to resident and staff safety and to roadblocks in the
15.18 continuum of care for disability and behavioral health services arising from the application
15.19 of Minnesota Statutes, chapter 504B, to licensed settings. By January 15, 2025, the
15.20 commissioners must provide the chairs and ranking minority members of the legislative
15.21 committees with jurisdiction over assisted living and home and community-based services
15.22 licensure with recommendations, including draft legislation, to address issues of safety and
15.23 access to care.

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

15.25 Sec. 7. **EFFECTIVE DATE.**

15.26 Sections 1 and 2 are effective on the day following final enactment and apply to insurance
15.27 policies issued or renewed in Minnesota on or after August 1 of the year of final enactment.
15.28 Sections 1 and 2 do not apply to insurance policies issued or renewed prior to August 1 of
15.29 the year of final enactment or to transfer on death deeds recorded prior to that date unless
15.30 the grantor owner provides the notice specified by section 2, subdivision 3.

ARTICLE 2

FINANCIAL INSTITUTIONS

Section 1. [46A.01] DEFINITIONS.

Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. **Authorized user.** "Authorized user" means any employee, contractor, agent, or other person who: (1) participates in a financial institution's business operations; and (2) is authorized to access and use any of the financial institution's information systems and data.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 4. **Consumer.** (a) "Consumer" means an individual who obtains or has obtained from a financial institution a financial product or service that is used primarily for personal, family, or household purposes, or is used by the individual's legal representative. Consumer includes but is not limited to an individual who:

(1) applies to a financial institution for credit for personal, family, or household purposes, regardless of whether the credit is extended;

(2) provides nonpublic personal information to a financial institution in order to obtain a determination whether the individual qualifies for a loan used primarily for personal, family, or household purposes, regardless of whether the loan is extended;

(3) provides nonpublic personal information to a financial institution in connection with obtaining or seeking to obtain financial, investment, or economic advisory services, regardless of whether the financial institution establishes a continuing advisory relationship with the individual; or

(4) has a loan for personal, family, or household purposes in which the financial institution has ownership or servicing rights, even if the financial institution or one or more other institutions that hold ownership or servicing rights in conjunction with the financial institution hires an agent to collect on the loan.

(b) Consumer does not include an individual who:

(1) is a consumer of another financial institution that uses a different financial institution to act solely as an agent for, or provide processing or other services to, the consumer's financial institution;

(2) designates a financial institution solely for the purposes to act as a trustee for a trust;

17.1 (3) is the beneficiary of a trust for which the financial institution serves as trustee; or

17.2 (4) is a participant or a beneficiary of an employee benefit plan that the financial
17.3 institution sponsors or for which the financial institution acts as a trustee or fiduciary.

17.4 Subd. 5. **Continuing relationship.** (a) "Continuing relationship" means a consumer:

17.5 (1) has a credit or investment account with a financial institution;

17.6 (2) obtains a loan from a financial institution;

17.7 (3) purchases an insurance product from a financial institution;

17.8 (4) holds an investment product through a financial institution, including but not limited
17.9 to when the financial institution acts as a custodian for securities or for assets in an individual
17.10 retirement arrangement;

17.11 (5) enters into an agreement or understanding with a financial institution whereby the
17.12 financial institution undertakes to arrange or broker a home mortgage loan, or credit to
17.13 purchase a vehicle, for the consumer;

17.14 (6) enters into a lease of personal property on a nonoperating basis with a financial
17.15 institution;

17.16 (7) obtains financial, investment, or economic advisory services from a financial
17.17 institution for a fee;

17.18 (8) becomes a financial institution's client to obtain tax preparation or credit counseling
17.19 services from the financial institution;

17.20 (9) obtains career counseling while: (i) seeking employment with a financial institution
17.21 or the finance, accounting, or audit department of any company; or (ii) employed by a
17.22 financial institution or department of any company;

17.23 (10) is obligated on an account that a financial institution purchases from another financial
17.24 institution, regardless of whether the account is in default when purchased, unless the
17.25 financial institution does not locate the consumer or attempt to collect any amount from the
17.26 consumer on the account;

17.27 (11) obtains real estate settlement services from a financial institution; or

17.28 (12) has a loan for which a financial institution owns the servicing rights.

17.29 (b) Continuing relationship does not include situations where:

17.30 (1) the consumer obtains a financial product or service from a financial institution only
17.31 in isolated transactions, including but not limited to: (i) using a financial institution's

18.1 automated teller machine to withdraw cash from an account at another financial institution;
18.2 (ii) purchasing a money order from a financial institution; (iii) cashing a check with a
18.3 financial institution; or (iv) making a wire transfer through a financial institution;

18.4 (2) a financial institution sells the consumer's loan and does not retain the rights to service
18.5 the loan;

18.6 (3) a financial institution sells the consumer airline tickets, travel insurance, or traveler's
18.7 checks in isolated transactions;

18.8 (4) the consumer obtains onetime personal or real property appraisal services from a
18.9 financial institution; or

18.10 (5) the consumer purchases checks for a personal checking account from a financial
18.11 institution.

18.12 Subd. 6. **Customer.** "Customer" means a consumer who has a customer relationship
18.13 with a financial institution.

18.14 Subd. 7. **Customer information.** "Customer information" means any record containing
18.15 nonpublic personal information about a financial institution's customer, whether the record
18.16 is in paper, electronic, or another form, that is handled or maintained by or on behalf of the
18.17 financial institution or the financial institution's affiliates.

18.18 Subd. 8. **Customer relationship.** "Customer relationship" means a continuing relationship
18.19 between a consumer and a financial institution under which the financial institution provides
18.20 to the consumer one or more financial products or services that are used primarily for
18.21 personal, family, or household purposes.

18.22 Subd. 9. **Encryption.** "Encryption" means the transformation of data into a format that
18.23 results in a low probability of assigning meaning without the use of a protective process or
18.24 key, consistent with current cryptographic standards and accompanied by appropriate
18.25 safeguards for cryptographic key material.

18.26 Subd. 10. **Federally insured depository financial institution.** "Federally insured
18.27 depository financial institution" means a bank, credit union, savings and loan association,
18.28 trust company, savings association, savings bank, industrial bank, or industrial loan company
18.29 organized under the laws of the United States or any state of the United States, when the
18.30 bank, credit union, savings and loan association, trust company, savings association, savings
18.31 bank, industrial bank, or industrial loan company has federally insured deposits.

18.32 Subd. 11. **Financial product or service.** "Financial product or service" means any
18.33 product or service that a financial holding company could offer by engaging in a financial

activity under section 4(k) of the Bank Holding Company Act of 1956, United States Code, title 12, section 1843(k). Financial product or service includes a financial institution's evaluation or brokerage of information that the financial institution collects in connection with a request or an application from a consumer for a financial product or service.

Subd. 12. Financial institution. "Financial institution" means a consumer small loan lender under section 47.60, a person owning or maintaining electronic financial terminals under section 47.62, a trust company under chapter 48A, a loan and thrift company under chapter 53, a currency exchange under chapter 53A, a money transmitter under chapter 53B, a sales finance company under chapter 53C, a regulated loan lender under chapter 56, a residential mortgage originator or servicer under chapter 58, a student loan servicer under chapter 58B, a credit service organization under section 332.54, a debt management service provider or person providing debt management services under chapter 332A, or a debt settlement service provider or person providing debt settlement services under chapter 332B.

Subd. 13. Information security program. "Information security program" means the administrative, technical, or physical safeguards a financial institution uses to access, collect, distribute, process, protect, store, use, transmit, dispose of, or otherwise handle customer information.

Subd. 14. Information system. "Information system" means a discrete set of electronic information resources organized to collect, process, maintain, use, share, disseminate, or dispose of electronic information, as well as any specialized system, including but not limited to industrial process controls systems, telephone switching and private branch exchange systems, and environmental controls systems, that contains customer information or that is connected to a system that contains customer information.

Subd. 15. Multifactor authentication. "Multifactor authentication" means authentication through verification of at least two of the following factors:

(1) knowledge factors, including but not limited to a password;

(2) possession factors, including but not limited to a token; or

(3) inherence factors, including but not limited to biometric characteristics.

Subd. 16. Nonpublic personal information. (a) "Nonpublic personal information" means:

(1) personally identifiable financial information; or

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived using personally identifiable financial information that is not publicly available.

(b) Nonpublic personal information includes but is not limited to any list of individuals' names and street addresses that is derived in whole or in part using personally identifiable financial information that is not publicly available, including account numbers.

(c) Nonpublic personal information does not include:

(1) publicly available information, except as included on a list described in paragraph (a), clause (2);

(2) any list, description, or other grouping of consumers, including publicly available information pertaining to the list, description, or other grouping of consumers, that is derived without using any personally identifiable financial information that is not publicly available;
or

(3) any list of individuals' names and addresses that contains only publicly available information, is not derived in whole or in part using personally identifiable financial information that is not publicly available, and is not disclosed in a manner that indicates that any individual on the list is the financial institution's consumer.

Subd. 17. **Notification event.** "Notification event" means the acquisition of unencrypted customer information without the authorization of the individual to which the information pertains. Customer information is considered unencrypted for this purpose if the encryption key was accessed by an unauthorized person. Unauthorized acquisition is presumed to include unauthorized access to unencrypted customer information unless the financial institution has reliable evidence showing that there has not been, or could not reasonably have been, unauthorized acquisition of customer information.

Subd. 18. **Penetration testing.** "Penetration testing" means a test methodology in which assessors attempt to circumvent or defeat the security features of an information system by attempting to penetrate databases or controls from outside or inside a financial institution's information systems.

Subd. 19. **Personally identifiable financial information.** (a) "Personally identifiable financial information" means any information:

(1) a consumer provides to a financial institution to obtain a financial product or service;

(2) about a consumer resulting from any transaction involving a financial product or service between a financial institution and a consumer; or

21.1 (3) a financial institution otherwise obtains about a consumer in connection with providing
21.2 a financial product or service to the customer.

21.3 (b) Personally identifiable financial information includes:

21.4 (1) information a consumer provides to a financial institution on an application to obtain
21.5 a loan, credit card, or other financial product or service;

21.6 (2) account balance information, payment history, overdraft history, and credit or debit
21.7 card purchase information;

21.8 (3) the fact that an individual is or has been a financial institution's customer or has
21.9 obtained a financial product or service from the financial institution;

21.10 (4) any information about a financial institution's consumer, if the information is disclosed
21.11 in a manner that indicates that the individual is or has been the financial institution's
21.12 consumer;

21.13 (5) any information that a consumer provides to a financial institution or that a financial
21.14 institution or a financial institution's agent otherwise obtains in connection with collecting
21.15 on or servicing a credit account;

21.16 (6) any information a financial institution collects through an Internet information
21.17 collecting device from a web server; and

21.18 (7) information from a consumer report.

21.19 (c) Personally identifiable financial information does not include:

21.20 (1) a list of customer names and addresses for an entity that is not a financial institution;
21.21 and

21.22 (2) information that does not identify a consumer, including but not limited to aggregate
21.23 information or blind data that does not contain personal identifiers, including account
21.24 numbers, names, or addresses.

21.25 Subd. 20. **Publicly available information.** (a) "Publicly available information" means
21.26 any information that a financial institution has a reasonable basis to believe is lawfully made
21.27 available to the general public from:

21.28 (1) federal, state, or local government records;

21.29 (2) widely distributed media; or

21.30 (3) disclosures to the general public that are required under federal, state, or local law.

21.31 (b) Publicly available information includes but is not limited to:

22.1 (1) with respect to government records, information in government real estate records
22.2 and security interest filings; and

22.3 (2) with respect to widely distributed media, information from a telephone book, a
22.4 television or radio program, a newspaper, or a website that is available to the general public
22.5 on an unrestricted basis. A website is not restricted merely because an Internet service
22.6 provider or a site operator requires a fee or a password, provided that access is available to
22.7 the general public.

22.8 (c) For purposes of this subdivision, a financial institution has a reasonable basis to
22.9 believe that information is lawfully made available to the general public if the financial
22.10 institution has taken steps to determine: (1) that the information is of the type that is available
22.11 to the general public; and (2) whether an individual can direct that the information not be
22.12 made available to the general public and, if so, that the financial institution's consumer has
22.13 not directed that the information not be made available to the general public. A financial
22.14 institution has a reasonable basis to believe that mortgage information is lawfully made
22.15 available to the general public if the financial institution determines the information is of
22.16 the type included on the public record in the jurisdiction where the mortgage would be
22.17 recorded. A financial institution has a reasonable basis to believe that an individual's
22.18 telephone number is lawfully made available to the general public if the financial institution
22.19 has located the telephone number in the telephone book or the consumer has informed the
22.20 financial institution that the telephone number is not unlisted.

22.21 Subd. 21. **Qualified individual.** "Qualified individual" means the individual designated
22.22 by a financial institution to oversee, implement, and enforce the financial institution's
22.23 information security program.

22.24 Subd. 22. **Security event.** "Security event" means an event resulting in unauthorized
22.25 access to, or disruption or misuse of: (1) an information system or information stored on an
22.26 information system; or (2) customer information held in physical form.

22.27 Subd. 23. **Service provider.** "Service provider" means any person or entity that receives,
22.28 maintains, processes, or otherwise is permitted access to customer information through the
22.29 service provider's provision of services directly to a financial institution that is subject to
22.30 this chapter.

22.31 Sec. 2. **[46A.02] SAFEGUARDING CUSTOMER INFORMATION; STANDARDS.**

22.32 Subdivision 1. **Information security program.** (a) A financial institution must develop,
22.33 implement, and maintain a comprehensive information security program.

(b) The information security program must: (1) be written in one or more readily accessible parts; and (2) contain administrative, technical, and physical safeguards that are appropriate to the financial institution's size and complexity, the nature and scope of the financial institution's activities, and the sensitivity of any customer information at issue.

(c) The information security program must include the elements set forth in section 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as established under subdivision 2.

Subd. 2. **Objectives.** The objectives of this chapter are to:

(1) ensure the security and confidentiality of customer information;

(2) protect against any anticipated threats or hazards to the security or integrity of customer information; and

(3) protect against unauthorized access to or use of customer information that might result in substantial harm or inconvenience to a customer.

Sec. 3. **[46A.03] ELEMENTS.**

Subdivision 1. **Generally.** In order to develop, implement, and maintain an information security program, a financial institution must comply with this section.

Subd. 2. **Qualified individual.** (a) A financial institution must designate a qualified individual responsible for overseeing, implementing, and enforcing the financial institution's information security program. The qualified individual may be employed by the financial institution, an affiliate, or a service provider.

(b) If a financial institution designates an individual employed by an affiliate or service provider as the financial institution's qualified individual, the financial institution must:

(1) retain responsibility for complying with this chapter;

(2) designate a senior member of the financial institution's personnel to be responsible for directing and overseeing the qualified individual's activities; and

(3) require the service provider or affiliate to maintain an information security program that protects the financial institution in a manner that complies with the requirements of this chapter.

Subd. 3. **Security risk assessment.** (a) A financial institution must base the financial institution's information security program on a risk assessment that:

24.1 (1) identifies reasonably foreseeable internal and external risks to the security,
24.2 confidentiality, and integrity of customer information that might result in the unauthorized
24.3 disclosure, misuse, alteration, destruction, or other compromise of customer information;
24.4 and

24.5 (2) assesses the sufficiency of any safeguards in place to control the risks identified
24.6 under clause (1).

24.7 (b) The risk assessment must be made in writing and must include:

24.8 (1) criteria to evaluate and categorize identified security risks or threats the financial
24.9 institution faces;

24.10 (2) criteria to assess the confidentiality, integrity, and availability of the financial
24.11 institution's information systems and customer information, including the adequacy of
24.12 existing controls in the context of the identified risks or threats the financial institution
24.13 faces; and

24.14 (3) requirements describing how:

24.15 (i) identified risks are mitigated or accepted based on the risk assessment; and

24.16 (ii) the information security program addresses the risks.

24.17 (c) A financial institution must periodically perform additional risk assessments that:

24.18 (1) reexamine the reasonably foreseeable internal and external risks to the security,
24.19 confidentiality, and integrity of customer information that might result in the unauthorized
24.20 disclosure, misuse, alteration, destruction, or other compromise of customer information;
24.21 and

24.22 (2) reassess the sufficiency of any safeguards in place to control the risks identified
24.23 under clause (1).

24.24 Subd. 4. **Risk control.** A financial institution must design and implement safeguards to
24.25 control the risks the financial institution identifies through the risk assessment under
24.26 subdivision 3, including by:

24.27 (1) implementing and periodically reviewing access controls, including technical and,
24.28 as appropriate, physical controls to:

24.29 (i) authenticate and permit access only to authorized users to protect against the
24.30 unauthorized acquisition of customer information; and

25.1 (ii) limit an authorized user's access to only customer information that the authorized
25.2 user needs to perform the authorized user's duties and functions or, in the case of a customer,
25.3 to limit access to the customer's own information;

25.4 (2) identifying and managing the data, personnel, devices, systems, and facilities that
25.5 enable the financial institution to achieve business purposes in accordance with the business
25.6 purpose's relative importance to business objectives and the financial institution's risk
25.7 strategy;

25.8 (3) protecting by encryption all customer information held or transmitted by the financial
25.9 institution both in transit over external networks and at rest. To the extent a financial
25.10 institution determines that encryption of customer information either in transit over external
25.11 networks or at rest is infeasible, the financial institution may secure the customer information
25.12 using effective alternative compensating controls that have been reviewed and approved by
25.13 the financial institution's qualified individual;

25.14 (4) adopting: (i) secure development practices for in-house developed applications
25.15 utilized by the financial institution to transmit, access, or store customer information; and
25.16 (ii) procedures to evaluate, assess, or test the security of externally developed applications
25.17 the financial institution uses to transmit, access, or store customer information;

25.18 (5) implementing multifactor authentication for any individual that accesses any
25.19 information system, unless the financial institution's qualified individual has approved in
25.20 writing the use of a reasonably equivalent or more secure access control;

25.21 (6) developing, implementing, and maintaining procedures to securely dispose of
25.22 customer information in any format no later than two years after the last date the information
25.23 is used in connection with providing a product or service to the customer which relates,
25.24 unless the information is necessary for business operations or for other legitimate business
25.25 purposes, is otherwise required to be retained by law or regulation, or if targeted disposal
25.26 is not reasonably feasible due to the manner in which the information is maintained;

25.27 (7) periodically reviewing the financial institution's data retention policy to minimize
25.28 the unnecessary retention of data;

25.29 (8) adopting procedures for change management; and

25.30 (9) implementing policies, procedures, and controls designed to: (i) monitor and log the
25.31 activity of authorized users; and (ii) detect unauthorized access to, use of, or tampering with
25.32 customer information by authorized users.

26.1 Subd. 5. **Testing and monitoring.** (a) A financial institution must regularly test or
26.2 otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures,
26.3 including the controls, systems, and procedures that detect actual and attempted attacks on,
26.4 or intrusions into, information systems.

26.5 (b) For information systems, monitoring and testing must include continuous monitoring
26.6 or periodic penetration testing and vulnerability assessments. Absent effective continuous
26.7 monitoring or other systems to detect on an ongoing basis any changes in information
26.8 systems that may create vulnerabilities, a financial institution must conduct:

26.9 (1) annual penetration testing of the financial institution's information systems, based
26.10 on relevant identified risks in accordance with the risk assessment; and

26.11 (2) vulnerability assessments, including systemic scans or information systems reviews
26.12 that are reasonably designed to identify publicly known security vulnerabilities in the
26.13 financial institution's information systems based on the risk assessment, at least every six
26.14 months, whenever a material change to the financial institution's operations or business
26.15 arrangements occurs, and whenever the financial institution knows or has reason to know
26.16 circumstances exist that may have a material impact on the financial institution's information
26.17 security program.

26.18 Subd. 6. **Internal policies and procedures.** A financial institution must implement
26.19 policies and procedures to ensure that the financial institution's personnel are able to enact
26.20 the financial institution's information security program by:

26.21 (1) providing the financial institution's personnel with security awareness training that
26.22 is updated as necessary to reflect risks identified by the risk assessment;

26.23 (2) utilizing qualified information security personnel employed by the financial institution,
26.24 an affiliate, or a service provider sufficient to manage the financial institution's information
26.25 security risks and to perform or oversee the information security program;

26.26 (3) providing information security personnel with security updates and training sufficient
26.27 to address relevant security risks; and

26.28 (4) verifying that key information security personnel take steps to maintain current
26.29 knowledge of changing information security threats and countermeasures.

26.30 Subd. 7. **Provider oversight.** A financial institution must oversee service providers by:

26.31 (1) taking reasonable steps to select and retain service providers that are capable of
26.32 maintaining appropriate safeguards for the customer information at issue;

27.1 (2) requiring by contract the financial institution's service providers to implement and
27.2 maintain appropriate safeguards; and

27.3 (3) periodically assessing the financial institution's service providers based on the risk
27.4 the service providers present and the continued adequacy of the service providers' safeguards.

27.5 Subd. 8. **Information security program; evaluation; adjustment.** A financial institution
27.6 must evaluate and adjust the financial institution's information security program to reflect:
27.7 (1) the results of the testing and monitoring required under subdivision 5; (2) any material
27.8 changes to the financial institution's operations or business arrangements; (3) the results of
27.9 risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances
27.10 that the financial institution knows or has reason to know may have a material impact on
27.11 the financial institution's information security program.

27.12 Subd. 9. **Incident response plan.** A financial institution must establish a written incident
27.13 response plan designed to promptly respond to and recover from any security event materially
27.14 affecting the confidentiality, integrity, or availability of customer information the financial
27.15 institution controls. An incident response plan must address:

27.16 (1) the goals of the incident response plan;

27.17 (2) the internal processes to respond to a security event;

27.18 (3) clear roles, responsibilities, and levels of decision making authority;

27.19 (4) external and internal communications and information sharing;

27.20 (5) requirements to remediate any identified weaknesses in information systems and
27.21 associated controls;

27.22 (6) documentation and reporting regarding security events and related incident response
27.23 activities; and

27.24 (7) evaluation and revision of the incident response plan as necessary after a security
27.25 event.

27.26 Subd. 10. **Annual report.** (a) A financial institution must require the financial institution's
27.27 qualified individual to report at least annually in writing to the financial institution's board
27.28 of directors or equivalent governing body. If a board of directors or equivalent governing
27.29 body does not exist, the report under this subdivision must be timely presented to a senior
27.30 officer responsible for the financial institution's information security program.

