

1.1 Senator ..... moves to amend S.F. No. 4097 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1  
1.4 INSURANCE POLICY

1.5 Section 1. Minnesota Statutes 2022, section 62J.26, subdivision 4, is amended to read:

1.6 Subd. 4. **Sources of funding.** (a) The commissioner shall not use any funds for purposes  
1.7 of ~~this section~~ subdivisions 1 to 3 other than as provided in this subdivision or as specified  
1.8 in an appropriation.

1.9 (b) The commissioner may seek and accept funding from sources other than the state to  
1.10 pay for evaluations under this section to supplement or replace state appropriations. Any  
1.11 money received under this paragraph must be deposited in the state treasury, credited to a  
1.12 separate account for this purpose in the special revenue fund, and is appropriated to the  
1.13 commissioner for purposes of this section.

1.14 (c) If an evaluation is required under this section, the commissioner may use for purposes  
1.15 of the evaluation:

1.16 (1) any funds appropriated to the commissioner specifically for purposes of this section;  
1.17 or

1.18 (2) funds available under paragraph (b), if use of the funds for evaluation of that mandated  
1.19 health benefit proposal is consistent with any restrictions imposed by the source of the funds.

1.20 (d) The commissioner must ensure that the source of the funding has no influence on  
1.21 the process or outcome of the evaluation.

1.22 Sec. 2. Minnesota Statutes 2022, section 62J.26, is amended by adding a subdivision to  
1.23 read:

1.24 Subd. 6. **Defrayal of cost.** If an evaluation concludes that the proposal increases  
1.25 premiums, upon passage of the law the commissioner must make payments to defray the  
1.26 cost within 60 days of the date a statement is received from a health plan company. The  
1.27 existing process under Code of Federal Regulations, title 45, section 155.170, to defray the  
1.28 cost and ensure quantifiable cost calculations meets the requirements of this subdivision.

2.1 Sec. 3. Minnesota Statutes 2022, section 67A.01, subdivision 2, is amended to read:

2.2 Subd. 2. **Authorized territory.** (a) A township mutual fire insurance company may be  
 2.3 authorized to write business in up to nine adjoining counties in the aggregate at the same  
 2.4 time. If policyholder surplus is at least \$500,000 as reported in the company's last annual  
 2.5 financial statement filed with the commissioner, the company may, if approval has been  
 2.6 granted by the commissioner, be authorized to write business in ten or more counties in the  
 2.7 aggregate at the same time, subject to a maximum of ~~20~~ 40 adjoining counties, in accordance  
 2.8 with the following schedule:

2.9	Number of Counties	Surplus Requirement
2.10	10	\$500,000
2.11	11	600,000
2.12	12	700,000
2.13	13	800,000
2.14	14	900,000
2.15	15	1,000,000
2.16	16	1,100,000
2.17	17	1,200,000
2.18	18	1,300,000
2.19	19	1,400,000
2.20	20	1,500,000
2.21	<u>21</u>	<u>1,600,000</u>
2.22	<u>22</u>	<u>1,700,000</u>
2.23	<u>23</u>	<u>1,800,000</u>
2.24	<u>24</u>	<u>1,900,000</u>
2.25	<u>25</u>	<u>2,000,000</u>
2.26	<u>26</u>	<u>2,100,000</u>
2.27	<u>27</u>	<u>2,200,000</u>
2.28	<u>28</u>	<u>2,300,000</u>
2.29	<u>29</u>	<u>2,400,000</u>
2.30	<u>30</u>	<u>2,500,000</u>
2.31	<u>31</u>	<u>2,600,000</u>
2.32	<u>32</u>	<u>2,700,000</u>
2.33	<u>33</u>	<u>2,800,000</u>
2.34	<u>34</u>	<u>2,900,000</u>
2.35	<u>35</u>	<u>3,000,000</u>
2.36	<u>36</u>	<u>3,100,000</u>
2.37	<u>37</u>	<u>3,200,000</u>

3.1	<u>38</u>	<u>3,300,000</u>
3.2	<u>39</u>	<u>3,400,000</u>
3.3	<u>40</u>	<u>3,500,000</u>

3.4 (b) In the case of a merger of two or more companies having contiguous territories, the  
 3.5 surviving company in the merger may transact business in the entire territory of the merged  
 3.6 companies; however, the territory of the surviving company in the merger ~~may not be larger~~  
 3.7 ~~than 20~~ must be approved by the commissioner and may not be in excess of 40 counties,  
 3.8 provided the company complies with the additional reporting requirements.