27.31 (b) The report made under this subdivision must include the following information:

(1) the overall status of the financial institution's information security program, including compliance with this chapter and associated administrative rules; and

(2) material matters related to the financial institution's information security program, including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk management and control decisions; (iii) service provider arrangements; (iv) testing results; (v) security events or violations and management's responses to the security event or violation; and (vi) recommendations for changes in the information security program.

Subd. 11. **Business continuity; disaster recovery.** A financial institution must establish a written plan addressing business continuity and disaster recovery.

Sec. 4. **[46A.04] EXCEPTIONS AND EXEMPTIONS.**

(a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10, do not apply to financial institutions that maintain customer information concerning fewer than five thousand consumers.

(b) This chapter does not apply to credit unions or federally insured depository institutions.

Sec. 5. **[46A.05] ALTERATION OF FEDERAL REGULATION.**

(a) If an amendment to Code of Federal Regulations, title 16, part 314, results in a complete lack of federal regulations in the area, the version of the state requirements in effect at the time of the amendment remain in effect for two years from the date the amendment becomes effective.

(b) During the time period under paragraph (a), the department must adopt replacement administrative rules as necessary and appropriate.

Sec. 6. **[46A.06] NOTIFICATION EVENT.**

Subdivision 1. **Notification requirement.** (a) Upon discovering a notification event as described in subdivision 2, if the notification event involves the information of at least 500 consumers, a financial institution must notify the commissioner without undue delay, but no later than 45 days after the date the event is discovered. The notice must be made (1) in a format specified by the commissioner, and (2) electronically on a form located on the department's website.

(b) The notice must include:

(1) the name and contact information of the reporting financial institution;

29.1 (2) a description of the types of information involved in the notification event;

29.2 (3) if possible to determine, the date or date range of the notification event;

29.3 (4) the number of consumers affected or potentially affected by the notification event;

29.4 (5) a general description of the notification event; and

29.5 (6) a statement (i) disclosing whether a law enforcement official has provided the financial
29.6 institution with a written determination indicating that providing notice to the public regarding
29.7 the breach would impede a criminal investigation or cause damage to national security, and
29.8 (ii) if a written determination described under item (i) was provided to the financial
29.9 institution, providing contact information that enables the commissioner to contact the law
29.10 enforcement official. A law enforcement official may request an initial delay of up to 45
29.11 days following the date that notice was provided to the commissioner. The delay may be
29.12 extended for an additional period of up to 60 days if the law enforcement official seeks an
29.13 extension in writing. An additional delay may be permitted only if the commissioner
29.14 determines that public disclosure of a security event continues to impede a criminal
29.15 investigation or cause damage to national security.

29.16 Subd. 2. **Notification event treated as discovered.** A notification event must be treated
29.17 as discovered on the first day when the event is known to a financial institution. A financial
29.18 institution is deemed to have knowledge of a notification event if the event is known to any
29.19 person, other than the person committing the breach, who is the financial institution's
29.20 employee, officer, or other agent.

29.21 Sec. 7. **[46A.07] COMMISSIONER'S POWERS.**

29.22 (a) The commissioner has the power to examine and investigate the affairs of any covered
29.23 financial institution to determine whether the financial institution has been or is engaged in
29.24 any conduct that violates this chapter. This power is in addition to the powers granted to
29.25 the commissioner under section 46.01.

29.26 (b) If the commissioner has reason to believe that a financial institution has been or is
29.27 engaged in conduct in Minnesota that violates this chapter, the commissioner may take
29.28 action necessary or appropriate to enforce this chapter.

29.29 Sec. 8. **[46A.08] CONFIDENTIALITY.**

29.30 Subdivision 1. **Financial institution information.** (a) Any documents, materials, or
29.31 other information in the control or possession of the department that are furnished by a
29.32 licensee or a licensee's employee or agent acting on behalf of a financial institution pursuant

to section 46A.06 or that are obtained by the commissioner in an investigation or examination pursuant to section 46A.07: (1) are classified as confidential, protected nonpublic, or both; (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence in any private civil action.

(b) Notwithstanding paragraph (a), clauses (1) to (3), the commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

Subd. 2. **Certain testimony prohibited.** Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner is permitted or required to testify in a private civil action concerning confidential documents, materials, or information subject to subdivision 1.

Subd. 3. **Information sharing.** In order to assist in the performance of the commissioner's duties under sections 46A.01 to 46A.08, the commissioner may:

(1) share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to subdivision 1, with other state, federal, and international regulatory agencies, with the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal, and international law enforcement authorities, provided that the recipient agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information;

(2) receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates or subsidiaries, and from regulatory and law enforcement officials of other foreign or domestic jurisdictions, and must maintain as confidential or privileged any document, material, or information received with notice or the understanding that the document, material, or information is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information;

(3) share documents, materials, or other information subject to subdivision 1 with a third-party consultant or vendor, provided the consultant agrees in writing to maintain the confidentiality and privileged status of the document, material, or other information; and

(4) enter into agreements governing the sharing and use of information that are consistent with this subdivision.

31.1 Subd. 4. **No waiver of privilege or confidentiality; information retention.** (a) The
31.2 disclosure of documents, materials, or information to the commissioner under this section
31.3 or as a result of sharing as authorized in subdivision 3 does not result in a waiver of any
31.4 applicable privilege or claim of confidentiality in the documents, materials, or information.

31.5 (b) A document, material, or information disclosed to the commissioner under this section
31.6 about a cybersecurity event must be retained and preserved by the financial institution for
31.7 five years.

31.8 Subd. 5. **Certain actions public.** Nothing in sections 46A.01 to 46A.08 prohibits the
31.9 commissioner from releasing final, adjudicated actions that are open to public inspection
31.10 pursuant to chapter 13 to a database or other clearinghouse service maintained by the
31.11 Conference of State Bank Supervisors, the Conference of State Bank Supervisors' affiliates,
31.12 or the Conference of State Bank Supervisors' subsidiaries.

31.13 Subd. 6. **Classification, protection, and use of information by others.** Documents,
31.14 materials, or other information in the possession or control of the Conference of State Bank
31.15 Supervisors or a third-party consultant pursuant to sections 46A.01 to 46A.08: (1) are
31.16 classified as confidential, protected nonpublic, and privileged; (2) are not subject to subpoena;
31.17 and (3) are not subject to discovery or admissible in evidence in a private civil action.

31.18 Sec. 9. Minnesota Statutes 2022, section 47.20, subdivision 2, is amended to read:

31.19 Subd. 2. **Definitions.** For the purposes of this section the terms defined in this subdivision
31.20 have the meanings given them:

31.21 (1) "Actual closing costs" mean reasonable charges for or sums paid for the following,
31.22 whether or not retained by the mortgagee or lender:

31.23 (a) Any insurance premiums including but not limited to premiums for title insurance,
31.24 fire and extended coverage insurance, flood insurance, and private mortgage insurance, but
31.25 excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

31.26 (b) Abstracting, title examination and search, and examination of public records.

31.27 (c) The preparation and recording of any or all documents required by law or custom
31.28 for closing a conventional or cooperative apartment loan.

31.29 (d) Appraisal and survey of real property securing a conventional loan or real property
31.30 owned by a cooperative apartment corporation of which a share or shares of stock or a
31.31 membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$300,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than ~~\$100,000~~ or equal to the conforming loan limit established by the Federal Housing Finance Agency under the Housing and Recovery Act of 2018, Public Law 110-289, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the Farmers Home Administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

33.1 (4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan
33.2 or advance of credit made by a credit union or made pursuant to section 334.011, to a
33.3 noncorporate borrower in an original principal amount of less than \$100,000, secured by a
33.4 security interest on a share or shares of stock or a membership certificate or certificates
33.5 issued to a stockholder or member by a cooperative apartment corporation, which may be
33.6 accompanied by an assignment by way of security of the borrower's interest in the proprietary
33.7 lease or occupancy agreement in property issued by the cooperative apartment corporation
33.8 and which is not insured or guaranteed by the secretary of housing and urban development,
33.9 by the administrator of veterans affairs, or by the administrator of the Farmers Home
33.10 Administration.

33.11 (5) "Cooperative apartment corporation" means a corporation or cooperative organized
33.12 under chapter 308A or 317A, the shareholders or members of which are entitled, solely by
33.13 reason of their ownership of stock or membership certificates in the corporation or
33.14 association, to occupy one or more residential units in a building owned or leased by the
33.15 corporation or association.

33.16 (6) "Forward commitment fee" means a fee or other consideration paid to a lender for
33.17 the purpose of securing a binding forward commitment by or through the lender to make
33.18 conventional loans to two or more credit worthy purchasers, including future purchasers,
33.19 of residential units, or a fee or other consideration paid to a lender for the purpose of securing
33.20 a binding forward commitment by or through the lender to make conventional loans to two
33.21 or more credit worthy purchasers, including future purchasers, of units to be created out of
33.22 existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender
33.23 for the purpose of securing a binding forward commitment by or through the lender to make
33.24 cooperative apartment loans to two or more credit worthy purchasers, including future
33.25 purchasers, of a share or shares of stock or a membership certificate or certificates in a
33.26 cooperative apartment corporation; provided, that the forward commitment rate of interest
33.27 does not exceed the maximum lawful rate of interest effective as of the date the forward
33.28 commitment is issued by the lender.

33.29 (7) "Borrower's interest rate commitment" means a binding commitment made by a
33.30 lender to a borrower wherein the lender agrees that, if a conventional or cooperative
33.31 apartment loan is made following issuance of and pursuant to the commitment, the
33.32 conventional or cooperative apartment loan shall be made at a rate of interest not in excess
33.33 of the rate of interest agreed to in the commitment, provided that the rate of interest agreed
33.34 to in the commitment is not in excess of the maximum lawful rate of interest effective as
33.35 of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code

of Federal Regulations, title 12, part 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a common interest community, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 10. Minnesota Statutes 2022, section 47.54, subdivision 2, is amended to read:

Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must provide written consent approving the application without a hearing if ~~it is found~~ the commissioner finds that ~~(a): (1) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b): (2) the establishment of the proposed detached facility will improve~~ improves the quality or increase the availability of banking services in the community to be served; and ~~(c): (3) the establishment of the proposed detached facility will~~ does not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served.

~~Otherwise, (b)~~ (b) The commissioner ~~shall~~ must deny ~~the~~ an application that does not meet the criteria under paragraph (a), clauses (1) to (3).

(c) Any proceedings for judicial review of ~~an order of~~ written consent provided by the commissioner ~~issued~~ under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in

such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Sec. 11. Minnesota Statutes 2022, section 47.54, subdivision 6, is amended to read:

Subd. 6. **Expiration and extension of order approval.** If a facility is not activated within 18 months from the date ~~of the order approval is granted under subdivision 2~~, the approval ~~order~~ automatically expires. Upon a request of made by the applicant prior to before the automatic expiration date of the order approval expires, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's order approval is the subject of an appeal in accordance with chapter 14, the time period referred to in this section ~~for activation of to activate the facility and any extensions shall begin~~ begins when all appeals or rights of appeal from the commissioner's order approval have concluded or expired.

Sec. 12. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus made upon first mortgage security on improved real estate in any state in which the bank or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in any state adjoining a state in which the bank or a ~~branch established under section 49.411~~ detached facility of the bank is located, shall not constitute a liability of the maker of the notes secured by such mortgages within the meaning of the foregoing provision limiting liability, but shall be an actual liability of the maker. These mortgage loans shall be limited to, and in no case exceed, 50 percent of the cash value of the security covered by the mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee or for which a conditional guarantee has been issued, which loans shall in no case exceed 60 percent of the cash value of the security covered by such mortgage. For the purposes of this subdivision, real estate is improved when substantial and permanent development or construction has contributed substantially to its value, and agricultural land is improved when farm crops are regularly raised on such land without further substantial improvements.

37.1 Sec. 13. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended
37.2 to read:

37.3 Subd. 18. **Money transmission.** (a) "Money transmission" means:

37.4 (1) selling or issuing payment instruments to a person located in this state;

37.5 (2) selling or issuing stored value to a person located in this state; or

37.6 (3) receiving money for transmission from a person located in this state.

37.7 (b) ~~Money includes payroll processing services.~~ Money does not include the provision
37.8 solely of online or telecommunications services or network access.

37.9 Sec. 14. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended
37.10 to read:

37.11 Subd. 25. **Payroll processing services.** "Payroll processing services" means ~~receiving~~
37.12 ~~money for transmission pursuant to a contract with a person to deliver~~ delivering wages or
37.13 salaries, ~~make~~ making payment of payroll taxes to state and federal agencies, ~~make~~ making
37.14 payments relating to employee benefit plans, ~~or make~~ making distributions of other authorized
37.15 deductions from wages or salaries, or transmitting other funds on behalf of an employer in
37.16 connection with transactions related to employees. The term payroll processing services
37.17 ~~does not include~~ includes an employer performing payroll processing services on the
37.18 employer's own behalf or on behalf of the employer's affiliate, ~~or a~~ and professional
37.19 employment organization ~~subject to regulation under other applicable state law~~ organizations.

37.20 Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

37.21 **53B.29 EXEMPTIONS.**

37.22 This chapter does not apply to:

37.23 (1) an operator of a payment system, to the extent the operator of a payment system
37.24 provides processing, clearing, or settlement services between or among persons exempted
37.25 by this section or licensees in connection with wire transfers, credit card transactions, debit
37.26 card transactions, stored-value transactions, automated clearing house transfers, or similar
37.27 funds transfers;

37.28 (2) a person appointed as an agent of a payee to collect and process a payment from a
37.29 payor to the payee for goods or services, other than money transmission itself, provided to
37.30 the payor by the payee, provided that:

38.1 (i) there exists a written agreement between the payee and the agent directing the agent
38.2 to collect and process payments from payors on the payee's behalf;

38.3 (ii) the payee holds the agent out to the public as accepting payments for goods or services
38.4 on the payee's behalf; and

38.5 (iii) payment for the goods and services is treated as received by the payee upon receipt
38.6 by the agent so that the payor's obligation is extinguished and there is no risk of loss to the
38.7 payor if the agent fails to remit the funds to the payee;

38.8 (3) a person that acts as an intermediary by processing payments between an entity that
38.9 has directly incurred an outstanding money transmission obligation to a sender, and the
38.10 sender's designated recipient, provided that the entity:

38.11 (i) is properly licensed or exempt from licensing requirements under this chapter;

38.12 (ii) provides a receipt, electronic record, or other written confirmation to the sender
38.13 identifying the entity as the provider of money transmission in the transaction; and

38.14 (iii) bears sole responsibility to satisfy the outstanding money transmission obligation
38.15 to the sender, including the obligation to make the sender whole in connection with any
38.16 failure to transmit the funds to the sender's designated recipient;

38.17 (4) the United States; a department, agency, or instrumentality of the United States; or
38.18 an agent of the United States;

38.19 (5) money transmission by the United States Postal Service or by an agent of the United
38.20 States Postal Service;

38.21 (6) a state; county; city; any other governmental agency, governmental subdivision, or
38.22 instrumentality of a state; or the state's agent;

38.23 (7) a federally insured depository financial institution; bank holding company; office of
38.24 an international banking corporation; foreign bank that establishes a federal branch pursuant
38.25 to the International Bank Act, United States Code, title 12, section 3102, as amended or
38.26 recodified from time to time; corporation organized pursuant to the Bank Service Corporation
38.27 Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from
38.28 time to time; or corporation organized under the Edge Act, United States Code, title 12,
38.29 sections 611 to 633, as amended or recodified from time to time;

38.30 (8) electronic funds transfer of governmental benefits for a federal, state, county, or
38.31 governmental agency by a contractor on behalf of the United States or a department, agency,

39.1 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or
 39.2 instrumentality thereof;

39.3 (9) a board of trade designated as a contract market under the federal Commodity
 39.4 Exchange Act, United States Code, title 7, sections 1 to 25, as amended or recodified from
 39.5 time to time; or a person that in the ordinary course of business provides clearance and
 39.6 settlement services for a board of trade to the extent of its operation as or for a board;

39.7 (10) a registered futures commission merchant under the federal commodities laws, to
 39.8 the extent of the registered futures commission merchant's operation as a merchant;

39.9 (11) a person registered as a securities broker-dealer under federal or state securities
 39.10 laws, to the extent of the person's operation as a securities broker-dealer;

39.11 (12) an individual employed by a licensee, authorized delegate, or any person exempted
 39.12 from the licensing requirements under this chapter when acting within the scope of
 39.13 employment and under the supervision of the licensee, authorized delegate, or exempted
 39.14 person as an employee and not as an independent contractor;

39.15 (13) a person expressly appointed as a third-party service provider to or agent of an
 39.16 entity exempt under clause (7), solely to the extent that:

39.17 (i) the service provider or agent is engaging in money transmission on behalf of and
 39.18 pursuant to a written agreement with the exempt entity that sets forth the specific functions
 39.19 that the service provider or agent is to perform; and

39.20 (ii) the exempt entity assumes all risk of loss and all legal responsibility for satisfying
 39.21 the outstanding money transmission obligations owed to purchasers and holders of the
 39.22 outstanding money transmission obligations upon receipt of the purchaser's or holder's
 39.23 money or monetary value by the service provider or agent; ~~or~~

39.24 (14) payroll processing services providers; or

39.25 ~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the
 39.26 exemption is in the public interest, and (ii) the regulation of the person is not necessary for
 39.27 the purposes of this chapter.

39.28 Sec. 16. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to
 39.29 read:

39.30 Subd. 15a. **Nationwide Multistate Licensing System and Registry.** "Nationwide
 39.31 Multistate Licensing System and Registry" has the meaning given in section 58A.02,
 39.32 subdivision 8.

Sec. 17. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

Subd. 18. **Residential mortgage loan.** "Residential mortgage loan" means a loan secured primarily by either: (1) a mortgage, deed of trust, or other equivalent security interest on residential real ~~property~~ estate; or (2) certificates of stock or other evidence of ownership interest in and proprietary lease from corporations, partnerships, or other forms of business organizations formed for the purpose of cooperative ownership of residential real ~~property~~ estate.

Sec. 18. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

Subd. 21. **Residential real estate.** "Residential real estate" means real property located in Minnesota upon which a dwelling, as defined in United States Code, title 15, section 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies the real property.

Sec. 19. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

Subdivision 1. **Residential mortgage originator licensing requirements.** (a) No person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain a surety bond in the amounts prescribed under section 58.08.

(c) The following persons are exempt from the residential mortgage originator licensing requirements:

(1) a person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with its own funds, during any 12-month period;

(2) a financial institution as defined in section 58.02, subdivision 10;

(3) an agency of the federal government, or of a state or municipal government;

(4) an employee or employer pension plan making loans only to its participants;

(5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction;

(6) a person who is a bona fide nonprofit organization that meets all the criteria required by the federal Secure and Fair Enforcement Licensing Act in Regulation H, adopted pursuant to Code of Federal Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii);

~~(6)~~ (7) a person exempted by order of the commissioner; or

~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b, or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

(i) performs only clerical or support duties in connection with assisting a consumer in filling out a residential mortgage loan application but does not in any way offer or negotiate loan terms, or hold themselves out as a housing counselor;

(ii) does not receive any direct or indirect compensation or gain from any individual or company for assisting consumers with a residential mortgage loan application, in excess of the customary salary or commission from the employer in connection with the sales transaction; and

(iii) discloses to the borrower in writing:

(A) if a corporate affiliation with a lender exists;

(B) if a corporate affiliation with a lender exists, that the lender cannot guarantee the lowest or best terms available and the consumer has the right to choose their lender; and

(C) if a corporate affiliation with a lender exists, the name of at least one unaffiliated lender.

(d) For the purposes of this subdivision, "housing counselor" means an individual who provides assistance and guidance about residential mortgage loan terms including rates, fees, or other costs.

(e) The disclosures required under paragraph (c), clause ~~(7)~~ (8), item (iii), must be made on a one-page form prescribed by the commissioner and developed in consultation with the Manufactured and Modular Home Association. The form must be posted on the department's website.

Sec. 20. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August 1, 1999, no person shall engage in activities or practices that fall within the definition of "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

42.1 (b) The following persons are exempt from the residential mortgage servicer licensing
42.2 requirements:

42.3 (1) a person licensed as a residential mortgage originator;

42.4 (2) an employee of one licensee or one person holding a certificate of exemption based
42.5 on an exemption under this subdivision;

42.6 (3) a person servicing loans made with its own funds, if no more than three such loans
42.7 are made in any 12-month period;

42.8 (4) a financial institution as defined in section 58.02, subdivision 10;

42.9 (5) an agency of the federal government, or of a state or municipal government;

42.10 (6) an employee or employer pension plan making loans only to its participants;

42.11 (7) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a
42.12 specific order issued by a court of competent jurisdiction; ~~or~~

42.13 (8) a person who is a bona fide nonprofit organization that meets all the criteria required
42.14 by the federal Secure and Fair Enforcement Licensing Act in Regulation H, Code of Federal
42.15 Regulations, title 12, part 1008, subpart B, section 1008.103 (e)(7)(ii); or

42.16 ~~(8)~~ (9) a person exempted by order of the commissioner.

42.17 Sec. 21. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

42.18 Subdivision 1. **Exempt person.** (a) An exempt person, as defined by section 58.04,
42.19 subdivision 1, paragraph (c), and subdivision 2, paragraph (b), is exempt from the licensing
42.20 requirements of this chapter, but is subject to all other provisions of this chapter.

42.21 (b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision
42.22 4, even if the institution is otherwise an exempt person.

42.23 Sec. 22. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

42.24 Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a
42.25 certificate of exemption from the commissioner to qualify as an exempt person under section
42.26 58.04, subdivision 1, paragraph (c); (1) a financial institution under section 58.04,
42.27 subdivision 1, paragraph (c), clause (2); (2) a bona fide nonprofit organization under section
42.28 58.04, subdivision 1, paragraph (c), clause (6); or (3) a person exempted by order of the
42.29 commissioner under section 58.04, subdivision 1, paragraph (c), clause (6); ~~or~~ (7).

(b) The following persons must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 2, paragraph (b), as: (1) a financial institution under section 58.04, subdivision 2, paragraph (b), clause (4); (2) a bona fide nonprofit organization under section 58.04, subdivision 2, paragraph (b), clause (8); or (3) a person exempted by order of the commissioner under clause (8) (9).

Sec. 23. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 5. Background checks. In connection with an application for a residential mortgage loan originator or servicer license, any person in control of an applicant must, at a minimum, provide the Nationwide Multistate Licensing System and Registry information concerning the person's identity, including:

(1) fingerprints for submission to the Federal Bureau of Investigation and a governmental agency or entity authorized to receive the information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the Nationwide Multistate Licensing System and Registry, including the submission of authorization for the Nationwide Multistate Licensing System and Registry and the commissioner to obtain:

(i) an independent credit report obtained from a consumer reporting agency described in United States Code, title 15, section 1681a(p); and

(ii) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

Sec. 24. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 6. Requesting and distributing criminal information; agency. For the purposes of this section and in order to reduce the points of contact the Federal Bureau of Investigation may have to maintain for purposes of subdivision 5, clauses (1) and (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request information from and distribute information to the United States Department of Justice or any governmental agency.

Sec. 25. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to read:

Subd. 7. Requesting and distributing noncriminal information; agency. For the purposes of this section and in order to reduce the points of contact the commissioner may have to maintain for purposes of subdivision 5, clause (2), the commissioner may use the Nationwide Multistate Licensing System and Registry as a channeling agent to request and distribute information from and to any source, as directed by the commissioner.

Sec. 26. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

Subd. 1a. Residential mortgage originators. (a) An applicant for a residential mortgage originator license must file with the department a surety bond in the amount of ~~\$100,000~~ \$125,000, issued by an insurance company authorized to do so in this state. The bond must cover all mortgage loan originators who are employees or independent agents of the applicant. The bond must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers as a result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond must be submitted with the originator's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond shall remain in effect during all periods of licensing.

(c) Upon filing of the mortgage call report as required by section ~~58A.17~~ 58.141, a licensee shall maintain or increase ~~its~~ the licensee's surety bond to reflect the total dollar amount of the closed residential mortgage loans originated in this state in the preceding year according to the table in this paragraph. A licensee may decrease ~~its~~ the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

Dollar Amount of Closed Residential Mortgage Loans	Surety Bond Required
\$0 to \$5,000,000 <u>\$10,000,000</u>	\$100,000 <u>\$125,000</u>
\$5,000,000.01 to \$10,000,000 <u>\$25,000,000</u>	\$125,000 <u>\$150,000</u>
\$10,000,000.01 to \$25,000,000 <u>\$100,000,000</u>	\$150,000 <u>\$200,000</u>
Over \$25,000,000 <u>\$100,000,000</u>	\$200,000 <u>\$300,000</u>

For purposes of this subdivision, "mortgage loan originator" has the meaning given the term in section 58A.02, subdivision 7.

Sec. 27. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

Subd. 2. Residential mortgage servicers. (a) A residential mortgage servicer licensee shall continuously maintain a surety bond or irrevocable letter of credit in an amount not less than ~~\$100,000~~ \$125,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter, and for losses or damages incurred by borrowers or other aggrieved parties as the result of a licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48, and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

(b) The bond or irrevocable letter of credit must be submitted with the servicer's license application and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner, within ten days of its execution. The bond or a substitute bond must remain in effect during all periods of a license.

(c) Upon filing the mortgage call report under section 58.141, a licensee must maintain or increase the licensee's surety bond to reflect the total dollar amount of unpaid principal balance for residential mortgage loans serviced in Minnesota during the preceding quarter according to the table in this paragraph. A licensee may decrease the licensee's surety bond according to the table in this paragraph if the surety bond required is less than the amount of the surety bond on file with the department.

<u>Dollar Amount of Unpaid Principal Balance</u>	<u>Surety Bond Required</u>
<u>for Serviced Residential Mortgage Loans</u>	
<u>\$0 to \$10,000,000</u>	<u>\$125,000</u>
<u>\$10,000,000.01 to \$50,000,000</u>	<u>\$200,000</u>
<u>Over \$50,000,000</u>	<u>\$300,000</u>

Sec. 28. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

Subd. 3. Consumer education account; money credited and appropriated. (a) The consumer education account is created in the special revenue fund. Money credited to this account may be appropriated to the commissioner ~~for the purpose of making to:~~ (1) make grants to programs and campaigns designed to help consumers avoid being victimized by

unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner incurs to provide outreach and education related to affordable housing and home ownership education. The commissioner must give preference ~~shall be given~~ for grants to programs and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies, institutions, companies, and organizations.

(b) A sum sufficient is appropriated annually from the consumer education account to the commissioner to make the grants described in paragraph (a).

Sec. 29. Minnesota Statutes 2022, section 58.115, is amended to read:

58.115 EXAMINATIONS.

The commissioner has under this chapter the same powers with respect to examinations that the commissioner has under section 46.04. In addition to the powers under section 46.04, the commissioner may accept examination reports prepared by a state agency that has comparable supervisory powers and examination procedures. The authority under section 49.411, subdivision 7, applies to examinations of institutions under this chapter.

Sec. 30. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

(1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;

(2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;

(3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, paragraph (d);

(4) fail to disburse funds according to its contractual or statutory obligations;

(5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;

47.1 (6) charge a fee for a product or service where the product or service is not actually
47.2 provided, or misrepresent the amount charged by or paid to a third party for a product or
47.3 service;

47.4 (7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property
47.5 law;

47.6 (8) violate any provision of any other applicable state or federal law regulating residential
47.7 mortgage loans including, without limitation, sections 47.20 to 47.208 and 47.58;

47.8 (9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading
47.9 statement or representation in connection with a residential loan transaction including,
47.10 without limitation, a false, deceptive, or misleading statement or representation regarding
47.11 the borrower's ability to qualify for any mortgage product;

47.12 (10) conduct residential mortgage loan business under any name other than that under
47.13 which the license or certificate of exemption was issued;

47.14 (11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for
47.15 the purpose of influencing the independent judgment of the appraiser with respect to the
47.16 value of real estate that is to be covered by a residential mortgage or is being offered as
47.17 security according to an application for a residential mortgage loan;

47.18 (12) issue any document indicating conditional qualification or conditional approval for
47.19 a residential mortgage loan, unless the document also clearly indicates that final qualification
47.20 or approval is not guaranteed, and may be subject to additional review;

47.21 (13) make or assist in making any residential mortgage loan with the intent that the loan
47.22 will not be repaid and that the residential mortgage originator will obtain title to the property
47.23 through foreclosure;

47.24 (14) provide or offer to provide for a borrower, any brokering or lending services under
47.25 an arrangement with a person other than a licensee or exempt person, provided that a person
47.26 may rely upon a written representation by the residential mortgage originator that it is in
47.27 compliance with the licensing requirements of this chapter;

47.28 (15) claim to represent a licensee or exempt person, unless the person is an employee
47.29 of the licensee or exempt person or unless the person has entered into a written agency
47.30 agreement with the licensee or exempt person;

47.31 (16) fail to comply with the record keeping and notification requirements identified in
47.32 section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case;

(22) violate section 82.77, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan all or a portion of the proceeds of which are used to fully or partially pay off a "special mortgage" unless the borrower has obtained a written certification from an authorized independent loan counselor

that the borrower has received counseling on the advisability of the loan transaction. For purposes of this section, "special mortgage" means a residential mortgage loan originated, subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit organization, that bears one or more of the following nonstandard payment terms which substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or interest are not required or can be deferred under specified conditions; (iii) principal or interest is forgivable under specified conditions; or (iv) where no interest or an annual interest rate of two percent or less is charged in connection with the loan. For purposes of this section, "authorized independent loan counselor" means a nonprofit, third-party individual or organization providing home buyer education programs, foreclosure prevention services, mortgage loan counseling, or credit counseling certified by the United States Department of Housing and Urban Development, the Minnesota Home Ownership Center, the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks America;

(24) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of the following, as applicable: principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage insurance premiums. For loans in which the interest rate may vary, the reasonable ability to pay shall be determined based on a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents.

Nothing in this section shall be construed to limit a mortgage originator's or exempt person's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay the residential mortgage loan, including criteria established by the United States Department of Veterans Affairs or the United States Department of Housing and Urban Development for interest rate reduction refinancing loans or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation; however, such other criteria must be verified through reasonably reliable methods and documentation. The mortgage originator's analysis of the borrower's reasonable ability to repay may include, but is not limited to, consideration of the following items, if verified: (1) the borrower's current and expected income; (2) current and expected cash flow; (3) net worth and other financial resources other than the consumer's equity in the dwelling that secures the loan; (4) current financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7)

employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax returns; (12) pension statements; and (13) employment payment records, provided that no mortgage originator shall disregard facts and circumstances that indicate that the financial or other information submitted by the consumer is inaccurate or incomplete. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources or sole reliance on any single item listed above is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(25) engage in "churning." As used in this section, "churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances. In order to demonstrate a reasonable, tangible net benefit to the borrower, the circumstances must be documented in writing and must be signed by the borrower and lender three days before the closing date. The written analysis must, with respect to the prior loan and the new loan, document the: (i) origination date; (ii) loan amount; (iii) loan balance; (iv) loan term; (v) loan program; (vi) type of loan; (vii) interest rate; (viii) monthly amount of principal and interest paid; (ix) monthly amount of private mortgage insurance paid; (x) loan purpose; (xi) loan origination cost; (xii) cash to borrower, if applicable; and (xiii) time to recoup the loan cost, if applicable, expressed in months;

(26) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(27) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance

51.1 with any repayment option offered pursuant to the terms of the loan will result in negative
51.2 amortization during any six-month period.

51.3 (b) Paragraph (a), clauses (24) through (27), do not apply to a state or federally chartered
51.4 bank, savings bank, or credit union, an institution chartered by Congress under the Farm
51.5 Credit Act, or to a person making, providing, or arranging a residential mortgage loan
51.6 originated or purchased by a state agency or a tribal or local unit of government. This
51.7 paragraph supersedes any inconsistent provision of this chapter.

51.8 Sec. 31. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

51.9 Subdivision 1. **Mortgage call reports.** A residential mortgage originator or servicer
51.10 must submit reports of condition to the Nationwide Multistate Licensing System and Registry.
51.11 Reports submitted under this subdivision must be in the form and contain the information
51.12 required by the Nationwide Multistate Licensing System and Registry.

51.13 Subd. 2. **Report to Nationwide Multistate Licensing System and Registry.** Subject
51.14 to section 58A.14, the commissioner must regularly report violations of this chapter, as well
51.15 as enforcement actions and other relevant information, to the Nationwide Multistate Licensing
51.16 System and Registry.

51.17 Subd. 3. **Unique identifier; display.** The unique identifier of any person originating a
51.18 residential mortgage loan must be clearly displayed on all residential mortgage loan
51.19 application forms, solicitations, or advertisements, including business cards or websites,
51.20 and any other documents the commissioner establishes by rule or order.

51.21 Sec. 32. **[60M.01] DEFINITIONS.**

51.22 Subdivision 1. **Terms.** For the purposes of this chapter, the terms defined in this section
51.23 have the meanings given them.

51.24 Subd. 2. **Bail bond agency.** "Bail bond agency" means an agency contracted by a surety
51.25 to supervise or otherwise manage the bail bond business written in Minnesota by producers
51.26 appointed by the surety.

51.27 Subd. 3. **Commissioner.** "Commissioner" means the commissioner of commerce.

51.28 Subd. 4. **Department.** "Department" means the Department of Commerce.

51.29 Subd. 5. **Negotiate.** "Negotiate" means the act of conferring directly with or offering
51.30 advice directly to a purchaser or prospective purchaser of a particular insurance contract

52.1 concerning any of the substantive benefits, terms, or conditions of the contract, if the person
52.2 engaged in the act either sells insurance or obtains insurance from insurers for purchasers.

52.3 Subd. 6. **Net premium.** "Net premium" means a bond's premium, less any commission
52.4 agreed to in advance and in writing between a producer and the surety or bail bond agency.

52.5 Subd. 7. **Personal information.** "Personal information" has the meaning given in section
52.6 72A.491, subdivision 17.

52.7 Subd. 8. **Privileged information.** "Privileged information" has the meaning given in
52.8 section 72A.491, subdivision 19.

52.9 Subd. 9. **Producer.** "Producer" means a person that works for a supervising bail bond
52.10 agency and is appointed by a surety to execute or countersign bail bonds for the surety in
52.11 connection with judicial proceedings.

52.12 Subd. 10. **Sell.** "Sell" means to exchange on behalf of an insurance company an insurance
52.13 contract by any means for money or money's equivalent.

52.14 Subd. 11. **Solicit.** "Solicit" means: (1) any written or printed presentation or advertising
52.15 made by mail or other publication which implies that an individual is licensed to sell bail
52.16 bonds; (2) an oral presentation or advertising in person or by means of telephone, radio, or
52.17 television, which implies that an individual is licensed to sell bail bonds; (3) an activity in
52.18 arranging for bail which results in compensation or anything of value to the individual
52.19 conducting that activity; or (4) an attempt to sell or ask or urge a person to apply for a bail
52.20 bond from a surety.

52.21 Subd. 12. **Surety.** "Surety" means a domestic, foreign, or alien insurance company that
52.22 is licensed to transact surety business in Minnesota under section 60A.06.

52.23 Sec. 33. **[60M.02] PREMIUMS.**

52.24 Subdivision 1. **Premiums; generally.** (a) Regardless of whether a producer is an
52.25 employee or an independent contractor, a producer must charge the approved, filed rate of
52.26 the surety being used to post a bail bond. Except as provided in subdivision 2 or in a situation
52.27 where cash bail is set by the court under subdivision 5, the rate charged must not be less
52.28 than the surety's filed rate.

52.29 (b) A producer is prohibited from providing a premium rebate.

52.30 (c) A producer may charge travel or other related fees, provided the producer complies
52.31 with section 60K.46, subdivision 2.

53.1 Subd. 2. **Minimum premium.** A producer must charge a minimum premium of \$100.
53.2 Any premium amount must be included in the surety's rate filing with the commissioner.

53.3 Subd. 3. **Bail bonds less than \$10,000.** (a) A producer is prohibited from posting a bail
53.4 bond with a penal sum of \$10,000 or less unless the producer has:

53.5 (1) received at least 50 percent of the total premium owed under the surety's rate filing;

53.6 (2) provided the premium's payer with a receipt that indicates the premium paid; and

53.7 (3) if the payment in full is not made before posting the bond, obtained a promissory
53.8 note from the premium payer that requires the premium payer to pay the unpaid premium
53.9 in full within 120 days after the date the bond is posted.

53.10 (b) A promissory note issued under paragraph (a), clause (3), must be made on a surety
53.11 or bail bond agency form that has been approved by the commissioner. The maximum
53.12 interest rate allowed in a promissory note under this subdivision is six percent. A promissory
53.13 note may authorize collection of the actual costs incurred to collect the premium, including
53.14 reasonable attorney fees, in the event of a default.

53.15 Subd. 4. **Bail bonds greater than \$10,000.** (a) A producer is prohibited from posting
53.16 a bail bond with a penal sum greater than \$10,000 unless the producer has:

53.17 (1) received at least 30 percent of the total premium owed under the surety's rate filing;

53.18 (2) provided the premium's payer with a receipt that indicates the premium paid; and

53.19 (3) if the payment in full is not made before posting the bond, obtained a promissory
53.20 note from the premium payer that requires the premium payer to pay the unpaid premium
53.21 in full, making at a minimum equal monthly payments, within 12 days of the date the bond
53.22 is posted.

53.23 (b) A promissory note issued under paragraph (a), clause (3), must be made on a surety
53.24 or bail bond agency form that has been approved by the commissioner. The maximum
53.25 interest rate allowed in a promissory note under this subdivision is six percent. A promissory
53.26 note may authorize collection of the actual costs incurred to collect the premium, including
53.27 reasonable attorney fees, in the event of a default.

53.28 Subd. 5. **Alternative premium structure.** (a) A bail bond agency or principal may
53.29 include an alternative premium structure as part of the bail bond agency or producer's surety
53.30 rate filing submitted to the commissioner. The commissioner may approve the alternative
53.31 premium structure's use in circumstances as provided under this subdivision.

54.1 (b) If a court sets bail at 15 percent or less of the bond's penal amount, a surety, bail
54.2 bond agency, or principal may charge an alternative premium that is as low as one-half of
54.3 the cash bail amount set by the court. An alternative premium charged under this subdivision
54.4 is subject to the minimum premium requirement under subdivision 2.

54.5 (c) A bail bond agency or principal is required to obtain from the court documentation
54.6 indicating the cash bail amount set by the court and must maintain the documentation in
54.7 the bond file.

54.8 (d) A bail bond agency and producer must maintain a log of all bonds where an alternative
54.9 premium was charged under this subdivision.

54.10 (e) Subdivisions 3 and 4 apply to the payment of an alternative premium structure under
54.11 this subdivision.

54.12 Subd. 6. **Late payments.** If a payment, including a minimum monthly payment, that is
54.13 required under a promissory note executed pursuant to subdivision 3 or 4 is more than 90
54.14 days late, the bail bond agency or producer must, within 20 days of the date a payment
54.15 becomes 90 days late:

54.16 (1) for amounts owed that are \$1,000 or less, assign the debt to a Minnesota-licensed
54.17 debt collector; or

54.18 (2) for amounts owed that are greater than \$1,000:

54.19 (i) file a civil action against the delinquent premium payer; and

54.20 (ii) make all reasonable efforts to: (A) serve a summons and complaint; (B) enter
54.21 judgment, unless the matter is settled while the action is pending; and (C) enforce the
54.22 judgment, which may be satisfied by assigning the debt to a licensed debt collector.

54.23 Subd. 7. **Form of payment.** A surety, bail bond agency, or producer must accept only
54.24 cash, money orders, checks, wire transfers, electronic funds transfers, debit cards, prepaid
54.25 cash cards, or credit cards as a premium payment method. Any balance owed must be
54.26 evidenced by a promissory note, as provided under subdivision 3 or 4.

54.27 Subd. 8. **Payments made directly to producer; premium trust account.** (a) Unless
54.28 payment was previously forwarded to the surety or bail bond agency, within five business
54.29 days of the date a bond is posted or a payment is made on a promissory note, a producer
54.30 must deposit payments directly to the producer into a premium trust account that the producer,
54.31 bail bond agency, or surety maintains.

55.1 (b) A premium trust account must be used only for premium payments and travel or
55.2 other related fees authorized under subdivision 1, paragraph (c). A producer, bail bond
55.3 agency, or surety is prohibited from depositing any other money into a premium trust
55.4 account.

55.5 (c) A deposit into a premium trust account must be accompanied by a deposit slip that:
55.6 (1) separately designates the source of the deposit; and (2) lists the power of attorney number
55.7 for the bond that the premium is being collected on.

55.8 (d) Money may be withdrawn from a producer's premium trust account only to:

55.9 (1) pay the net premium to the surety or bail bond agency;

55.10 (2) pay a surety or bail bond agency any build-up fund or escrow account required by
55.11 a contract executed by the producer and the surety or bail bond agency;

55.12 (3) pay travel or other related fees authorized under subdivision 1, paragraph (c);

55.13 (4) pay the producer any fees or charges deducted electronically by credit card processing
55.14 vendors, provided the fees and charges comply with section 60K.46, subdivision 2; and

55.15 (5) distribute any excess amounts to the producer's operating account.

55.16 Sec. 34. **[60M.03] COLLATERAL.**

55.17 Subdivision 1. **Collateral generally.** (a) When collateral is accepted, the producer, or
55.18 a surety or bail bond agency if collateral is provided directly to the surety or bail bond
55.19 agency, must provide a written, numbered receipt to the individual on whose behalf the
55.20 collateral is being held. The receipt must:

55.21 (1) contain the date; depositor's name and address; bail bond agency's name and address;
55.22 surety's name and address; defendant's name; bond amount; and cash amount or a detailed
55.23 description of the collateral, if the collateral is not cash; and

55.24 (2) be signed by: (i) the producer, surety, or bail bond agency; and (ii) the individual on
55.25 whose behalf the collateral is being held.

55.26 (b) Collateral must be reasonably cared for in a manner that complies with this section
55.27 and other law.

55.28 Subd. 2. **Collateral received; transfer; control.** (a) Except as otherwise provided under
55.29 paragraph (b), a producer or bail bond agency must transfer all cash and noncash collateral
55.30 that the producer or bail bond agency receives to the surety.

(b) A surety may, at the surety's discretion, permit: (1) a producer to transfer all cash and noncash collateral that the producer receives to the bail bond agency; and (2) the bail bond agency to retain possession and control over the cash and noncash collateral without transferring the cash and noncash collateral to the surety. If a surety exercises the surety's discretion under this paragraph, the bail bond agency assumes the surety's responsibilities and responsibilities under this section. A producer is prohibited from retaining possession or control of cash or noncash collateral beyond the time periods established in this section.

Subd. 3. Cash collateral trust account. (a) All cash collateral must be deposited into a cash collateral account maintained by a surety within five business days of the date the cash collateral is received.

(b) All checks, money orders, wire transfers, or similar money transfer for collateral must be made payable to the bail bond agency and deposited into the surety's or bail bond agency's collateral account within ten business days of the date the payment was received.

(c) When required by law, a bail bond agency or producer must: (1) file an IRS Form 8300 and informational notice; and (2) retain a copy of the filed IRS Form 8300 and informational notice in the bail bond agency's or producer's files.

Subd. 4. Separate cash collateral account. At the surety's discretion, the surety or a bail bond agency may maintain a separate cash collateral trust account. A cash collateral trust account may be an interest-bearing account or a noninterest-bearing account. If the separate cash collateral trust account is an interest-bearing account, the interest earned is for the benefit of the individual on whose behalf the collateral is being held.

Subd. 5. Surety liable. The surety is liable to return any cash or noncash collateral that a producer or bail bond agency collects, even if the collected collateral is not transferred to the surety.

Subd. 6. Prohibitions. (a) A surety, bail bond agency, or producer is prohibited from collecting collateral in excess of the bond's penal sum.

(b) A surety, bail bond agency, or producer is prohibited from using collateral for personal benefit or gain.

(c) A surety, bail bond agency, or producer is prohibited from taking a quitclaim deed on real property as collateral for a bond.

Subd. 7. Collateral log. (a) A bail bond agency or producer must maintain a collateral log that includes:

(1) the power of attorney number;

57.1 (2) the defendant's name;

57.2 (3) the depositor's name;

57.3 (4) the cash collateral amount, including whether the cash collateral is being held in an
57.4 interest-bearing account;

57.5 (5) if the collateral is noncash collateral, a detailed description of the collateral;

57.6 (6) the date the collateral was taken; and

57.7 (7) the dates the collateral was sent to the surety, returned to the depositor, liquidated,
57.8 or applied to a loss or cost incurred by the producer, bail bond agency, or surety.