3.9 (c) Notwithstanding paragraph (b), a policy issued by a constituent company to the  
 3.10 merger may remain effective, without respect to the policy being issued in a county outside  
 3.11 the territory of the surviving company, until the policy (1) expires or is terminated by the  
 3.12 policy's terms; or (2) is terminated or annulled and canceled in accordance with section  
 3.13 67A.18. The surviving company must not amend or renew a policy issued in a county outside  
 3.14 the surviving company's territory.

3.15 ~~(e)~~(d) A township mutual fire insurance company may write new and renewal insurance  
 3.16 on property in cities within the company's authorized territory having a population less than  
 3.17 25,000. A township mutual fire insurance company may continue to write new and renewal  
 3.18 insurance once the population increases to 25,000 or greater provided that amended and  
 3.19 restated articles are filed with the commissioner along with a certification that such city's  
 3.20 population has increased to 25,000 or greater.

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

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

4.1 Sec. 4. Minnesota Statutes 2022, section 67A.14, subdivision 1, is amended to read:

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

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

4.14 (c) A township mutual fire insurance company may insure any real or personal property,  
4.15 including qualified or secondary property, subject to the limitations in subdivision 1,  
4.16 paragraph (b), located outside the limits of the territory in which the company is authorized  
4.17 by its certificate or articles of incorporation to transact business, if the company is already  
4.18 covering qualified property belonging to the insured, inside the limits of the company's  
4.19 territory. For purposes of this paragraph, qualified property inside the limits of the company's  
4.20 territory includes qualified property outside the territory of the surviving company to a  
4.21 merger for the duration of the policy insuring the qualified property if the qualified property  
4.22 was qualified property inside the territory of a constituent company to the merger.

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

4.25 Sec. 5. Minnesota Statutes 2022, section 507.071, is amended to read:

4.26 **507.071 TRANSFER ON DEATH DEEDS.**

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

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

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

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

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

5.13 (e) "Property" and "interest in real property" mean any interest in real property located  
5.14 in this state which is transferable on the death of the owner and includes, without limitation,  
5.15 an interest in real property defined in chapter 500, a mortgage, a deed of trust, a security  
5.16 interest in, or a security pledge of, an interest in real property, including the rights to  
5.17 payments of the indebtedness secured by the security instrument, a judgment, a tax lien,  
5.18 both the seller's and purchaser's interest in a contract for deed, land contract, purchase  
5.19 agreement, or earnest money contract for the sale and purchase of real property, including  
5.20 the rights to payments under such contracts, or any other lien on, or interest in, real property.

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

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

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

5.25 Subd. 2. **Effect of transfer on death deed.** A deed that conveys or assigns an interest  
5.26 in real property, to a grantee beneficiary and that expressly states that the deed is only  
5.27 effective on the death of one or more of the grantor owners, transfers the interest to the  
5.28 grantee beneficiary upon the death of the grantor owner upon whose death the conveyance  
5.29 or transfer is stated to be effective, but subject to the survivorship provisions and requirements  
5.30 of section 524.2-702. Until a transfer on death deed becomes effective, it has no effect on  
5.31 title to the real property described in the deed, but it does create an insurable interest in the  
5.32 real property in favor of the designated grantee beneficiary or beneficiaries for purposes of  
5.33 insuring the real property against loss or damage that occurs on or after the transfer on death  
5.34 deed becomes effective. A transfer on death deed must comply with all provisions of

6.1 Minnesota law applicable to deeds of real property including, but not limited to, the  
6.2 provisions of sections 507.02, 507.24, 507.34, 508.48, and 508A.48. If a spouse who is  
6.3 neither a grantor owner nor an owner joins in the execution of, or consents in writing to,  
6.4 the transfer on death deed, such joinder or consent shall be conclusive proof that upon the  
6.5 transfer becoming effective, the spouse no longer has or can claim any statutory interest or  
6.6 other marital interest in the interest in real property transferred by the transfer on death deed.  
6.7 However, such transfer shall remain an interest as identified in section 256B.15 for purposes  
6.8 of complying with and satisfying any claim or lien as authorized by subdivision 3.