57.9 (b) For purposes of paragraph (a), an indemnity agreement does not constitute collateral
57.10 and is not required to be included in the collateral log. For purposes of paragraph (a), clause
57.11 (7), the amount of a loss incurred must be listed separately from other costs in the collateral
57.12 log.

57.13 Subd. 8. **Mortgages and deeds of trust.** (a) A mortgage or deed of trust, if applicable
57.14 for property located outside of Minnesota, taken as collateral for a bond must name the
57.15 surety as a mortgagee. At the discretion of the surety, a bail bond agency may be named as
57.16 the mortgagee in lieu of the surety being named as the mortgagee.

57.17 (b) A producer is prohibited from being named as a mortgagee for a mortgage or deed
57.18 of trust taken as collateral for a bond.

57.19 Subd. 9. **Return of collateral.** (a) A surety or bail bond agency that controls the collateral
57.20 must return cash and noncash collateral to the depositor named in the collateral receipt
57.21 within 21 days of the date the depositor provides the surety or bail bond agency with written
57.22 proof that the bond has been discharged.

57.23 (b) If the depositor owes the surety, bail bond agency, or producer a premium; is liable
57.24 for a loss or expense related to a breach of the bond; or is liable pursuant to the terms of an
57.25 indemnity or other agreement, the surety or bail bond agency may retain from the collateral
57.26 all money required to satisfy the depositor's debts.

57.27 (c) If all of the depositor's debts secured by collateral are satisfied, the surety or bail
57.28 bond agency must file documentation to release any liens, security interests, mortgages, or
57.29 other security interests that were filed or obtained in relation to the collateral. The
57.30 documentation must be filed within 21 days of the date the depositor provides the surety or
57.31 bail bond agency with written proof that the bond has been discharged.

Subd. 10. **Bond or indemnity agreement; breach.** If a bond or indemnity agreement is breached and the surety, bail bond agency, or producer suffers a loss, the surety or bail bond agency that controls the collateral must send to the depositor written notice that notifies the depositor that the surety or bail bond agency intends to liquidate noncash collateral. The written notice must be sent by certified mail to the depositor's last known address at least 30 days before the date the surety or bail bond agency liquidates the noncash collateral.

Subd. 11. **Compliance with Minnesota law.** Any action taken to enforce or foreclose on cash or noncash collateral must comply with Minnesota law.

Subd. 12. **Collateral documentation; audit and inspection.** (a) All collateral and related documentation held in trust by the surety or bail bond agency must be made available for immediate audit and inspection by the department.

(b) All collateral and related documentation held in trust by the bail bond agency must be made available for immediate audit and inspection by the surety.

Sec. 35. **[60M.04] PRODUCER AUDITS.**

Subdivision 1. **Premium audits.** (a) By April 30 each year, a surety must audit each licensed bail bond producer's bonds written during the previous calendar year to ensure the licensed bail bond producer has complied with this subdivision.

(b) The premium audits must include a review of an adequate sample of bonds written by each bail bond producer. A review sample is adequate if it consists of the lesser of: (1) 20 percent of the bonds written by the bail bond producer; (2) 24 bonds; or (3) all of the bonds written by the bail bond producer, if the bail bond producer wrote fewer than 12 bonds during the previous calendar year. The audit sample must include the four largest bonds written by the bail bond producer and four bonds that charged an alternative premium under section 60M.02, subdivision 5, if applicable. Of the remaining bonds audited and to the extent the quantity of bonds supports the percentages, 50 percent must be randomly selected bonds with a penal sum that is \$10,000 or less, and 50 percent must be randomly selected bonds with a penal sum that is greater than \$50,000.

(c) The premium audit must be conducted at the producer's office or the bail bond agency's office, depending on which entity maintains the physical records. The surety must not disclose to the producer or bail bond agency, or anyone affiliated with the surety or bail bond agency, which files the surety intends to audit until the surety's on-site audit of the producer begins.

(d) For each bond audited, the surety must confirm that:

59.1 (1) the proper premium was charged and collected, including a review of the premium
59.2 account statements and deposit slips;

59.3 (2) a proper premium receipt is in the producer's file;

59.4 (3) if the full premium was not paid before the bond was posted, a proper promissory
59.5 note was executed;

59.6 (4) if the premium was not paid as required, a lawsuit was filed; and

59.7 (5) all reasonable efforts were made to: (i) serve the summons and complaint; (ii) enter
59.8 judgment, unless the matter was settled while the action was pending; and (iii) enforce the
59.9 judgment.

59.10 (e) An annual premium audit under this section must also include a follow-up review
59.11 of each bond audited the previous year for which full premium had not yet been collected
59.12 at the time the audit occurred. For each bond subject to a follow-up review, the surety must:
59.13 (1) review the premium account and deposit slips to confirm that the full premium was
59.14 collected; or (2) if full payment of the premium was not received, confirm that: (i) the
59.15 required action was filed; (ii) all reasonable efforts were made to enter judgment, unless
59.16 the matter was settled while the action was pending; and (iii) all reasonable efforts were
59.17 made to enforce the judgment.

59.18 Subd. 2. **Collateral audits.** (a) By April 30 each year, a surety must audit each licensed
59.19 bail bond producer's bonds written during the previous calendar year to ensure the licensed
59.20 bail bond producer has complied with this subdivision.

59.21 (b) A collateral audit under this subdivision must include confirmation that:

59.22 (1) a collateral log was maintained;

59.23 (2) a cash collateral account exists;

59.24 (3) the balance of the cash collateral indicated on the collateral log is identical to the
59.25 amount held in the collateral trust account; and

59.26 (4) a collateral receipt exists for collateral collected, as represented by a sampling of the
59.27 lesser of: (i) 20 percent of all bonds secured by collateral; or (ii) 12 bonds that were secured
59.28 by collateral.

59.29 Subd. 3. **Audits report.** (a) By May 31 each year, a surety must prepare a report of the
59.30 audits conducted under this section during that year. The report must include:

(1) a list of the bonds audited under subdivision 1 for each producer, including the power of attorney number used for each audited bond and whether full premium payment was made by the date the audit occurred;

(2) a list of the bonds included in a follow-up review of the previous year's audit, including whether full premium payment was collected by the date the audit occurred;

(3) the compliance certifications required under section 60M.07, subdivision 4; and

(4) details regarding any violations discovered during the audit or a statement that no violations were discovered, as applicable.

(b) The annual report under this subdivision must be maintained for a period of at least 36 months from the date the report is complete. Annual reports must be submitted to the commissioner by June 30 each year.

Sec. 36. **[60M.05] SOLICITATION.**

Subdivision 1. **Solicitation generally.** (a) A producer is prohibited from, in or on the grounds of a jail, prison, or other location where an incarcerated person is confined, or in or on the grounds of a court:

(1) approaching, enticing, inviting, or soliciting a person to use a bail bondsman's services;

(2) distributing, displaying, or wearing an item that advertises a bail bondsman's services;

or

(3) otherwise soliciting business as a bail bondsman.

(b) Notwithstanding paragraph (a), clause (3), permissible print advertising in a jail is limited to:

(1) a listing in a telephone directory; and

(2) posting the producer's or bail bond agency's name, address, and telephone number in a designated location within the jail, as approved by the jail.

Subd. 2. **Identification; marketing material.** A producer is prohibited from wearing or displaying any information, other than identification approved by the surety or bail bond agency, which constitutes marketing material that a surety or bail bond agency must approve and maintain under Minnesota Rules, chapter 2790. A producer is prohibited from displaying any information constituting marketing material in or on the property or grounds of: (1) a jail, prison, or other location where incarcerated people are confined; or (2) a court.

61.1 Subd. 3. **Other prohibited conduct.** (a) A producer is prohibited from loitering in or
61.2 about the courthouse, jail, or any other place where individuals are held in custody.

61.3 (b) A producer is prohibited from making unauthorized and unsolicited cold calls without
61.4 having first spoken with or having a connection to a criminal defendant.

61.5 (c) A producer or bail bond agency is prohibited from initiating in-person or telephone
61.6 solicitation before 8:00 a.m. or after 9:00 p.m.

61.7 (d) A producer is prohibited from soliciting a bond to a person by recorded or electronic
61.8 communication, or by live telephone contact, unless the producer otherwise complies with
61.9 applicable state and federal law, including but not limited to:

61.10 (1) the National Do Not Call Registry under Code of Federal Regulations, title 16, part
61.11 310; and

61.12 (2) the Telephone Consumer Protection Act of 1991, Code of Federal Regulations, title
61.13 47, part 64.1200.

61.14 (e) A surety, bail bond agency, or producer is prohibited from obtaining a credit check
61.15 on a person unless the person has authorized the surety, bail bond agency, or producer to
61.16 do so in writing. The surety, bail bond agency, or producer must retain the written
61.17 authorization provided by the person subject to the credit check.

61.18 Subd. 4. **Compliance with other law.** (a) A surety, bail bond agency, and producer
61.19 must comply with all federal and state privacy laws related to information provided to a
61.20 producer during the application process and during bond underwriting by a bond principal,
61.21 indemnitor, or other person.

61.22 (b) A surety, bail bond agency, and producer must comply with sections 60K.46,
61.23 subdivision 6; 72A.494; 72A.496, subdivision 1; 72A.501; and 72A.502, subdivision 1.

61.24 (c) A surety, bail bond agency, and producer must receive preauthorization before
61.25 collecting and disclosing personal or privileged information about an applicant or proposed
61.26 insured, and must provide all notices otherwise required by Minnesota law.

61.27 (d) A surety, bail bond agency, and producer must otherwise comply with all applicable
61.28 Minnesota law.

61.29 Subd. 5. **Insurance transaction.** The act of soliciting, underwriting, negotiating, or
61.30 selling a bail bond constitutes an insurance transaction.

62.1 Sec. 37. **[60M.06] UNLICENSED INDIVIDUALS; NO REBATES OR PAYMENT.**

62.2 (a) A surety, bail bond agency, or producer is prohibited from paying a fee or commission,
62.3 or otherwise giving or promising anything of value, to: (1) a jailer, police officer, peace
62.4 officer, or any other person who has the power to arrest or hold an individual in custody;
62.5 or (2) a judge, public official, or public employee.

62.6 (b) A surety, bail bond agency, or producer is prohibited from paying a fee or rebate, or
62.7 otherwise giving or promising anything of value, to the individual seeking the producer's
62.8 services or the individual seeking the producer's services on another individual's behalf.

62.9 (c) A surety, bail bond agency, or producer is prohibited from paying a fee or commission,
62.10 or otherwise giving or promising anything of value, to a person for selling, soliciting, or
62.11 negotiating a bail bond if the person is not properly licensed as a producer.

62.12 (d) A surety, bail bond agency, or producer is prohibited from paying a fee, rebate, or
62.13 commission, or otherwise giving or promising anything of value, to an inmate for referring
62.14 business or for any other reason related to soliciting, negotiating, or selling a bail bond.

62.15 Sec. 38. **[60M.07] OTHER PROVISIONS.**

62.16 Subdivision 1. **Compliance with standards of conduct.** A producer must comply with
62.17 the Minnesota Court Administrator's Office's bail bond procedures and standards of conduct,
62.18 including but not limited to while in or on the property of courts, jails, or other detention
62.19 facilities in Minnesota. A surety or bail bond agency must require the surety or bail bond
62.20 agency's producers to affirm that the producer complies with any changes to the bail bond
62.21 procedures and standards of conduct as the changes are posted to the Minnesota state court
62.22 website or the Minnesota Court Administrator's Office's website.

62.23 Subd. 2. **No waiver.** A producer is prohibited from soliciting or accepting a waiver of
62.24 any requirement under this chapter.

62.25 Subd. 3. **Record maintenance.** (a) A bail bond agency and producer must maintain the
62.26 following records on each bond for at least seven years after the date the bond is terminated:

62.27 (1) power of attorney;

62.28 (2) premium receipts;

62.29 (3) the promissory note for unpaid premium, if any;

62.30 (4) the cash bond amount set by the court, if an amount less than the filed rate is accepted
62.31 for the premium;

- 63.1 (5) all documents related to any lawsuit filed to collect the premium;
- 63.2 (6) indemnity agreements;
- 63.3 (7) collateral receipts, if any;
- 63.4 (8) proof that collateral was returned, if any;
- 63.5 (9) proof of bond exoneration or forfeiture payment;
- 63.6 (10) all records relating to liquidating and converting collateral, including fees or costs;
- 63.7 and
- 63.8 (11) proof of any expenses incurred or losses paid by the surety, bail bond agency, or
- 63.9 producer.
- 63.10 (b) A bail bond agency and producer must maintain all premium account, collateral
- 63.11 account, and operating account bank records, including deposit slips, for at least seven years
- 63.12 after the records are made available.
- 63.13 (c) All records that a bail bond agency or producer maintain under this chapter must be
- 63.14 kept in the bail bond agency or producer's office, as applicable. If a bail bond agency or
- 63.15 producer's relationship with a surety is terminated, the information and documentation must
- 63.16 be immediately transferred to:
- 63.17 (1) the bail bond agency, if the producer is terminated; or
- 63.18 (2) the surety, if the bail bond agency is terminated.
- 63.19 (d) A bail bond agency and producer's records must be available for the commissioner
- 63.20 or the surety to inspect, with or without notice.
- 63.21 Subd. 4. **Compliance certification.** (a) During the surety's annual audit of a producer,
- 63.22 the producer must sign a compliance certification form that attests to the producer's
- 63.23 compliance with this chapter during the previous calendar year.
- 63.24 (b) Before a producer is appointed by a surety and at each license renewal thereafter, a
- 63.25 producer must sign an affidavit of compliance form in which the producer acknowledges
- 63.26 the producer is familiar and continually complies with the requirements under this chapter.
- 63.27 The surety must retain completed affidavits and send requested affidavits to the commissioner
- 63.28 within ten days of the date an affidavit is requested.
- 63.29 (c) The commissioner must establish the compliance certification and affidavit of
- 63.30 compliance forms for use under this subdivision.

64.1 Subd. 5. **Producer termination; notice.** (a) If a producer's relationship with a surety is
64.2 voluntarily or involuntarily terminated due to a violation of this chapter or because the
64.3 surety determined the producer violated this chapter during an annual audit, the surety must,
64.4 within 30 days of the date the producer is terminated, provide the commissioner with the
64.5 terminated producer's name and the reason the producer was terminated.

64.6 (b) Another surety is prohibited from appointing a producer subject to a termination
64.7 under paragraph (a) unless the department approves the appointment.

64.8 Sec. 39. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

64.9 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**
64.10 **CORPORATE OFFERING REGISTRATION.**

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

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

64.16 (A) before the initial offer of a federal covered security in this state, all records that are
64.17 part of a federal registration statement filed with the Securities and Exchange Commission
64.18 under the Securities Act of 1933 and a consent to service of process complying with section
64.19 80A.88 signed by the issuer;

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

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

64.26 **(2) Notice filing effectiveness and renewal.** A notice filing under subsection (a) is
64.27 effective for one year commencing on the later of the notice filing or the effectiveness of
64.28 the offering filed with the Securities and Exchange Commission. On or before expiration,
64.29 the issuer may renew a notice filing by filing a copy of those records filed by the issuer with
64.30 the Securities and Exchange Commission that are required by rule or order under this chapter
64.31 to be filed. A previously filed consent to service of process complying with section 80A.88
64.32 may be incorporated by reference in a renewal. A renewed notice filing becomes effective
64.33 upon the expiration of the filing being renewed.

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

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

(b) Small corporation offering registration.

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

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

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

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

(B) an investment company;

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

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

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

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

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

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

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

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

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

67.1 **(4) Filing and effectiveness of registration statement.** A small corporate offering
67.2 registration statement must be filed with the administrator. If no stop order is in effect and
67.3 no proceeding is pending under section 80A.54, such registration statement shall become
67.4 effective automatically at the close of business on the 20th day after filing of the registration
67.5 statement or the last amendment of the registration statement or at such earlier time as the
67.6 administrator may designate by rule or order. For the purposes of a nonissuer transaction,
67.7 other than by an affiliate of the issuer, all outstanding securities of the same class identified
67.8 in the small corporate offering registration statement as a security registered under this
67.9 chapter are considered to be registered while the small corporate offering registration
67.10 statement is effective. A small corporate offering registration statement is effective for one
67.11 year after its effective date or for any longer period designated in an order under this chapter.
67.12 A small corporate offering registration statement may be withdrawn only with the approval
67.13 of the administrator.

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

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

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

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

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

67.28 (E) the states (i) in which the securities are proposed to be offered; (ii) in which a
67.29 registration statement or similar filing has been made in connection with the offering
67.30 including information as to effectiveness of each such filing; and (iii) in which a stop order
67.31 or similar proceeding has been entered or in which proceedings or actions seeking such an
67.32 order are pending;

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

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

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

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

(d) Regulation A - Tier 2 filing requirements.

(1) Initial filing. An issuer planning to offer and sell securities in Minnesota in an offering exempt under Tier 2 of federal Regulation A must, at least 21 calendar days before the date of the initial sale of securities in Minnesota, submit to the administrator:

(A) a completed Regulation A - Tier 2 offering notice filing form or copies of all the documents filed with the Securities Exchange Commission; and

(B) a consent to service of process on Form U-2, if consent to service of process is not provided in the Regulation A - Tier 2 offering notice filing form.

The initial notice filing made in Minnesota is effective for 12 months after the date the filing is made.

(2) Renewal. For each additional 12-month period in which the same offering is continued, an issuer conducting a Tier 2 offering under federal Regulation A may renew the notice filing by filing (i) the Regulation A - Tier 2 offering notice filing form marked "renewal," or (ii) a cover letter or other document requesting renewal. The renewal filing must be made on or before the date notice filing expires.

(3) Amendment. An issuer may increase the amount of securities offered in Minnesota by submitting a Regulation A - Tier 2 offering notice filing form or other document describing the transaction.

Sec. 40. Minnesota Statutes 2022, section 80A.61, is amended to read:

80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT, FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER REPRESENTATIVE.

(a) **Application for initial registration by broker-dealer, agent, investment adviser, or investment adviser representative.** A person shall register as a broker-dealer, agent, investment adviser, or investment adviser representative by filing an application and a consent to service of process complying with section 80A.88, and paying the fee specified in section 80A.65 and any reasonable fees charged by the designee of the administrator for processing the filing. The application must contain:

(1) the information or record required for the filing of a uniform application; and

(2) upon request by the administrator, any other financial or other information or record that the administrator determines is appropriate.

(b) **Amendment.** If the information or record contained in an application filed under subsection (a) is or becomes inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting amendment.

(c) **Effectiveness of registration.** If an order is not in effect and a proceeding is not pending under section 80A.67, registration becomes effective at noon on the 45th day after a completed application is filed, unless the registration is denied. A rule adopted or order issued under this chapter may set an earlier effective date or may defer the effective date until noon on the 45th day after the filing of any amendment completing the application.

(d) **Registration renewal.** A registration is effective until midnight on December 31 of the year for which the application for registration is filed. Unless an order is in effect under section 80A.67, a registration may be automatically renewed each year by filing such records as are required by rule adopted or order issued under this chapter, by paying the fee specified in section 80A.65, and by paying costs charged by the designee of the administrator for processing the filings.

(e) **Additional conditions or waivers.** A rule adopted or order issued under this chapter may impose such other conditions, not inconsistent with the National Securities Markets Improvement Act of 1996. An order issued under this chapter may waive, in whole or in part, specific requirements in connection with registration as are in the public interest and for the protection of investors.

(f) **Funding portal registration.** A funding portal that has its principal place of business in the state of Minnesota shall register with the state of Minnesota by filing with the administrator a copy of the information or record required for the filing of an application for registration as a funding portal in the manner established by the Securities and Exchange Commission and/or the Financial Institutions Regulatory Authority (FINRA), along with any rule adopted or order issued, and any amendments thereto.

(g) **Application for investment adviser representative registration.**

(1) The application for initial registration as an investment adviser representative pursuant to section 80A.58 is made by completing Form U-4 (Uniform Application for Securities Industry Registration or Transfer) in accordance with the form instructions and by filing the form U-4 with the IARD. The application for initial registration must also include the following:

(i) proof of compliance by the investment adviser representative with the examination requirements of:

(A) the Uniform Investment Adviser Law Examination (Series 65); or

(B) the General Securities Representative Examination (Series 7) and the Uniform Combined State Law Examination (Series 66);

(ii) any other information the administrator may reasonably require.

(2) The application for the annual renewal registration as an investment adviser representative shall be filed with the IARD.

(3)(i) The investment adviser representative is under a continuing obligation to update information required by Form U-4 as changes occur;

(ii) An investment adviser representative and the investment adviser must file promptly with the IARD any amendments to the representative's Form U-4; and

(iii) An amendment will be considered to be filed promptly if the amendment is filed within 30 days of the event that requires the filing of the amendment.

(4) An application for initial or renewal of registration is not considered filed for purposes of section 80A.58 until the required fee and all required submissions have been received by the administrator.

(5) The application for withdrawal of registration as an investment adviser representative pursuant to section 80A.58 shall be completed by following the instructions on Form U-5

71.1 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5
71.2 with the IARD.

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

71.4 Sec. 41. Minnesota Statutes 2022, section 80A.66, is amended to read:

71.5 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

71.6 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act
71.7 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
71.8 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish
71.9 minimum financial requirements for broker-dealers registered or required to be registered
71.10 under this chapter and investment advisers registered or required to be registered under this
71.11 chapter.

71.12 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934
71.13 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15
71.14 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this
71.15 chapter and an investment adviser registered or required to be registered under this chapter
71.16 shall file such financial reports as are required by a rule adopted or order issued under this
71.17 chapter. If the information contained in a record filed under this subsection is or becomes
71.18 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting
71.19 amendment.

71.20 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934
71.21 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15
71.22 U.S.C. Section 80b-22):

71.23 (1) a broker-dealer registered or required to be registered under this chapter and an
71.24 investment adviser registered or required to be registered under this chapter shall make and
71.25 maintain the accounts, correspondence, memoranda, papers, books, and other records
71.26 required by rule adopted or order issued under this chapter;

71.27 (2) broker-dealer records required to be maintained under paragraph (1) may be
71.28 maintained in any form of data storage acceptable under Section 17(a) of the Securities
71.29 Exchange Act of 1934 (15 U.S.C. Section 78q(a)) if they are readily accessible to the
71.30 administrator; and

71.31 (3) investment adviser records required to be maintained under paragraph (d)(1) may
71.32 be maintained in any form of data storage required by rule adopted or order issued under
71.33 this chapter.

72.1 **(d) Records and reports of private funds.**

72.2 **(1) In general.** An investment adviser to a private fund shall maintain such records of,
72.3 and file with the administrator such reports and amendments thereto, that an exempt reporting
72.4 adviser is required to file with the Securities and Exchange Commission pursuant to SEC
72.5 Rule 204-4, Code of Federal Regulations, title 17, section 275.204-4.

72.6 **(2) Treatment of records.** The records and reports of any private fund to which an
72.7 investment adviser provides investment advice shall be deemed to be the records and reports
72.8 of the investment adviser.

72.9 **(3) Required information.** The records and reports required to be maintained by an
72.10 investment adviser, which are subject to inspection by a representative of the administrator
72.11 at any time, shall include for each private fund advised by the investment adviser, a
72.12 description of:

72.13 (A) the amount of assets under management;

72.14 (B) the use of leverage, including off-balance-sheet leverage, as to the assets under
72.15 management;

72.16 (C) counterparty credit risk exposure;

72.17 (D) trading and investment positions;

72.18 (E) valuation policies and practices of the fund;

72.19 (F) types of assets held;

72.20 (G) side arrangements or side letters, whereby certain investors in a fund obtain more
72.21 favorable rights or entitlements than other investors;

72.22 (H) trading practices; and

72.23 (I) such other information as the administrator determines is necessary and appropriate
72.24 in the public interest and for the protection of investors, which may include the establishment
72.25 of different reporting requirements for different classes of fund advisers, based on the type
72.26 or size of the private fund being advised.

72.27 **(4) Filing of records.** A rule or order under this chapter may require each investment
72.28 adviser to a private fund to file reports containing such information as the administrator
72.29 deems necessary and appropriate in the public interest and for the protection of investors.

72.30 **(e) Audits or inspections.** The records of a broker-dealer registered or required to be
72.31 registered under this chapter and of an investment adviser registered or required to be

73.1 registered under this chapter, including the records of a private fund described in paragraph
73.2 (d) and the records of investment advisers to private funds, are subject to such reasonable
73.3 periodic, special, or other audits or inspections by a representative of the administrator,
73.4 within or without this state, as the administrator considers necessary or appropriate in the
73.5 public interest and for the protection of investors. An audit or inspection may be made at
73.6 any time and without prior notice. The administrator may copy, and remove for audit or
73.7 inspection copies of, all records the administrator reasonably considers necessary or
73.8 appropriate to conduct the audit or inspection. The administrator may assess a reasonable
73.9 charge for conducting an audit or inspection under this subsection.

73.10 **(f) Custody and discretionary authority bond or insurance.** Subject to Section 15(h)
73.11 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the
73.12 Investment Advisers Act of 1940 (15 U.S.C. Section 80b-22), a rule adopted or order issued
73.13 under this chapter may require a broker-dealer or investment adviser that has custody of or
73.14 discretionary authority over funds or securities of a customer or client to obtain insurance
73.15 or post a bond or other satisfactory form of security in an amount of at least \$25,000, but
73.16 not to exceed \$100,000. The administrator may determine the requirements of the insurance,
73.17 bond, or other satisfactory form of security. Insurance or a bond or other satisfactory form
73.18 of security may not be required of a broker-dealer registered under this chapter whose net
73.19 capital exceeds, or of an investment adviser registered under this chapter whose minimum
73.20 financial requirements exceed, the amounts required by rule or order under this chapter.
73.21 The insurance, bond, or other satisfactory form of security must permit an action by a person
73.22 to enforce any liability on the insurance, bond, or other satisfactory form of security if
73.23 instituted within the time limitations in section 80A.76(j)(2).

73.24 **(g) Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act
73.25 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940
73.26 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a
73.27 customer except under the supervision of a broker-dealer and an investment adviser
73.28 representative may not have custody of funds or securities of a client except under the
73.29 supervision of an investment adviser or a federal covered investment adviser. A rule adopted
73.30 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer
73.31 regarding custody of funds or securities of a customer and on an investment adviser regarding
73.32 custody of securities or funds of a client.

73.33 **(h) Investment adviser brochure rule.** With respect to an investment adviser registered
73.34 or required to be registered under this chapter, a rule adopted or order issued under this
73.35 chapter may require that information or other record be furnished or disseminated to clients

74.1 or prospective clients in this state as necessary or appropriate in the public interest and for
 74.2 the protection of investors and advisory clients.

74.3 (i) **Continuing education.** A rule adopted or order issued under this chapter may require
 74.4 an individual registered under section 80A.57 or 80A.58 to participate in a continuing
 74.5 education program approved by the Securities and Exchange Commission and administered
 74.6 by a self-regulatory organization.

74.7 **EFFECTIVE DATE.** This section is effective January 1, 2025.

74.8 Sec. 42. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

74.9 Subd. 3. **Escrow or impoundment of fees and other funds by commissioner.** If the
 74.10 commissioner finds that the applicant has failed to demonstrate that adequate financial
 74.11 arrangements have been made to fulfill obligations to provide real estate, improvements,
 74.12 equipment, inventory, training or other items included in the offering, the commissioner
 74.13 may by rule or order require the escrow ~~or~~, impoundment, or deferral of franchise fees and
 74.14 other funds paid by the franchisee or subfranchisor until no later than the time of opening
 74.15 of the franchise business.

74.16 Sec. 43. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

74.17 Subd. 26. **Standards of professional practice.** "Standards of professional practice"
 74.18 means the version of the uniform standards of professional appraisal practice of the
 74.19 ~~Appraisers Appraisal~~ Standards Board of the Appraisal Foundation in effect ~~as of January~~
 74.20 ~~1, 1991, or other version of these standards the commissioner may by order designate on~~
 74.21 the date the appraiser signs the appraisal report.

74.22 Sec. 44. Minnesota Statutes 2022, section 82B.094, is amended to read:

74.23 **82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.**

74.24 (a) A certified residential real property appraiser or a certified general real property
 74.25 appraiser, in good standing, may engage a trainee real property appraiser to assist in the
 74.26 performance of real estate appraisals, provided that the certified residential real property
 74.27 appraiser or a certified general real property appraiser:

74.28 (1) has been licensed in good standing as either a certified residential real property
 74.29 appraiser or a certified general real property appraiser for the three-year period immediately
 74.30 preceding the individual's application to become a supervisor;

(2) has completed a ~~six-hour~~ course, approved in advance by the commissioner and provided by an education provider approved by the commissioner, that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A course approved by the commissioner for the purposes of this section must be given the course title "Minnesota Supervisor/Trainee Appraiser Course";~~

(3) has not been the subject of any license or certificate suspension or revocation or has not been prohibited from supervising activities in this state or any other state within the three years immediately preceding the individual's application to become a supervisor;

(4) has no more than three trainee real property appraisers working under supervision at any one time;

(5) actively and personally supervises the trainee real property appraiser, which includes ensuring that research of general and specific data has been adequately conducted and properly reported, application of appraisal principles and methodologies has been properly applied, that the analysis is sound and adequately reported, and that any analyses, opinions, or conclusions are adequately developed and reported so that the appraisal report is not misleading;

(6) discusses with the trainee real property appraiser any necessary and appropriate changes that are made to a report, involving any trainee appraiser, before it is transmitted to the client. Changes not discussed with the trainee real property appraiser that are made by the supervising appraiser must be provided in writing to the trainee real property appraiser upon completion of the appraisal report;

(7) accompanies the trainee real property appraiser on the inspections of the subject properties and drive-by inspections of the comparable sales on all appraisal assignments for which the trainee will perform work until the trainee appraiser is determined to be competent, in accordance with the competency rule of USPAP for the property type;

(8) accepts full responsibility for the appraisal report by signing and certifying that the report complies with USPAP; and

(9) reviews and signs the trainee real property appraiser's appraisal report or reports or if the trainee appraiser is not signing the report, states in the appraisal the name of the trainee and scope of the trainee's significant contribution to the report.

(b) The supervising appraiser must review and sign the applicable experience log required to be kept by the trainee real property appraiser.

(c) The supervising appraiser must notify the commissioner within ten days when the supervision of a trainee real property appraiser has terminated or when the trainee appraiser is no longer under the supervision of the supervising appraiser.

(d) The supervising appraiser must maintain a separate work file for each appraisal assignment.

(e) The supervising appraiser must verify that any trainee real property appraiser that is subject to supervision is properly licensed and in good standing with the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 45. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The requirements to obtain and maintain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

(b) An applicant must complete the applicable education and experience requirements before taking the required examination.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 46. Minnesota Statutes 2022, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. **Trainee real property appraiser.** As a prerequisite for licensing as a trainee real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed a ~~six-hour~~ course that is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. ~~A course approved by the commissioner for the purposes of this subdivision must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This~~ The course under this subdivision must not be counted toward qualifying education to upgrade to a higher level appraiser license.

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 47. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. **License renewals.** ~~(a)~~ The commissioner must determine that a licensed real estate appraiser has met the continuing education requirements of this chapter before

the commissioner renews a license. This determination must be based on, for a resident appraiser, course completion records uploaded electronically in a manner prescribed by the commissioner and, for a nonresident appraiser, course completion records presented by electronic transmission or uploaded electronically in a manner prescribed by the commissioner.

~~The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least 30 classroom hours of instruction in courses or seminars that have received the approval of the commissioner. Classroom hour credit must not be accepted for courses of less than two hours. As part of the continuing education requirements of this section, the commissioner must require that all real estate appraisers successfully complete the seven-hour national USPAP update course every two years. If the applicant's immediately preceding term of licensing consisted of six or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria. An approved prelicense education course may be taken for continuing education credit.~~

~~(b) The 15-hour USPAP course cannot be used to satisfy the requirement to complete the seven-hour national USPAP update course every two years.~~

EFFECTIVE DATE. This section is effective January 1, 2026.

Sec. 48. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the unencumbered balance of the fund falls below \$4,000,000, and within ~~60~~ 90 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 49. **RULEMAKING.**

The commissioner of commerce must adopt rules to conform with the changes made in sections 3 and 4 with respect to investment advisor registration continuing education and franchise fees deferral, respectively. The commissioner of commerce may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend the rule under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

78.1 **Sec. 50. RULEMAKING.**

78.2 The commissioner of commerce must amend Minnesota Rules, part 2675.2170, to comply
78.3 with the changes made in this act. The commissioner of commerce may use the good cause
78.4 exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend
78.5 the rule under this section. Minnesota Statutes, section 14.386, does not apply, except as
78.6 provided under Minnesota Statutes, section 14.388.

78.7 **Sec. 51. REPEALER.**

78.8 (a) Minnesota Statutes 2022, section 45.014, is repealed.

78.9 (b) Minnesota Statutes 2022, section 82B.25, is repealed.

78.10 **EFFECTIVE DATE.** Paragraph (b) is effective January 1, 2026.

78.11 **Sec. 52. REPEALER.**

78.12 Minnesota Statutes 2023 Supplement, section 53B.58, is repealed.

78.13 **Sec. 53. REPEALER.**

78.14 Minnesota Statutes 2022, section 58.08, subdivision 3, is repealed.

78.15 **Sec. 54. EFFECTIVE DATE.**

78.16 Sections 1 and 2 are effective August 1, 2024, and apply to loans executed on or after
78.17 that date.

78.18 ARTICLE 3

78.19 **COMMERCIAL REGULATION AND CONSUMER PROTECTION**

78.20 Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:

78.21 Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A,
78.22 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph
78.23 (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78;
78.24 471.617; ~~and 471.982;~~ and 513.80, unless the context indicates otherwise, the terms defined
78.25 in this section have the meanings given them.

79.1 Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.2 subdivision to read:

79.3 Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of
79.4 a string of characters that act as a record of and provides proof that the transaction was
79.5 verified and added to the blockchain.

79.6 Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.7 subdivision to read:

79.8 Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in
79.9 Minnesota who has been a customer with a virtual currency kiosk operator for less than 96
79.10 hours. After a 96-hour period has elapsed from the day of first signing up as a customer
79.11 with a virtual currency kiosk operator, the customer will be considered an existing customer
79.12 and no longer subject to the new customer transaction limit described in this act.

79.13 Sec. 4. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.14 subdivision to read:

79.15 Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a
79.16 kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more
79.17 than a 96-hour period. A new customer will automatically convert to an existing customer
79.18 after the 96-hour period of first becoming a new customer. An existing customer is subject
79.19 to the transaction limits described in this act.

79.20 Sec. 5. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.21 subdivision to read:

79.22 Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric
79.23 identifier representing a destination for a virtual currency transfer that is associated with a
79.24 virtual currency wallet.

79.25 Sec. 6. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
79.26 subdivision to read:

79.27 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal
79.28 acting as a mechanical agent of the operator to enable the operator to facilitate the exchange
79.29 of virtual currency for money, bank credit, or other virtual currency, including, but not
79.30 limited to, by (1) connecting directly to a separate virtual currency exchanger that performs

80.1 the actual virtual currency transmission, or (2) drawing upon the virtual currency in the
80.2 possession of the electronic terminal's operator.

80.3 Sec. 7. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
80.4 subdivision to read:

80.5 Subd. 11. **Virtual currency wallet.** "Virtual currency wallet" means a software
80.6 application or other mechanism providing a means for holding, storing, and transferring
80.7 virtual currency.

80.8 Sec. 8. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
80.9 subdivision to read:

80.10 Subd. 12. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means
80.11 a corporation, limited liability company, limited liability partnership, foreign entity, or any
80.12 other person or entity qualified to do business in the state of Minnesota which operates a
80.13 virtual currency kiosk within the state of Minnesota.

80.14 Sec. 9. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
80.15 subdivision to read:

80.16 Subd. 13. **Virtual currency kiosk transaction.** "Virtual currency kiosk transaction"
80.17 means a transaction conducted or performed, in whole or in part, by electronic means via
80.18 a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made
80.19 at a virtual currency kiosk to purchase currency with fiat currency or to sell virtual currency
80.20 for fiat currency.

80.21 Sec. 10. **[53B.75] VIRTUAL CURRENCY KIOSKS.**

80.22 Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual
80.23 currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator
80.24 must disclose in clear, conspicuous, and legibly written English all material risks generally
80.25 associated with virtual currency. The disclosures should be displayed on the screen of the
80.26 virtual currency kiosk with the ability for a person to acknowledge the receipt of such
80.27 disclosures. This includes at least the following information:

80.28 (1) virtual currency is not legal tender, is not backed or insured by the government, and
80.29 accounts and value balances are not subject to Federal Deposit Insurance Corporation,
80.30 National Credit Union Administration, or Securities Investor Protection Corporation
80.31 protections;

81.1 (2) some virtual currency transactions are deemed to be made when recorded on a public
81.2 ledger, which may not be the date or time when the person initiates the transaction;

81.3 (3) virtual currency's value may be derived from market participants' continued
81.4 willingness to exchange fiat currency for virtual currency, which may result in the permanent
81.5 and total loss of a particular virtual currency's value if the market for it disappears;

81.6 (4) there is no assurance that a person who accepts a virtual currency as payment today
81.7 will do so in the future;

81.8 (5) the volatility and unpredictability of the price of virtual currency relative to fiat
81.9 currency may result in a significant loss over a short period;

81.10 (6) virtual currency transactions are irreversible and are used by scammers, including
81.11 those impersonating loved ones, threatening jail time, stating your identity is stolen, and
81.12 insisting you withdraw money from your bank account and purchase cryptocurrency;

81.13 (7) the nature of virtual currency means that any technological difficulties experienced
81.14 by the operator may prevent access to or use of a person's virtual currency; and

81.15 (8) any bond maintained by the licensee for the benefit of a person may not cover all
81.16 losses the persons incur.

81.17 (b) The virtual currency kiosk operator must provide an additional disclosure, which
81.18 must be acknowledged by the person, written prominently and in bold type, and provided
81.19 separately from the disclosures above, stating: "WARNING: LOSSES DUE TO
81.20 FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE
81.21 AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

81.22 Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant
81.23 terms and conditions generally associated with the products, services, and activities of the
81.24 operator and virtual currency. A virtual currency operator must make the disclosures in
81.25 clear, conspicuous, and legibly written English, displayed on a separate screen from other
81.26 disclosures and information, in bold-face sans serif font in a size in line with other texts
81.27 displayed. These disclosures must address at least the following:

81.28 (1) the person's liability for unauthorized virtual currency transactions;

81.29 (2) the person's right to:

81.30 (i) stop payment of a virtual currency transfer and the procedure to stop the payment;

81.31 (ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of
81.32 transaction; and

82.1 (iii) prior notice of a change in the rules or policies of the operator;

82.2 (3) under what circumstances the operator will, without a court or government order,
82.3 disclose a person's account information to third parties; and

82.4 (4) other disclosures that are customarily provided in connection with the opening of a
82.5 person's account.

82.6 (b) Before each virtual currency transaction for, on behalf of, or with a person, the virtual
82.7 currency kiosk operator must disclose the transaction's terms and conditions in clear,
82.8 conspicuous, and legibly written English, displayed on a separate screen from other
82.9 disclosures and information, in bold-face sans serif font in a size in line with other texts
82.10 displayed. These disclosures must address at least the following:

82.11 (1) the amount of the transaction;

82.12 (2) any fees, expenses, and charges, including applicable exchange rates;

82.13 (3) the type and nature of the transaction;

82.14 (4) a warning that, once completed, the transaction may not be undone;

82.15 (5) a daily virtual currency transaction limit of no more than \$2,000 for new customers;

82.16 (6) the difference in the virtual currency's sale price versus the current market price; and

82.17 (7) other disclosures that are customarily given in connection with a virtual currency
82.18 transaction.

82.19 Subd. 3. **Acknowledgment of disclosures.** Before completing a transaction, a virtual
82.20 currency kiosk operator must ensure that each person who engages in a virtual currency
82.21 transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures
82.22 required under this section via confirmation of consent. Additionally, upon a transaction's
82.23 completion, the virtual currency operator must provide a person with a physical receipt, or
82.24 a virtual receipt sent to their email address or SMS number, containing the following
82.25 information:

82.26 (1) the operator's name and contact information, including a telephone number to answer
82.27 questions and register complaints;

82.28 (2) the type, value, date, and precise time of the transaction, transactional hash, and each
82.29 virtual currency address;

82.30 (3) the fees charged;

82.31 (4) the exchange rate;

83.1 (5) a statement of the operator's liability for non-delivery or delayed delivery;

83.2 (6) a statement of the operator's refund policy; and

83.3 (7) any additional information the commissioner of banking may require.

83.4 Subd. 4. **New customer hold.** The first transaction of a new customer must be subject
83.5 to a 48-hour holding period in which the customer may reverse and cancel their transaction
83.6 for a full refund.

83.7 Subd. 5. **Transaction limits.** (a) There is an established maximum daily transaction
83.8 limit of \$2,000 for each new customer of a virtual currency kiosk.

83.9 (b) The maximum daily transaction limit of an existing customer shall be decided by
83.10 each virtual currency kiosk operator in compliance with federal law.

83.11 Sec. 11. Minnesota Statutes 2022, section 58B.02, subdivision 8, is amended to read:

83.12 Subd. 8. **Student loan.** "Student loan" means a government, commercial, or foundation
83.13 ~~loan~~ extension of credit for actual costs paid for tuition and reasonable education and living
83.14 expenses.

83.15 Sec. 12. Minnesota Statutes 2022, section 58B.02, is amended by adding a subdivision to
83.16 read:

83.17 Subd. 8a. **Lender.** "Lender" means an entity engaged in the business of securing, making,
83.18 or extending student loans. Lender does not include, to the extent that state regulation is
83.19 preempted by federal law:

83.20 (1) a bank, savings banks, savings and loan association, or credit union;

83.21 (2) a wholly owned subsidiary of a bank or credit union; or

83.22 (3) an operating subsidiary where each owner is wholly owned by the same bank or
83.23 credit union.

83.24 Sec. 13. Minnesota Statutes 2022, section 58B.03, is amended by adding a subdivision to
83.25 read:

83.26 Subd. 10. **Annual report.** (a) Beginning March 15, 2025, a student loan servicer that
83.27 secures, makes, or extends student loans in the state must report to the commissioner on the
83.28 form the commissioner provides:

- 84.1 (1) a list of all schools attended by borrowers who received a student loan from the
84.2 student loan servicer and resided within the state at the time of the transaction and whose
84.3 debt is still outstanding, including student loans used to refinance an existing debt;
- 84.4 (2) the total outstanding dollar amount owed by borrowers residing in the state who
84.5 received student loans from the student loan servicer;
- 84.6 (3) the total number of student loans owed by borrowers residing in the state who received
84.7 student loans from the student loan servicer;
- 84.8 (4) the total outstanding dollar amount and number of student loans owed by borrowers
84.9 who reside in the state, associated with each school identified under clause (1);
- 84.10 (5) the total dollar amount of student loans provided by the student loan servicer to
84.11 borrowers who resided in the state in the prior calendar year;
- 84.12 (6) the total outstanding dollar amount and number of student loans owed by borrowers
84.13 who resided in the state, associated with each school identified under clause (1), that were
84.14 provided in the prior calendar year;
- 84.15 (7) the rate of default for borrowers residing in the state who obtained student loans
84.16 from the student loan servicer, if applicable;
- 84.17 (8) the rate of default for borrowers residing in the state who obtained student loans
84.18 from the student loan servicer associated with each school identified under clause (1), if
84.19 applicable;
- 84.20 (9) the range of initial interest rates for student loans provided by the student loan servicer
84.21 to borrowers who resided in the state in the prior calendar year;
- 84.22 (10) of the total number of borrowers who received student loans under clause (9), and
84.23 the percentage of borrowers who received each rate identified under clause (9);
- 84.24 (11) the total dollar amount and number of student loans provided in the prior calendar
84.25 year by the student loan servicer to borrowers who resided in the state at the time of the
84.26 transaction and had a cosigner for the student loans;
- 84.27 (12) the total dollar amount and number of student loans provided by the student loan
84.28 servicer to borrowers residing in the state used to refinance a prior student loan or federal
84.29 student loan in the prior calendar year;
- 84.30 (13) the total dollar amount and number of student loans for which the student loan
84.31 servicer had sued to collect from a borrower residing in the state in the prior calendar year;

85.1 (14) a copy of any model promissory note, agreement, contract, or other instrument used
85.2 by the student loan servicer in the previous year to substantiate that a borrower owes a new
85.3 debt to the student loan servicer; and

85.4 (15) any other information considered necessary by the commissioner to assess the total
85.5 size and status of the student loan market and well-being of borrowers in the state.

85.6 (b) A student loan servicer that acquires or assumes student loans in the state must report
85.7 to the commissioner on the form the commissioner provides:

85.8 (1) a list of all schools attended by borrowers residing in the state who used, for
85.9 attendance, any outstanding student loans assumed or acquired by the student loan servicer;

85.10 (2) the total outstanding dollar amount and number of student loans that have been
85.11 acquired or assumed by the student loan servicer and owed by borrowers who reside in the
85.12 state;

85.13 (3) the total outstanding dollar amount and number of student loans owed by borrowers
85.14 who reside in the state that have been assumed or acquired by the student loan servicer,
85.15 associated with each school identified under clause (1);

85.16 (4) the total dollar amount and number of student loans owed by borrowers who resided
85.17 in the state that were acquired or assumed by the student loan servicer in the prior calendar
85.18 year;

85.19 (5) the total dollar amount and number of student loans that were acquired or assumed
85.20 by the student loan servicer and owed by borrowers who resided in the state in the prior
85.21 year, associated with each school identified under clause (1);

85.22 (6) the rate of default for student loans acquired or assumed by the student loan servicer,
85.23 if applicable;

85.24 (7) the rate of default for student loans acquired or assumed by the student loan servicer
85.25 associated with each school identified under clause (1), if applicable;

85.26 (8) the total outstanding dollar amount and number of student loans owed by borrowers
85.27 residing in the state who had a cosigner for the student loans, if applicable;

85.28 (9) the total outstanding dollar amount and number of student loans that were acquired
85.29 or assumed by the student loan servicer and owed by borrowers residing in the state to
85.30 refinance a prior student loan or federal student loan;

86.1 (10) the total dollar amount and number of student loans for which the student loan
86.2 servicer had sued to collect from borrowers residing in the state in the prior calendar year;
86.3 and

86.4 (11) any other information considered necessary by the commissioner to assess the total
86.5 size and status of the student loan market and well-being of borrowers in the state.

86.6 (c) The commissioner of commerce shall share data collected under this subdivision
86.7 with the commissioner of higher education.

86.8 Sec. 14. **[58B.051] REGISTRATION FOR LENDERS.**

86.9 (a) Beginning January 1, 2025, a lender must register with the commissioner as a lender
86.10 before providing services in Minnesota. A lender must not offer or make a student loan to
86.11 a resident of Minnesota without first registering with the commissioner as provided in this
86.12 section.

86.13 (b) A registration application must include:

86.14 (1) the lender's name;

86.15 (2) the lender's address;

86.16 (3) the name of all officers, directors, partners, and owners of controlling interests in
86.17 the lender;

86.18 (4) the addresses of all officers, directors, partners, and owners of controlling interests
86.19 in the lender; and

86.20 (5) any other information as determined by the commissioner.

86.21 (c) A lender must renew the lender's registration on an annual basis and may be required
86.22 to pay a fee at the time of renewal.

86.23 (d) The commissioner may adopt and enforce:

86.24 (1) registration procedures for lenders, which may include using the Nationwide
86.25 Multistate Licensing System and Registry;

86.26 (2) registration fees for lenders, which may include fees for using the Nationwide
86.27 Multistate Licensing System and Registry, to be paid directly by the lender;

86.28 (3) procedures and fees to renew a lender's registration, which may include fees for the
86.29 renewed use of Nationwide Multistate Licensing System and Registry, to be paid directly
86.30 by the lender; and

87.1 (4) alternate registration procedures and fees for institutions of postsecondary education
87.2 that offer student loans.

87.3 Sec. 15. Minnesota Statutes 2022, section 58B.06, subdivision 4, is amended to read:

87.4 Subd. 4. **Transfer of student loan.** (a) If a borrower's student loan servicer changes
87.5 pursuant to the sale, assignment, or transfer of the servicing, the original student loan servicer
87.6 must:

87.7 (1) require the new student loan servicer to honor all benefits that were made available,
87.8 or which may have become available, to a borrower from the original student loan servicer
87.9 or is authorized under the student loan contract, including any benefits for which the student
87.10 loan borrower has not yet qualified unless that benefit is no longer available under the federal
87.11 or state laws and regulations; and

87.12 (2) transfer to the new student loan servicer all information regarding the borrower, the
87.13 account of the borrower, and the borrower's student loan, including but not limited to the
87.14 repayment status of the student loan and the benefits described in clause (1).

87.15 (b) The student loan servicer must complete the transfer under paragraph (a), clause (2),
87.16 less than 45 days from the date of the sale, assignment, or transfer of the servicing.

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

87.19 (d) A new student loan servicer must adopt policies and procedures to verify that the
87.20 original student loan servicer has met the requirements of paragraph (a).

87.21 Sec. 16. Minnesota Statutes 2022, section 58B.06, subdivision 5, is amended to read:

87.22 Subd. 5. **Income-driven repayment.** (a) A student loan servicer must evaluate a borrower
87.23 for eligibility for an income-driven repayment program before placing a borrower in
87.24 forbearance or default.

87.25 (b) A student loan servicer must provide the following information on the student loan
87.26 servicer's website:

87.27 (1) a description of any income-driven repayment programs available under the student
87.28 loan contract or federal or state laws and regulations; and

87.29 (2) information on the policies and procedures the student loan servicer implements to
87.30 facilitate the evaluation of student loan income-driven repayment program requests, including
87.31 accurate information regarding any options that may be available to the borrower through

88.1 the promissory note or that may have been marketed to the borrower through marketing
88.2 materials.

88.3 Sec. 17. Minnesota Statutes 2022, section 58B.07, subdivision 1, is amended to read:

88.4 Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or
88.5 indirectly employ any scheme, device, or artifice to attempt to defraud or mislead a borrower.

88.6 Sec. 18. Minnesota Statutes 2022, section 58B.07, subdivision 3, is amended to read:

88.7 Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or
88.8 negligently misapply student loan payments to the outstanding balance of a student loan.

88.9 Sec. 19. Minnesota Statutes 2022, section 58B.07, subdivision 9, is amended to read:

88.10 Subd. 9. **Incorrect information regarding student ~~loan forgiveness~~ loans.** (a) A
88.11 student loan servicer must not misrepresent the availability of student loan forgiveness for
88.12 which the servicer has reason to know the borrower is eligible. This includes but is not
88.13 limited to student loan forgiveness programs specific to military borrowers, borrowers
88.14 working in public service, or borrowers with disabilities.

88.15 (b) A student loan servicer must not provide incorrect information related to forbearance.
88.16 If a student loan servicer suggests placing a borrower in forbearance in lieu of a repayment
88.17 program that would result in savings to the borrower and the borrower relies on this
88.18 information, the student loan servicer shall be subject to the penalties provided under section
88.19 58B.09.

88.20 Sec. 20. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to
88.21 read:

88.22 Subd. 11. **Property.** A student loan servicer must not obtain property by fraud or
88.23 misrepresentation.

88.24 Sec. 21. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to
88.25 read:

88.26 Subd. 12. **Customer service.** A student loan servicer must not allow a borrower to
88.27 remain on hold during an individual call for more than two hours unless the student loan
88.28 servicer returns the borrower's phone call within 24 hours of the two hours expiring. A
88.29 student loan servicer must not allow a call on hold to automatically lapse or end upon
88.30 reaching a duration of two hours to satisfy this requirement.

89.1 Sec. 22. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to
89.2 read:

89.3 Subd. 13. **Abusive acts or practices.** A student loan servicer must not engage in abusive
89.4 acts or practices when servicing a student loan in this state. An act or practice is abusive in
89.5 connection with the servicing of a student loan if that act or practice:

89.6 (1) materially interferes with the ability of a borrower to understand a term or condition
89.7 of a student loan; or

89.8 (2) takes unreasonable advantage of any of the following:

89.9 (i) a lack of understanding on the part of a borrower of the material risks, costs, or
89.10 conditions of the student loan;

89.11 (ii) the inability of a borrower to protect the interests of the borrower when selecting or
89.12 using a student loan or feature, term, or condition of a student loan; or

89.13 (iii) the reasonable reliance by the borrower on a student loan servicer to act in the
89.14 interests of the borrower.

89.15 Sec. 23. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to
89.16 read:

89.17 Subd. 14. **Violations.** A violation of this section is an unlawful practice under section
89.18 325D.44.

89.19 Sec. 24. Minnesota Statutes 2022, section 58B.09, is amended by adding a subdivision to
89.20 read:

89.21 Subd. 4. **Private right of action.** (a) A borrower who suffers damage as a result of the
89.22 failure of a student loan servicer to comply with this chapter may bring an action on a
89.23 borrower's own behalf and on behalf of a similarly situated class of persons against that
89.24 student loan servicer to recover or obtain:

89.25 (1) actual damages, except that the total award of damages must be at least \$500 per
89.26 plaintiff, per violation;

89.27 (2) an order enjoining the methods, acts, or practices;

89.28 (3) restitution of property;

89.29 (4) punitive damages;

89.30 (5) reasonable attorney fees; and

90.1 (6) any other relief that the court deems proper.

90.2 (b) In addition to any other remedies provided by this subdivision or otherwise provided
90.3 by law, if a student loan servicer is shown, by a preponderance of the evidence, to have
90.4 engaged in conduct that substantially interferes with a borrower's right to an alternative
90.5 payment arrangement; loan forgiveness, cancellation, or discharge; or any other financial
90.6 benefit established under the terms of a borrower's promissory note or under the Higher
90.7 Education Act of 1965, United States Code, title 20, section 1070a, et seq., a borrower is
90.8 entitled to damages of at least \$1,500 per plaintiff, per violation.

90.9 (c) At least 45 days before bringing an action for damages or injunctive relief under this
90.10 chapter, a borrower must:

90.11 (1) provide written notice to the student loan servicer alleged to have violated this chapter
90.12 regarding the nature of the alleged violations; and

90.13 (2) demand that the student loan servicer correct and remedy the method, act, or practice
90.14 identified in the notice under clause (1).

90.15 (d) The notice required by this subdivision must be sent by certified or registered mail,
90.16 return receipt requested, to the student loan servicer's address on file with the Department
90.17 of Commerce or to the student loan servicer's principal place of business in Minnesota.

90.18 (e) An action for damages or injunctive relief brought by a borrower only on the
90.19 individual borrower's behalf must not be maintained under paragraph (a) upon a showing
90.20 by a student loan servicer that an appropriate correction and remedy is given, or is agreed
90.21 to be given within a reasonable time, to the borrower within 30 days after the notice is
90.22 received.

90.23 (f) An action for damages brought by a borrower on both the borrower's behalf and on
90.24 behalf of a similarly situated class of persons must not be maintained under paragraph (a)
90.25 upon a showing by a student loan servicer alleged to have employed or committed a method,
90.26 act, or practice declared unlawful if:

90.27 (1) all borrowers similarly situated have been identified or a reasonable effort to identify
90.28 other borrowers has been made;

90.29 (2) all borrowers identified have been notified that, upon the borrower's request, the
90.30 student loan servicer must make the appropriate correction and remedy;

90.31 (3) the correction and remedy requested by the borrower has been given or is given
90.32 within a reasonable amount of time; and

(4) the student loan servicer has ceased from engaging, or if immediate cessation is impossible or unreasonably expensive under the circumstances, the student loan servicer ceases to engage within a reasonable amount of time, in the method, act, or practice.

(g) An attempt to comply with a demand described in paragraph (c) by a student loan servicer that receives the demand is construed as an offer to compromise and is inadmissible as evidence under Minnesota Rules of Evidence, rule 408. An attempt to comply with a demand is not an admission of engaging in an act or practice declared unlawful by paragraph (a). Evidence of compliance or attempts to comply with this section may be introduced by a defendant to establish good faith or to show compliance with paragraph (a).

(h) An award of damages must not be given in an action based on a method, act, or practice in violation of paragraph (a) if the student loan servicer alleged to have employed or committed that method, act, or practice:

(1) proves by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the use of reasonable procedures adopted to avoid that error; and

(2) makes an appropriate correction, repair, replacement, or other remedy under paragraphs (e) and (f).

(i) The commissioner must administer and enforce this section and must adopt rules and issue orders consistent with the authority under this section.

**Sec. 25. [65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES;
COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.**

Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have the meanings given.

(b) "Association" has the meaning given in section 515B.1-103, clause (4).

(c) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

(d) "Assessable loss" means a covered loss under the terms of the policy applicable under paragraphs (a) and (b).

Subd. 2. **Loss assessment.** (a) If a loss assessment is charged by an association to an individual unit owner the insurance policy in force at the time of the assessable loss must pay the loss assessment, subject to the limits provided in the policy, notwithstanding any policy provisions regarding when loss assessment coverage accrues, and subject to any other terms, conditions, and exclusions in the policy, if the following conditions are met:

92.1 (1) the unit owner at the time of the assessable loss is the owner of the property listed
92.2 on the policy at the time the loss assessment is charged;

92.3 (2) if the insurance policy in force at the time of the assessable loss provides loss
92.4 assessment coverage; and

92.5 (3) a loss assessment and the event or occurrence which triggers a loss assessment shall
92.6 be considered a single loss for underwriting and rating purposes.

92.7 (b) If a loss assessment is charged by an association to an individual unit owner the
92.8 insurance policy in force at the time the loss assessment is charged must pay the assessment,
92.9 subject to the limits provided in the policy, notwithstanding any policy provisions regarding
92.10 when loss assessment coverage accrues, and subject to any other terms, conditions, and
92.11 exclusions in the policy, if the following conditions are met:

92.12 (1) the unit owner at the time of the loss assessment is charged is different than the unit
92.13 owner at the time of the assessable loss; and

92.14 (2) the insurance policy in force at the time the loss assessment is charged provides loss
92.15 assessment coverage.

92.16 (c) For a loss assessment under paragraph (b), an insurer may require evidence
92.17 documenting that the transfer of ownership occurred prior to the assessment before the
92.18 insurer affords coverage.

92.19 Sec. 26. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended
92.20 to read:

92.21 Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time
92.22 gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping
92.23 manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading
92.24 or shipping manifest must include the identity and the volume percentage or gallons of
92.25 oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do
92.26 not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline,
92.27 the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in
92.28 Minnesota." This subdivision does not apply to sales or transfers of gasoline between
92.29 refineries, between terminals, or between a refinery and a terminal.

92.30 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline
92.31 must state the volume percentage of biofuel blended into gasoline delivered through a meter
92.32 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14
92.33 and, 16, and 17.

(c) On or before the 23rd day of each month, a person responsible for the product must report to the department, in the form prescribed by the commissioner, the gross number of gallons of intermediate blends sold at retail by the person during the preceding calendar month. The report must identify the number of gallons by blend type. For purposes of this subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel content, exclusive of denaturants and other permitted components, is greater than ten percent and no more than 50 percent by volume. This paragraph only applies to a person who is responsible for selling intermediate blends at retail at more than ten locations. A person responsible for the product at fewer than ten locations is not precluded from reporting the gross number of intermediate blends if a report is available.

(d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in section 13.02, subdivision 9.

Sec. 27. Minnesota Statutes 2022, section 239.791, is amended by adding a subdivision to read:

Subd. 17. **Bulk delivery of premium grade gasoline; exemption.** (a) A person responsible for the product may offer for sale, sell, or deliver a bulk delivery of unleaded premium grade gasoline, as defined in section 239.751, subdivision 4, that is not oxygenated in accordance with subdivision 1 if the conditions in paragraphs (b) to (d) are met.

(b) Nonoxygenated gas is only for use in vehicles that would qualify for an exemption under subdivision 12, paragraph (a).

(c) No more than one bulk fuel storage tank on the premises may be used for storage of the nonoxygenated gasoline.

(d) The bulk fuel delivery is 500 gallons or less.

Sec. 28. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 1, is amended to read:

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

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

94.1 (c) "Restoration and mitigation services provider" means a person or business that
 94.2 provides service to prevent further damage to property following a fire, smoke, water, or
 94.3 storm event. Services include but are not limited to board up of property, water extraction,
 94.4 drying, smoke or odor removal, cleaning, and personal property inventory, removal, and
 94.5 storage;

94.6 (d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of
 94.7 goods and services.

94.8 (e) "Tree trimmer" means a person registered under section 18G.07.

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

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

94.16 (2) a price that is no more than 25 percent above the seller's average price during the
 94.17 60-day period before an abnormal market disruption is declared under subdivision 2;

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

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

94.22 Sec. 29. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 5, is amended
 94.23 to read:

94.24 Subd. 5. **Prices and rates.** Upon the occurrence of a weather event classified as a severe
 94.25 thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric
 94.26 Administration, a residential building contractor, tree trimmer, or restoration and mitigation
 94.27 services provider operating within the geographic region impacted by the weather event
 94.28 and repairing damage caused by the weather event shall not:

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

95.1 (2) charge an insurance company a rate that exceeds what the residential building
 95.2 contractor, tree trimmer, or restoration and mitigation services provider would otherwise
 95.3 ~~charges members~~ charge a member of the general public.

95.4 Sec. 30. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 6, is amended
 95.5 to read:

95.6 Subd. 6. **Civil penalty.** A person who is found to have violated ~~this section~~ subdivision
 95.7 4 is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum
 95.8 penalty of \$25,000 per day. No other penalties may be imposed for the same conduct
 95.9 regulated under ~~this section~~ subdivision 4.

95.10 Sec. 31. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 7, is amended
 95.11 to read:

95.12 Subd. 7. **Enforcement authority.** (a) The attorney general may investigate and bring
 95.13 an action using the authority under section 8.31 against a seller ~~or~~ residential building
 95.14 contractor, tree trimmer, or restoration and mitigation services provider for an alleged
 95.15 violation of this section.

95.16 (b) Nothing in this section creates a private cause of action in favor of a person injured
 95.17 by a violation of this section.

95.18 Sec. 32. Minnesota Statutes 2022, section 325F.03, is amended to read:

95.19 **325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

95.20 No person, firm or corporation shall establish, maintain or operate any circus, side show,
 95.21 carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production,
 95.22 engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more
 95.23 persons may gather for any lawful purpose in any tent, awning or other fabric enclosure
 95.24 unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops,
 95.25 awnings and all decorative materials, are made from a nonflammable material or are treated
 95.26 and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents
 95.27 designed or manufactured for camping, backpacking, mountaineering, or children's play;
 95.28 tents used to conduct committal services on the grounds of a cemetery; nor to tents, awnings
 95.29 or other fabric enclosures erected and used within a sound stage, or other similar structural
 95.30 enclosure which is equipped with an overhead automatic sprinkler system.

96.1 Sec. 33. Minnesota Statutes 2022, section 325F.04, is amended to read:

96.2 **325F.04 FLAME RESISTANT TENTS ~~AND SLEEPING BAGS~~.**

96.3 No person, firm, or corporation may sell or offer for sale or manufacture for sale in this
96.4 state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent
96.5 are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or~~
96.6 ~~manufacture for sale in this state any sleeping bag unless it meets the standards of the~~
96.7 ~~commissioner of public safety for flame resistance. Tents and sleeping bags~~ subject to
96.8 section 325F.03 shall be conspicuously labeled as being durably flame resistant.

96.9 Sec. 34. Minnesota Statutes 2022, section 325F.05, is amended to read:

96.10 **325F.05 RULES.**

96.11 The commissioner of public safety shall act so as to have effective rules concerning
96.12 standards for ~~nonflammable, flame resistant and durably~~ flame resistant materials and for
96.13 labeling requirements ~~by January 1, 1976~~ under sections 325F.03 and 325F.04. In order to
96.14 comply with sections 325F.03 and 325F.04 all materials and labels must comply with the
96.15 rules adopted by the commissioner. The commissioner has general rulemaking power to
96.16 otherwise implement sections 325F.03 to 325F.07.

96.17 Sec. 35. **325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-**
96.18 **DIFLUOROETHANE (DFE).**

96.19 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
96.20 the meanings given.

96.21 (b) "Aerosol duster" means a product used to clean electronics and other items by means
96.22 of an aerosol sprayed from a pressurized container.

96.23 (c) "Behind-the-counter" means placement by a retailer of a product to ensure that
96.24 customers do not have direct access to the product before a sale is made, requiring the seller
96.25 to deliver the product directly to the buyer.

96.26 (d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service
96.27 Registry Number of 75-37-6.

96.28 Subd. 2. Requirements for retail sale. A retailer must only sell an aerosol duster that
96.29 contains DFE:

96.30 (1) from behind-the-counter;

97.1 (2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of
97.2 age; and

97.3 (3) in a quantity that complies with the purchasing limit established in subdivision 3.

97.4 Subd. 3. **Purchasing limit.** (a) A retailer is prohibited from selling more than three cans
97.5 of an aerosol duster containing DFE to a customer in a single transaction.

97.6 (b) A retailer is prohibited from selling aerosol dusters containing DFE through same
97.7 day pick up services or same day delivery services.

97.8 Subd. 4. **Exemption.** (a) Subdivisions 2 and 3 do not apply to a business purchasing
97.9 aerosol dusters online.

97.10 (b) Office wholesalers can sell more than three cans of aerosol dusters containing DFE
97.11 to a business they have a contract with.

97.12 Subd. 5. **Labeling.** (a) An aerosol duster manufactured after May 31, 2025, must not be
97.13 sold in this state unless the aerosol duster clearly warns against the dangers of intentionally
97.14 misusing duster aerosol products.

97.15 (b) The font size of this warning shall be the same or larger than other warning language.
97.16 The font color and background of the label must be in contrasting colors.

97.17 (c) The label on each can of aerosol duster containing DFE must contain the following:

97.18 (1) the words "DANGER: DEATH! Breathing this product to get high can kill you!";
97.19 and

97.20 (2) the poison control phone number, 1-800-222-1222.

97.21 (d) In order to comply with subdivision 5, paragraph (a), a label may include, but is not
97.22 limited to the words:

97.23 (1) "Deliberate misuse by concentrating and inhaling the contents can be harmful or
97.24 fatal!"; and

97.25 (2) "Intentional misuse by deliberately concentrating and inhaling the vapors can be
97.26 harmful or fatal!";

97.27 (e) The safety symbols and color standards of the label described in this section must
97.28 conform with the ANSI Z535 safety signage standards guidelines established by the American
97.29 National Standards Institute.

97.30 Subd. 6. **Violations.** (a) A person that violates subdivision 2 or 3 is guilty of a
97.31 misdemeanor.

98.1 (b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant
98.2 proves by a preponderance of the evidence that the defendant reasonably and in good faith
98.3 relied on proof of age as described in section 340A.503, subdivision 6.

98.4 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to purchases
98.5 of aerosol dusters made on or after that date.

98.6 Sec. 36. **[325F.676] TICKET SALES.**

98.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have
98.8 the meanings given.

98.9 (b) "Commissioner" means the commissioner of commerce.

98.10 (c) "Entertainment" means all forms of entertainment, including but not limited to
98.11 theatrical or operatic performances, concerts, motion pictures, entertainment at fairgrounds,
98.12 amusement parks, athletic competitions and other sports, and all other forms of diversion,
98.13 recreation, or show.

98.14 (d) "Internet domain name" means a globally unique, hierarchical reference to an Internet
98.15 host or service, which is assigned through a centralized Internet naming authority and which
98.16 is composed of a series of character strings separated by periods with the rightmost string
98.17 specifying the top of the hierarchy.

98.18 (e) "Online ticket marketplace" means the administrator of a website or other electronic
98.19 service, including an agent, employee, or assignee of such administrator, that sells tickets
98.20 or maintains a platform to facilitate the sale of tickets.

98.21 (f) "Operator" means a person, including an agent, employee, or assignee of such person,
98.22 who:

98.23 (1) owns, operates, or controls a place of entertainment;

98.24 (2) produces entertainment; or

98.25 (3) sells a ticket to a place of entertainment for original sale.

98.26 (g) "Person" means a party, individual, partnership, association, corporation, or other
98.27 legal entity.

98.28 (h) "Place of entertainment" means an entertainment facility, including but not limited
98.29 to an amphitheater, theater, stadium, arena, racetrack, museum, amusement park, venue,
98.30 club, or other place where performances, concerts, exhibits, athletic games, contests, or

99.1 other forms of entertainment are held. For the purposes of this section, place of entertainment
99.2 does not include movie theaters.

99.3 (i) "Ticket reseller" means a person that offers or sells tickets for resale after the original
99.4 sale to an entertainment event located in this state and includes an operator to the extent
99.5 that the operator offers or sells tickets for resale. Sales by a ticket reseller includes sales by
99.6 any means, including, but not limited to, in-person, or by telephone, mail, delivery service,
99.7 facsimile, Internet, e-mail or other electronic means. A ticket reseller does not include a
99.8 person that purchases a ticket solely for their own use or the use of their invitees, employees,
99.9 or agents.

99.10 (j) "URL" means a uniform resource locator for a website on the Internet.

99.11 Subd. 2. **Disclosures.** (a) An operator, ticket reseller, or online ticket marketplace must,
99.12 at all times during the ticket listing and purchasing process, disclose in an easily readable
99.13 and conspicuous manner and in dollars:

99.14 (1) the total cost of the ticket, inclusive of all fees and surcharges that must be paid in
99.15 order to purchase the ticket;

99.16 (2) the portion of the ticket price that represents a service charge; and

99.17 (3) any other fee or surcharge to the purchaser.

99.18 (b) The disclosure of subtotals, fees, charges, and all other components of the total price
99.19 must not be false or misleading, and shall not be presented more prominently or in the same
99.20 or larger size than the total price. The disclosure of subtotals, fees, charges, and all other
99.21 components of the total price may be displayed in a way that allows the purchaser to hide
99.22 or minimize the itemized list. The price of a ticket must not increase with respect to a
99.23 particular person after the ticket is first displayed to such person, excluding reasonable fees
99.24 for the delivery of nonelectronic tickets based on the delivery method selected by the
99.25 purchaser and any additional purchases made by the purchaser, which must be disclosed
99.26 prior to accepting payment.

99.27 (c) A ticket reseller and online ticket marketplace must disclose in an easily readable
99.28 and conspicuous manner on its website or electronic service:

99.29 (1) that the website or electronic service is owned or operated by a ticket reseller or
99.30 online ticket marketplace and that the price of a resale ticket offered for sale may be higher
99.31 or lower than the original purchase price;

99.32 (2) that the purchaser is responsible for checking with the place of entertainment for
99.33 information on changes to the event or cancellations prior to the event's start time; and

100.1 (3) the refund policy of the ticket reseller or online ticket marketplace.

100.2 A ticket reseller or online ticket marketplace must require a purchaser to confirm having
100.3 read the disclosures required by this paragraph before completing a transaction.

100.4 (d) A ticket reseller or online ticket marketplace must provide proof of purchase to the
100.5 purchaser which must include all event and ticket information within 24 hours of the
100.6 purchase, including:

100.7 (1) that the purchaser is responsible for checking with the place of entertainment for
100.8 information on changes to the event or cancellations prior to the event's start time; and

100.9 (2) the refund policy of the ticket reseller or online ticket marketplace.

100.10 (e) An online ticket marketplace must not use any combination of text, images, trademark,
100.11 copyright, web designs, or Internet addresses that is identical or substantially similar to text,
100.12 images, trademark, copyright, web designs, or Internet addresses associated with a place of
100.13 entertainment without the written permission of the place of entertainment duly authorized
100.14 to provide such permission. This paragraph does not prohibit an online ticket marketplace
100.15 from using text containing the name of a place of entertainment or of an event in order to
100.16 describe the location of the event or the event itself. This paragraph does not prohibit an
100.17 online ticket marketplace from providing information or images identifying the specific
100.18 seat or area the purchaser will occupy in the place of entertainment.

100.19 (f) The obligations of paragraphs (a) to (d) do not apply to any person, unless the person
100.20 engaged in annual aggregate transactions that were equal to or greater than \$5,000.

100.21 Subd. 3. **Prohibitions.** (a) A ticket reseller or online ticket marketplace must not:

100.22 (1) sell or offer to sell more than one copy of the same ticket to a place of entertainment;

100.23 (2) employ another person directly or indirectly to wait in line to purchase tickets for
100.24 the purpose of reselling the tickets if the practice is prohibited or if the place of entertainment
100.25 has posted a policy prohibiting the practice;

100.26 (3) sell or offer to sell a ticket without first informing the person of the location of the
100.27 place of entertainment and the ticket's assigned seat, including but not limited to the seat
100.28 number, row, and section number of the seat;

100.29 (4) sell or offer to sell a ticket for which there is no assigned seat without first informing
100.30 the person of the general admission area to which the ticket corresponds; or

100.31 (5) advertise, offer for sale, or contract for the sale of a ticket before the ticket has been
100.32 made available to the public, including via presale, without first obtaining permission from

101.1 the place of entertainment, and having actual or constructive possession of such ticket,
101.2 unless the ticket reseller owns the ticket pursuant to a season ticket package purchased by
101.3 the ticket reseller.

101.4 (b) A person must not use or cause to be used an Internet domain name or subdomain
101.5 thereof in an operator, ticket reseller, or online ticket marketplace website's URL that contains
101.6 any of the following, unless acting on behalf of the place of entertainment, event, or person
101.7 scheduled to perform or appear at the event:

101.8 (1) the name of a place of entertainment;

101.9 (2) the name of an event, including the name of a person scheduled to perform or appear
101.10 at the event; or

101.11 (3) a name substantially similar to those described in clause (1) or (2).

101.12 (c) A person must not:

101.13 (1) circumvent any portion of the process for purchasing a ticket on the Internet or for
101.14 admission to a place of entertainment, including but not limited to security or identity
101.15 validation measures or an access control system; or

101.16 (2) disguise the identity of a purchaser for the purpose of purchasing a number of tickets
101.17 for admission to a place of entertainment that exceeds the maximum number of tickets
101.18 allowed for purchase by a person.

101.19 (d) A person must not sell a ticket obtained in violation of paragraph (c) if the person:

101.20 (1) participated in or had the ability to control the conduct committed in violation of
101.21 paragraph (c); or

101.22 (2) knew that the ticket was acquired in violation of paragraph (c).

101.23 (e) An operator, online ticket marketplace, or ticket reseller must not sell a ticket unless:

101.24 (1) the ticket is in the possession or constructive possession of the operator, online ticket
101.25 marketplace, or ticket reseller; or

101.26 (2) the operator, online ticket marketplace, or ticket reseller has a written contract with
101.27 the place of entertainment to obtain the ticket.

101.28 (f) Pursuant to United States Code, title 15, section 45c, circumvention of a security
101.29 measure, access control system, or other technological control measure used by an online
101.30 ticket marketplace to enforce posted event ticket purchasing limits or to maintain the integrity
101.31 of posted online ticket purchasing order rules is prohibited.

Subd. 4. **Commissioner data requests; data practices.** (a) Upon request by the commissioner, an online ticket marketplace must disclose to the commissioner information about technology and methods used in an alleged violation of subdivision 3, paragraph (f). Data collected or maintained by the commissioner under this subdivision are civil investigative data under section 13.39, and the commissioner may share with the attorney general any not public data, as defined in section 13.02, subdivision 8a, received under this subdivision.

(b) The commissioner may enforce this section under section 45.027.

EFFECTIVE DATE. This section is effective January 1, 2025, and applies to tickets sold on or after that date.

Sec. 37. **[325F.782] DEFINITIONS.**

Subdivision 1. **Scope.** For purposes of sections 325F.782 to 325F.7822, the following terms have the meanings given.

Subd. 2. **Minor.** "Minor" means an individual who is younger than 21 years of age.

Subd. 3. **Vapor product.** "Vapor product" means a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means, regardless of shape or size, that can be used to produce vapor from nicotine or any other substance, and the use or inhalation of which simulates smoking. Vapor product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device. Vapor product also includes a vapor cartridge or other container of nicotine or other substance in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device.

Sec. 38. **[325F.7821] PROHIBITION ON DECEPTIVE VAPOR PRODUCTS.**

A person or entity must not market, promote, label, brand, advertise, distribute, offer for sale, or sell a vapor product by:

(1) imitating a product that is not a vapor product, including but not limited to:

(i) a food or brand of food commonly marketed to minors, including but not limited to candy, desserts, and beverages;

(ii) school supplies commonly used by minors, including but not limited to erasers, highlighters, pens, and pencils; and

103.1 (iii) a product based on or depicting a character, personality, or symbol known to appeal
103.2 to minors, including but not limited to a celebrity; a character in a comic book, movie,
103.3 television show, or video game; and a mythical creature;

103.4 (2) attempting to conceal the nature of the vapor product from parents, teachers, or other
103.5 adults; or

103.6 (3) using terms for, describing, or depicting any product described in clause (1).

103.7 Sec. 39. **[325F.812] CELLULAR TELEPHONE CASES.**

103.8 Subdivision 1. **Certain cellular telephone cases; prohibition.** A person is prohibited
103.9 from purchasing, possessing, importing, manufacturing, selling, holding for sale, or
103.10 distributing a cellular telephone case, stand, or cover that is a facsimile of or reasonably
103.11 appears to be a firearm, including but not limited to a pistol or revolver.

103.12 Subd. 2. **Enforcement.** This section may be enforced by the attorney general under
103.13 section 8.31, but a court may not impose a civil penalty of more than \$500 for a violation
103.14 of this section.

103.15 Sec. 40. Minnesota Statutes 2022, section 325G.24, is amended to read:

103.16 **325G.24 RIGHT OF CANCELLATION.**

103.17 Subdivision 1. **Right of cancellation.** (a) Any person who has elected to become a
103.18 member of a club may unilaterally cancel such membership, in the person's exclusive
103.19 discretion, by giving ~~written~~ notice of cancellation at any time before midnight of the third
103.20 business day following the date on which membership was attained. ~~Notice of cancellation~~
103.21 ~~may be given personally or by mail.~~

103.22 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed
103.23 and postage prepaid. ~~Notice of cancellation need not take a particular form and is sufficient~~
103.24 ~~if it indicates, by any form of written expression, the intention of the member not to be~~
103.25 ~~bound by the contract.~~

103.26 (c) Cancellation under this subdivision shall be without liability on the part of the member
103.27 and the member shall be entitled to a refund, within ten days after notice of cancellation is
103.28 given, of the entire consideration paid for the contract. ~~Rights of cancellation may not be~~
103.29 ~~waived or otherwise surrendered.~~

104.1 Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to
104.2 become a member of a club may unilaterally terminate such membership, in the person's
104.3 exclusive discretion, by giving notice of termination at any time.

104.4 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed,
104.5 and postage prepaid.

104.6 (c) A club must not impose a termination fee or any other liability on the member for
104.7 termination under this subdivision.

104.8 (d) Termination under this subdivision will be effective at the end of the membership
104.9 term in which the member provides the notice of termination. If membership is at-will
104.10 without a defined membership term, then termination under this subdivision will be effective
104.11 immediately, unless the member indicates a future effective date of termination, in which
104.12 event the date indicated by the member will be the effective date of termination.

104.13 (e) If a member provides notice of termination at any time before midnight of the third
104.14 business day following the date on which membership was attained, the club must treat the
104.15 notice as a notice of cancellation under subdivision 1, unless the member specifically
104.16 provides for a future termination effective date.

104.17 Subd. 3. **Notice requirements.** (a) A club must accept a notice of cancellation or notice
104.18 of termination that has been given:

104.19 (1) verbally, including but not limited to personally or over the phone to customer or
104.20 account service members;

104.21 (2) in writing, including but not limited to via mail, email, or an online message through
104.22 the club's website directed to customer or account service members;

104.23 (3) through a termination election as described in section 325G.60; or

104.24 (4) in any other manner or medium by which the member initially accepted membership
104.25 to the club and that is no more burdensome to the member than was the initial acceptance.

104.26 (b) The process to cancel must be stated clearly and be easily accessible and completed
104.27 with ease.

104.28 Subd. 4. **No waiver.** A right of cancellation or right of termination under this section
104.29 may not be waived or otherwise surrendered.

Sec. 41. Minnesota Statutes 2022, section 325G.25, subdivision 1, is amended to read:

Subdivision 1. **Form and content.** A copy of every contract shall be delivered to the member at the time the contract is signed. Every contract must be in writing, must be signed by the member, must designate the date on which the member signed the contract and must state, clearly and conspicuously in boldface type of a minimum size of 14 points, the following:

"MEMBERS' RIGHT TO CANCEL"

"If you wish to cancel this contract, you may cancel in-person, over the phone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The notice must be provided to the club ~~say that you do not wish to be bound by the contract and must be delivered or mailed~~ before midnight of the third business day after you sign this contract. ~~The notice must be delivered or mailed to: (Insert name and mailing address of club).~~ If you cancel, the club will return, within ten days of the date on which you give notice of cancellation, any payments you have made."

"MEMBERS' RIGHT TO UNILATERAL TERMINATION"

"You may unilaterally terminate this contract in your exclusive discretion at any time. If you terminate, your membership will terminate at the end of the membership term in which you provided the club with notice of termination. If your membership is at-will without a defined membership term, then your membership will terminate immediately, unless you indicate a future effective date of termination. If you wish to terminate this contract, you may terminate in-person, over the phone, by delivering or mailing a written notice to the club, via email or an online message through the club's website, through the "termination election" provided on the club's website (if applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner or medium by which you initially accepted membership to the club. The club may not impose a termination fee or any other liability on you for termination."

"NOTICE INFORMATION"

"If you wish to provide notice of cancellation or notice of termination to the club:

In-person or by mail, the applicable address is: [Insert name and mailing address of club];

106.1 Over the phone, the applicable phone number is: [Insert phone number of club];

106.2 Via email, the applicable email address is: [Insert email address of club];

106.3 On the club's website, the applicable website address is: [Insert address, if applicable]."

106.4 Sec. 42. **[325G.38] HANDHELD ELECTRONIC DEVICES; DISCLOSURES.**

106.5 If a retail establishment offers consumers the use of handheld electronic devices that
106.6 require payment for games or other entertainment, the handheld electronic device must
106.7 display a disclosure. The disclosure must be provided to the consumer before a game or
106.8 entertainment is purchased and must:

106.9 (1) require the user to affirm that the user is 18 years of age or older; and

106.10 (2) include, in at least ten-point font and larger than all other type viewable on the screen
106.11 at that time, the payment amount required.

106.12 Sec. 43. **[325G.56] DEFINITIONS.**

106.13 Subdivision 1. **Scope.** For purposes of sections 325G.56 to 325G.62, the terms defined
106.14 in this section have the meanings given them.

106.15 Subd. 2. **Automatic renewal.** "Automatic renewal" means a plan or arrangement in
106.16 which a subscription or purchasing agreement is automatically renewed at the end of a
106.17 definite term for a subsequent term.

106.18 Subd. 3. **Clear and conspicuous.** "Clear and conspicuous" means in larger type than
106.19 the surrounding text, or in contrasting type, font, or color to the surrounding text of the same
106.20 size, or set off from the surrounding text of the same size by symbols or other marks, in a
106.21 manner that calls attention to the language. In the case of an audio disclosure, "clear and
106.22 conspicuous" means in a volume and cadence sufficient to be readily audible and
106.23 understandable.

106.24 Subd. 4. **Consumer.** "Consumer" means any individual who seeks or acquires, by
106.25 purchase or lease, any goods, services, money, or credit for personal, family, or household
106.26 purposes. Consumer includes, but is not limited to, a member as defined in section 325G.23,
106.27 unless the context clearly indicates otherwise.

106.28 Subd. 5. **Continuous service.** "Continuous service" means a plan or arrangement in
106.29 which a subscription or purchasing agreement continues until the consumer terminates the
106.30 agreement.

107.1 Subd. 6. **Indefinite subscription agreement.** "Indefinite subscription agreement" means
107.2 a subscription or purchasing agreement:

107.3 (1) between a seller and a consumer in the state; and

107.4 (2) subject to automatic renewal or continuous service.

107.5 Indefinite subscription agreements include but are not limited to contracts, as defined in
107.6 section 325G.23, subject to automatic renewal or continuous service.

107.7 Subd. 7. **Offer terms.** "Offer terms" means the following disclosures:

107.8 (1) that the indefinite subscription agreement will continue until the consumer terminates
107.9 the agreement;

107.10 (2) the description of the cancellation policy that applies to the indefinite subscription
107.11 agreement;

107.12 (3) the recurring charges that will be charged to the consumer's credit or debit card or
107.13 payment account with a third party as part of the plan or arrangement and that the amount
107.14 of the charge may change, if that is the case, and the amount to which the charge will change,
107.15 if known;

107.16 (4) the length of the automatic renewal term or that the service is continuous, unless the
107.17 length of the term is definite and chosen by the consumer; and

107.18 (5) the minimum purchase obligation, if any.

107.19 Subd. 8. **Seller.** "Seller" means a seller, lessor, licensor, or professional who advertises,
107.20 solicits, or engages in consumer transactions, or a manufacturer, distributor, or licensor who
107.21 advertises and sells, leases, or licenses goods or services to be resold, leased, or sublicensed
107.22 by other persons in consumer transactions. Seller includes, but is not limited to, a club as
107.23 defined in section 325G.23, unless the context clearly indicates otherwise.

107.24 Sec. 44. **[325G.57] REQUIREMENTS FOR AUTOMATIC RENEWAL OR**
107.25 **CONTINUOUS SERVICE.**

107.26 Subdivision 1. **Notices upon offer.** A seller making an offer for an indefinite subscription
107.27 agreement must, before the consumer accepts the offer, present the offer terms in a clear
107.28 and conspicuous manner to the consumer and in visual proximity, or in the case of an offer
107.29 conveyed by voice, in temporal proximity, to the offer's proposal.

107.30 Subd. 2. **Confirmation upon consumer consent.** A seller making an offer for an
107.31 indefinite subscription agreement must, in a timely manner after the consumer accepts the

108.1 offer, provide the consumer with confirmation of the consumer's acceptance of the offer,
108.2 in a manner that is capable of being retained by the consumer, that includes the following:

108.3 (1) the offer terms;

108.4 (2) if the offer includes a free trial, information on how to cancel the free trial before
108.5 the consumer pays or becomes obligated to pay for any goods or services in connection
108.6 with the free trial; and

108.7 (3) options for termination of the indefinite subscription agreement, which options must
108.8 be easy to use, cost-effective, and timely for all consumers:

108.9 (i) if a seller makes offers for an indefinite subscription agreement through an online
108.10 website, a termination election as set forth in section 325G.60; and

108.11 (ii) if a consumer enters into the indefinite subscription agreement through any means
108.12 other than a toll-free telephone number, an electronic mail address, or a postal address, then
108.13 an option substantially similar to, as easy to use, and as accessible as the initial means of
108.14 consumer acceptance of the agreement.

108.15 A communication of the required information through electronic mail is sufficient to meet
108.16 the requirements of this subdivision.

108.17 Subd. 3. **Material changes.** Upon a material change in the terms of the indefinite
108.18 subscription agreement, the seller must provide to the consumer in a timely manner, and in
108.19 any case prior to the implementation of the material change, a clear and conspicuous notice
108.20 of the material change and provide information regarding how to terminate the agreement
108.21 in a manner that is capable of being retained by the consumer. A material change in the
108.22 terms of an indefinite subscription agreement in violation of this subdivision is void and
108.23 unenforceable.

108.24 Subd. 4. **Free trials.** A seller making an offer for an indefinite subscription agreement
108.25 that includes a free trial lasting more than 30 days must, no fewer than five days and no
108.26 more than 30 days before the end of any such free trial, notify the consumer of the consumer's
108.27 option to cancel the free trial before the end of the trial period to avoid an obligation to pay
108.28 for the goods or services.

108.29 Subd. 5. **Periodic notice of continuous service.** (a) If an indefinite subscription
108.30 agreement is subject to continuous service, the seller must give the consumer written notice
108.31 of the continuous service at least once per calendar year via mail or electronic mail.

108.32 (b) The notice required under this subdivision must include the terms of the service and
108.33 how to terminate or manage the service.

109.1 **Sec. 45. [325G.58] PROHIBITED CONDUCT.**

109.2 **Subdivision 1. Definition; agreement.** For purposes of this section, "agreement" means
109.3 an indefinite subscription agreement, as defined in section 325G.56, and a contract, as
109.4 defined in section 325G.23.

109.5 **Subd. 2. Charges prior to effective date.** A seller must not charge the consumer's credit
109.6 or debit card or the consumer's account with a third party in connection with an agreement
109.7 before the agreement has been duly authorized by the seller and consumer and made effective.

109.8 **Subd. 3. Right of first refusal.** An agreement must not require the consumer to permit
109.9 the seller to match any offer the consumer has received. A provision in an agreement that
109.10 violates this subdivision is void and unenforceable.

109.11 **Subd. 4. No abusive tactics or offers upon notice.** (a) A seller that has received a notice
109.12 of cancellation or notice of termination of an agreement from a consumer cannot:

109.13 (1) make any misrepresentation or undertake any unfair or abusive tactic to delay,
109.14 unreasonably delay, or avoid the cancellation or termination of the agreement; or

109.15 (2) make or provide additional benefits, contract modifications, gifts, or similar offers
109.16 to the consumer until the seller has obtained permission from the consumer, granted by the
109.17 consumer after notice of cancellation or termination was given to the seller, for the seller
109.18 to engage in any such activity.

109.19 (b) A seller can only seek a consumer's permission under this paragraph once per
109.20 cancellation or termination attempt. A consumer's grant of permission under this paragraph
109.21 is limited to the immediate cancellation or termination attempt and does not apply to
109.22 subsequent attempts.

109.23 **Subd. 5. Exceptions.** This section does not prohibit a seller from:

109.24 (1) asking the consumer the reasons for cancellation or termination, provided that a
109.25 consumer is not required to answer as a condition of cancellation or termination;

109.26 (2) informing the consumer that there may be consequences of cancelling or terminating
109.27 the subscription; or

109.28 (3) verifying the identity of the consumer.

109.29 **Sec. 46. [325G.59] CONSUMER'S RIGHT TO TERMINATE.**

109.30 **Subdivision 1. Termination of agreement subject to automatic renewal.** A consumer
109.31 may terminate an indefinite subscription agreement subject to automatic renewal at any

time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision is effective at the end of the term in which notice of termination is provided by the consumer, unless the consumer specifies a termination date occurring at the end of a subsequent term, in which event the termination is effective as of the date specified by the consumer, if the option is available.

Subd. 2. Termination of agreement subject to continuous service. (a) A consumer may terminate an indefinite subscription agreement subject to continuous service at any time by following the procedure set forth in the confirmation described in section 325G.57, subdivision 2. A termination under this subdivision must take effect no later than 31 days from the date of a verified consumer's notice of termination unless the consumer specifies a future termination date, in which event the termination is effective as of such date.

(b) This subdivision does not require a seller to provide an option to set a future termination date.

Subd. 3. Termination in absence of confirmation or notice. If the seller fails to provide either the confirmation required under section 325G.57, subdivision 2, or a notice required by section 325G.57, subdivision 5, the consumer may terminate the indefinite subscription agreement by any reasonable means at any time, including but not limited to by mail, electronic mail, telephone, an online option, a termination election under section 325G.60, or the means by which the consumer entered into the agreement, at no cost to the consumer.

Sec. 47. [325G.60] TERMINATION ELECTION REQUIREMENT.

Subdivision 1. Definition; agreement. For purposes of this section, "agreement" means an indefinite subscription agreement, as defined in section 325G.56, and a contract, as defined in section 325G.23.

Subd. 2. Termination election required. (a) If a seller has a website with profile or subscription management capabilities, then such website must include a termination election on the website. The termination election must be clear and conspicuous on the website and must use plain language to convey that any consumer may use the termination election to terminate the agreement at any time. The termination election must only require a consumer to input information that is necessary to process the termination. The termination election must include a checkbox, submission button, or similarly common and simple mechanism for the member to indicate a desire to terminate the agreement.

111.1 (b) For purposes of this section, "termination election" means a simple and easily
111.2 accessible means for a consumer to quickly provide notice of termination, and that does not
111.3 include undue complexity, confusion, or misrepresentation by the seller.

111.4 Sec. 48. **[325G.61] UNCONDITIONAL GIFTS.**

111.5 Any good, including but not limited to any ware, merchandise, or product, is an
111.6 unconditional gift to the consumer if a seller sends the good under an indefinite subscription
111.7 agreement without first obtaining the consumer's affirmative consent to the agreement in
111.8 accordance with section 325G.57. The consumer may use or dispose of the good in any
111.9 manner without any obligation to the seller, including but not limited to any obligation
111.10 relating to shipping of the good.

111.11 Sec. 49. **[325G.62] EXEMPTION.**

111.12 Sections 325G.56 to 325G.61 do not apply to:

111.13 (1) contracts governed by another state or federal statute or regulation specifically
111.14 intended to regulate automatic renewal or continuous service;

111.15 (2) any licensee as defined in section 60A.985, subdivision 8, and any affiliate of such
111.16 a licensee as defined in section 60D.15, subdivision 2;

111.17 (3) an individual or business licensed by the Department of Labor and Industry as a
111.18 technology system contractor or power limited technician as defined in section 326B.31;

111.19 (4) any service provided by a business or its affiliate where either the business or its
111.20 affiliate is licensed or regulated by the Public Utilities Commission, the Federal
111.21 Communications Commission, or the Federal Energy Regulatory Commission; or

111.22 (5) any person or entity registered or licensed with the Financial Industry Regulatory
111.23 Authority, the Securities and Exchange Commission, or under the Minnesota Securities
111.24 Act.

111.25 Sec. 50. **[332.3352] WAIVER OF LICENSING AND REGISTRATION.**

111.26 The commissioner of commerce may, by order, waive the licensing and registration
111.27 requirements of this chapter for a nonresident collection agency and its affiliated collectors
111.28 if: (1) a written reciprocal licensing agreement is in effect between the commissioner and
111.29 the licensing officials of the collection agency's home state; and (2) the collection agency
111.30 is licensed in good standing in that state.

112.1 Sec. 51. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended
112.2 to read:

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

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

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

112.9 (3) economic abuse perpetrated against the debtor.

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

112.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

112.12 Sec. 52. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended
112.13 to read:

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

112.16 **EFFECTIVE DATE.** This section is effective January 1, 2025.

112.17 Sec. 53. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended
112.18 to read:

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

112.22 (1) a police report;

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

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

112.26 (4) a sworn written certification.

112.27 **EFFECTIVE DATE.** This section is effective January 1, 2025.

113.1 Sec. 54. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended
113.2 to read:

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

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

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

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

113.11 **EFFECTIVE DATE.** This section is effective January 1, 2025.

113.12 Sec. 55. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

113.13 **332.72 COERCED DEBT PROHIBITED.**

113.14 (a) A person is prohibited from causing another person to incur coerced debt.

113.15 (b) A person who causes another person to incur a coerced debt in violation of this
113.16 section is civilly liable to the creditor for the amount of the debt, or portion thereof,
113.17 determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and
113.18 costs, provided the creditor follows the procedures under section 332.74, subdivision 3,
113.19 paragraph (b).

113.20 **EFFECTIVE DATE.** This section is effective January 1, 2025.

113.21 Sec. 56. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended
113.22 to read:

113.23 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,
113.24 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on
113.25 which the creditor demands payment is coerced debt and request that the creditor cease all
113.26 collection activity on the coerced debt. The notification and request must be in writing and
113.27 include documentation. If not already included in documentation, the notification must
113.28 include a signed statement that includes:

113.29 (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or
113.30 labor trafficking;

(2) a recitation of the facts supporting the claim that the debt is coerced; and

(3) if only a portion of the debt is claimed to be coerced debt, an itemization of the portion of the debt that is claimed to be coerced debt.

(b) The creditor, within 30 days of the date the notification and request is received, must notify the debtor in writing of the creditor's decision to either immediately cease all collection activity or continue to pursue collection. If a creditor ceases collection but subsequently decides to resume collection activity, the creditor must notify the debtor ten days prior to the date the collection activity resumes.

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

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

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 57. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended to read:

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

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

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

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

(b) If the court orders relief for the debtor under paragraph (a), the court, after the creditor's motion has been personally served on the person who violated section 332.72, or if personal service cannot be made, after service by United States mail to the last known address of the person ~~who violated section 332.72~~ and one-week published notice under section 645.11, shall must issue a judgment in favor of the creditor against the person in the amount of the debt or a portion thereof.

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

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 58. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended to read:

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

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 59. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS; UNFAIR SERVICE AGREEMENTS.**

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

(b) "County recorder" has the meaning given in section 13.045, subdivision 1.

(c) "Person" means natural persons, corporations both foreign and domestic, trusts, partnerships both limited and general, incorporated or unincorporated associations, companies, business entities, and any other legal entity or any other group associated in fact although not a legal entity or any agent, assignee, heir, employee, representative, or servant thereof.

(d) "Record" or "recording" means placement of a document or instrument in the official county public land records.

(e) "Residential real property" means real property that is located in Minnesota occupied, or intended to be occupied, by one to four families as their residence.

(f) "Service agreement" means a contract under which a person agrees to provide real estate broker services as defined in section 82.55, subdivision 19, in connection with the purchase or sale of residential real property.

116.1 (g) "Service provider" means an individual or entity that provides services to a person
116.2 pursuant to a service agreement.

116.3 Subd. 2. **Unfair service agreements; prohibition.** (a) A service agreement subject to
116.4 this section is unfair and prohibited if any part of the agreement provides an exclusive right
116.5 to a service provider for a term in excess of one year after the time the service agreement
116.6 is entered into and:

116.7 (1) purports to run with the land or to be binding on future owners of interests in the real
116.8 property;

116.9 (2) allows for assignment of the right to provide service without notice to and consent
116.10 of the residential real property's owner, including a contract for deed vendee;

116.11 (3) is recorded or purports to create a lien, encumbrance, or other real property security
116.12 interest; or

116.13 (4) contains a provision that purports to automatically renew the agreement upon its
116.14 expiration.

116.15 (b) The following are not unfair service agreements under this section:

116.16 (1) a home warranty or similar product that covers the cost of maintaining a major home
116.17 system or appliance for a fixed period;

116.18 (2) an insurance contract;

116.19 (3) a mortgage loan or a commitment to make or receive a mortgage loan;

116.20 (4) an option or right of refusal to purchase a residential real property;

116.21 (5) a declaration of any covenants, conditions, or restrictions created in the formation
116.22 of a homeowners association, a group of condominium owners, or other common interest
116.23 community or an amendment to the covenants, conditions, or restrictions;

116.24 (6) a maintenance or service agreement entered by a homeowners association in a
116.25 common interest community;

116.26 (7) a security agreement governed by chapter 336 that relates to the sale or rental of
116.27 personal property or fixtures; or

116.28 (8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service
116.29 provider.

116.30 (c) This section does not impair any lien right granted under Minnesota law or that is
116.31 judicially imposed.

117.1 Subd. 3. **Recording prohibited.** (a) A person is prohibited from:

117.2 (1) presenting or sending an unfair service agreement or notice or memorandum of an
117.3 unfair service agreement to any county recorder to record; or

117.4 (2) causing an unfair service agreement or notice or memorandum of an unfair service
117.5 agreement to be recorded by a county recorder.

117.6 (b) If a county recorder records an unfair service agreement, the county recorder does
117.7 not incur liability.

117.8 (c) If an unfair service agreement is recorded, the recording does not create a lien or
117.9 provide constructive notice to any third party, bona fide purchaser, or creditor.

117.10 Subd. 4. **Unfair service agreements unenforceable.** A service agreement that is unfair
117.11 under this section is unenforceable and does not create a contractual obligation or relationship.
117.12 Any waiver of a consumer right, including a right to trial by jury, in an unfair service
117.13 agreement is void.

117.14 Subd. 5. **Unfair service agreements; solicitation.** Encouraging any consumer to enter
117.15 into an unfair service agreement by any service provider constitutes:

117.16 (1) an unfair method of competition; and

117.17 (2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph
117.18 (c), and section 325F.69.

117.19 Subd. 6. **Enforcement authority.** (a) This section may be enforced by the attorney
117.20 general under section 8.31, except that any private cause of action brought under subdivision
117.21 7 is subject to the limitation under subdivision 7, paragraph (d).

117.22 (b) The commissioner of commerce may enforce this section with respect to a service
117.23 provider's real estate license.

117.24 Subd. 7. **Remedies.** (a) A consumer that is party to an unfair service agreement related
117.25 to residential real property or a person with an interest in the property that is the subject of
117.26 that agreement may bring an action under section 8.31 or 325F.70 in district court in the
117.27 county where the property is located.

117.28 (b) If an unfair service agreement or a notice or memorandum of an unfair service
117.29 agreement is recorded against any residential real property, any judgment obtained under
117.30 this section, after being certified by the clerk having custody of the unfair service agreement
117.31 or notice or memorandum of the unfair service agreement, may be recorded and indexed
117.32 against the real property encumbered or clouded by the unfair service agreement.

118.1 (c) The remedies provided under this section are not exclusive and do not reduce any
118.2 other rights or remedies a party may have in equity or in law.

118.3 (d) No private action may be brought under this section more than six years after the
118.4 date the term printed in the unfair service agreement expires.

118.5 Sec. 60. **REPEALER.**

118.6 Minnesota Statutes 2022, section 332.3351, is repealed.

118.7 Sec. 61. **REPEALER.**

118.8 Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

118.9 **EFFECTIVE DATE.** This section is effective January 1, 2025.

118.10 Sec. 62. **REPEALER.**

118.11 Minnesota Statutes 2022, section 325G.25, subdivision 1a, is repealed.

118.12 Sec. 63. **EFFECTIVE DATE.**

118.13 This act is effective August 1, 2024.

118.14 Sec. 64. **EFFECTIVE DATE.**

118.15 This act is effective August 1, 2025, and applies to contracts entered into, modified, or
118.16 renewed on or after that date.

118.17 **ARTICLE 4**

118.18 **LIQUOR**

118.19 Section 1. Minnesota Statutes 2022, section 340A.101, subdivision 13, is amended to
118.20 read:

118.21 Subd. 13. **Hotel.** "Hotel" is an establishment where food and lodging are regularly
118.22 furnished to transients and which has:

118.23 (1) a dining room serving the general public at tables and having facilities for seating
118.24 at least 30 guests at one time; ~~and~~ or

118.25 (2) guest rooms in the following minimum numbers: in first class cities, 50; in second
118.26 class cities, ~~25~~ 15; in all other cities and unincorporated areas, 10.

Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

Subd. 2. Special provision; city of Minneapolis. (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

120.1 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University
120.2 Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering
120.3 operator at the building owned and operated by the University Gateway Corporation on the
120.4 University of Minnesota campus, notwithstanding limitations of law, or local ordinance or
120.5 charter provision. The license authorizes sales on all days of the week.

120.6 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker
120.7 Art Center's concessionaire or operator, for a restaurant and catering operator on the premises
120.8 of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter
120.9 provisions. The license authorizes sales on all days of the week.

120.10 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie
120.11 Theater's concessionaire or operator for a restaurant and catering operator on the premises
120.12 of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter
120.13 provisions. The license authorizes sales on all days of the week.

120.14 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor
120.15 license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator
120.16 for a restaurant and catering operator on the premises of the Minnesota Book and Literary
120.17 Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance
120.18 or charter provision. The license authorizes sales on all days of the week.

120.19 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant
120.20 located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter
120.21 provision.

120.22 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum
120.23 of Russian Art's concessionaire or operator for a restaurant and catering operator on the
120.24 premises of the Museum of Russian Art located at 5500 Stevens Avenue South,
120.25 notwithstanding any law or local ordinance or charter provision.

120.26 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the
120.27 American Swedish Institute or to its concessionaire or operator for use on the premises
120.28 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding
120.29 limitations of law, or local ordinances, or charter provision relating to zoning or school or
120.30 church distances.

120.31 (n) Notwithstanding any other law, local ordinance, or charter provision, the city of
120.32 Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis
120.33 Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions
120.34 or catering contract with the Minneapolis Institute of Arts for use on the premises of the

121.1 Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued
121.2 for space that is not compact and contiguous, provided that all such space is included in the
121.3 description of the licensed premises on the approved license application. The licenses
121.4 authorize sales on all days of the week.

121.5 (o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway
121.6 House or to its concessionaire or operator for use on the premises owned by Norway House
121.7 at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or
121.8 charter provision relating to zoning or school or church distances.

121.9 (p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating
121.10 to seating requirements, local ordinance, or charter provision, the city of Minneapolis may
121.11 issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions
121.12 or catering contract with the Minneapolis Park and Recreation Board for use on ~~the~~
121.13 Minneapolis Park and Recreation Board premises of the Downtown Commons Park, the
121.14 Minneapolis Sculpture Garden, or at Boom Island Park. The licenses authorized by this
121.15 subdivision may be used for space specified within the park property, provided all such
121.16 space is included in the description of the licensed premises on the approved license
121.17 application. The licenses authorize sales on the dates on the approved license application.

121.18 **EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City
121.19 Council and compliance with Minnesota Statutes, section 645.021.

121.20 Sec. 3. Minnesota Statutes 2022, section 340A.412, is amended by adding a subdivision
121.21 to read:

121.22 Subd. 12a. **Transfers of wine.** (a) Notwithstanding the provisions of subdivision 12,
121.23 the holder of an off-sale intoxicating liquor license may transfer wine from one licensed
121.24 premises to another provided that:

121.25 (1) the license for the transferring and receiving premises are held by the same licensee;

121.26 (2) the licensee notifies the wholesaler from whom the wine was purchased and the
121.27 Division of Alcohol and Gambling Enforcement of the Division of Public Safety, in writing,
121.28 at least three business days before the transfer is made, the specific product and quantity of
121.29 product being transferred;

121.30 (3) only one transfer is made from a licensed premises in a three-month period; and

121.31 (4) each transfer of wine must not exceed 75 cases of wine. Each case is limited to 12
121.32 bottles of wine.

122.1 (b) A licensee that is delinquent beyond the 30-day period in section 340A.318 is
122.2 prohibited from transferring wine under this subdivision.

122.3 (c) Transfers of wine must only occur within the state of Minnesota.

122.4 **EFFECTIVE DATE.** This section is effective August 1, 2024.

122.5 Sec. 4. Laws 2022, chapter 86, article 2, section 3, is amended to read:

122.6 Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

122.7 Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St.
122.8 Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of
122.9 Minnesota or to a person or entity holding a concessions contract with the Thai Cultural
122.10 Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of
122.11 the State Capitol for both days of the Minnesota Songkran Festival. All provisions of
122.12 Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section,
122.13 apply to the license authorized by this section.

122.14 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City
122.15 Council and compliance with Minnesota Statutes, section 645.021.

122.16 Sec. 5. **SPORTS AND EVENT CENTER LICENSE; EAGAN.**

122.17 Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance
122.18 to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses
122.19 to the owner of a multiuse sports and event center located on property in the city of Eagan,
122.20 legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter
122.21 due to subdivision or replatting, or to any facility operator, concessionaire, catering operator,
122.22 or other third-party food and beverage vendor for the center under contract with the owner.
122.23 A license issued under this section may be issued for a space that is not compact and
122.24 contiguous, provided that the licensed premises shall only be the space described in the
122.25 approved license. A license issued under this section authorizes sales on all days of the
122.26 week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section,
122.27 apply to a license issued under this section.

122.28 **EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council
122.29 and compliance with Minnesota Statutes, section 645.021.

123.1 **Sec. 6. SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

124.1 Sec. 5. Laws 2023, chapter 57, article 2, section 11, the effective date, is amended to read:

124.2 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
124.3 policies offered, issued, or renewed on or after that date.

124.4 Sec. 6. Laws 2023, chapter 57, article 2, section 12, the effective date, is amended to read:

124.5 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
124.6 policies offered, issued, or renewed on or after that date.

124.7 Sec. 7. Laws 2023, chapter 57, article 2, section 13, the effective date, is amended to read:

124.8 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
124.9 policies offered, issued, or renewed on or after that date.

124.10 Sec. 8. Laws 2023, chapter 57, article 2, section 14, the effective date, is amended to read:

124.11 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
124.12 policies offered, issued, or renewed on or after that date.

124.13 Sec. 9. Laws 2023, chapter 57, article 2, section 15, the effective date, is amended to read:

124.14 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
124.15 policies offered, issued, or renewed on or after that date."

124.16 Delete the title and insert:

124.17 "A bill for an act

124.18 relating to commerce; adding and modifying various provisions related to insurance;
124.19 regulating financial institutions; modifying provisions governing financial
124.20 institutions; providing for certain consumer protections and privacy; modifying
124.21 provisions governing commerce; making technical changes; establishing civil and
124.22 criminal penalties; authorizing administrative rulemaking; requiring reports;
124.23 amending Minnesota Statutes 2022, sections 45.011, subdivision 1; 47.20,
124.24 subdivision 2; 47.54, subdivisions 2, 6; 48.24, subdivision 2; 58.02, subdivisions
124.25 18, 21, by adding a subdivision; 58.04, subdivisions 1, 2; 58.05, subdivisions 1,
124.26 3; 58.06, by adding subdivisions; 58.08, subdivisions 1a, 2; 58.10, subdivision 3;
124.27 58.115; 58.13, subdivision 1; 58B.02, subdivision 8, by adding a subdivision;
124.28 58B.03, by adding a subdivision; 58B.06, subdivisions 4, 5; 58B.07, subdivisions
124.29 1, 3, 9, by adding subdivisions; 58B.09, by adding a subdivision; 60A.201, by
124.30 adding a subdivision; 67A.01, subdivision 2; 67A.14, subdivision 1; 80A.61;
124.31 80A.66; 80C.05, subdivision 3; 82B.021, subdivision 26; 82B.094; 82B.095,
124.32 subdivision 3; 82B.13, subdivision 1; 82B.19, subdivision 1; 115C.08, subdivision
124.33 2; 239.791, by adding a subdivision; 325F.03; 325F.04; 325F.05; 325G.24;
124.34 325G.25, subdivision 1; 340A.101, subdivision 13; 340A.404, subdivision 2;
124.35 340A.412, by adding a subdivision; 507.071; Minnesota Statutes 2023 Supplement,
124.36 sections 53B.28, subdivisions 18, 25; 53B.29; 53B.69, by adding subdivisions;
124.37 80A.50; 239.791, subdivision 8; 325E.80, subdivisions 1, 5, 6, 7; 332.71,
124.38 subdivisions 2, 4, 5, 7; 332.72; 332.73, subdivision 1; 332.74, subdivisions 3, 5;
124.39 Laws 2022, chapter 86, article 2, section 3; Laws 2023, chapter 57, article 2,

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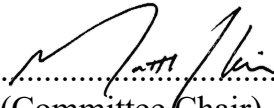
sections 7; 8; 9; 10; 11; 12; 13; 14; 15; proposing coding for new law in Minnesota Statutes, chapters 53B; 58; 58B; 65A; 325F; 325G; 332; 507; 513; proposing coding for new law as Minnesota Statutes, chapters 46A; 60M; repealing Minnesota Statutes 2022, sections 45.014; 58.08, subdivision 3; 82B.25; 325G.25, subdivision 1a; 332.3351; Minnesota Statutes 2023 Supplement, sections 53B.58; 332.71, subdivision 8."

125.7

And when so amended the bill do pass. Amendments adopted. Report adopted.

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(Committee Chair)

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125.11

March 22, 2024.....
(Date of Committee recommendation)