6.9 Subd. 3. **Rights of creditors and rights of state and county under sections 246.53,**  
6.10 **256B.15, 256D.16, 261.04, and 514.981.** The interest transferred to a beneficiary under a  
6.11 transfer on death deed after the death of a grantor owner is transferred subject to all effective  
6.12 conveyances, assignments, contracts, mortgages, deeds of trust, liens, security pledges,  
6.13 judgments, tax liens, and any other matters or encumbrances to which the interest was  
6.14 subject on the date of death of the grantor owner, upon whose death the transfer becomes  
6.15 effective including, but not limited to, any claim by a surviving spouse who did not join in  
6.16 the execution of, or consent in writing to, the transfer on death deed, and any claim or lien  
6.17 by the state or county agency authorized by sections 246.53, 256B.15, 256D.16, 261.04,  
6.18 and 514.981, if other assets of the deceased grantor's estate are insufficient to pay the amount  
6.19 of any such claim. A beneficiary to whom the interest is transferred after the death of a  
6.20 grantor owner shall be liable to account to the state or county agency with a claim or lien  
6.21 authorized by section 246.53, 256B.15, 256D.16, 261.04, or 514.981, to the extent necessary  
6.22 to discharge any such claim remaining unpaid after application of the assets of the deceased  
6.23 grantor owner's estate, but such liability shall be limited to the value of the interest transferred  
6.24 to the beneficiary. To establish compliance with this subdivision and subdivision 23, the  
6.25 beneficiary must record a clearance certificate issued in accordance with subdivision 23 in  
6.26 each county in which the real property described in the transfer on death deed is located.

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

6.33 Subd. 5. **Successor grantee beneficiaries.** A transfer on death deed may designate one  
6.34 or more successor grantee beneficiaries or a class of successor grantee beneficiaries, or  
6.35 both. If the transfer on death deed designates successor grantee beneficiaries or a class of

7.1 successor grantee beneficiaries, the deed shall state the condition under which the interest  
7.2 of the successor grantee beneficiaries would vest.

7.3 Subd. 6. **Multiple joint tenant grantors.** If an interest in real property is owned as joint  
7.4 tenants, a transfer on death deed executed by all of the owners and, if required by section  
7.5 507.02, their respective spouses, if any, that conveys an interest in real property to one or  
7.6 more grantee beneficiaries transfers the interest to the grantee beneficiary or beneficiaries  
7.7 effective only after the death of the last surviving grantor owner. If the last surviving joint  
7.8 tenant owner did not execute the transfer on death deed, the deed is ineffective to transfer  
7.9 any interest and the deed is void. An estate in joint tenancy is not severed or affected by the  
7.10 subsequent execution of a transfer on death deed and the right of a surviving joint tenant  
7.11 owner who did not execute the transfer on death deed shall prevail over a grantee beneficiary  
7.12 named in a transfer on death deed unless the deed specifically states that it severs the joint  
7.13 tenancy ownership.

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

7.17 Subd. 8. **Recording requirements and authorization.** A transfer on death deed is valid  
7.18 if the deed is recorded in a county in which at least a part of the real property described in  
7.19 the deed is located and is recorded before the death of the grantor owner upon whose death  
7.20 the conveyance or transfer is effective. Notwithstanding the definition of recorded under  
7.21 subdivision 1, if the real property is registered property, a transfer on death deed that was  
7.22 recorded incorrectly or incompletely is valid if the deed was recorded before the death of  
7.23 the grantor owner in the office of the county recorder or the registrar of titles in a county  
7.24 in which at least part of the real property is located, and is memorialized on the certificate  
7.25 of title after death. A transfer on death deed is not effective for purposes of section 507.34,  
7.26 508.47, or 508A.47 until the deed is properly recorded in the county in which the real  
7.27 property is located. When a transfer on death deed is presented for recording, no certification  
7.28 by the county auditor as to transfer of ownership and current and delinquent taxes shall be  
7.29 required or made and the transfer on death deed shall not be required to be accompanied  
7.30 by a certificate of real estate value. A transfer on death deed that otherwise satisfies all  
7.31 statutory requirements for recording may be recorded and shall be accepted for recording  
7.32 in the county in which the property described in the deed is located. If any part of the property  
7.33 described in the transfer on death deed is registered property, the registrar of titles shall  
7.34 accept the transfer on death deed for recording only if at least one of the grantors who  
7.35 executes the transfer on death deed appears of record to have an ownership interest or other

8.1 interest in the real property described in the deed. No certification or approval of a transfer  
8.2 on death deed shall be required of the examiner of titles prior to recording of the deed in  
8.3 the office of the registrar of titles.

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

8.8 **Subd. 10. Revocation or modification of transfer on death deed.** (a) A transfer on  
8.9 death deed may be revoked at any time by the grantor owner or, if there is more than one  
8.10 grantor owner, by any of the grantor owners. A revocation revokes the transfer on death  
8.11 deed in its entirety. To be effective, the revocation must be recorded in a county in which  
8.12 at least a part of the real property is located before the death of the grantor owner or owners  
8.13 who execute the revocation. Notwithstanding the definition of recorded under subdivision  
8.14 1, if the real property is registered property, a revocation that was recorded incorrectly or  
8.15 incompletely is effective if it was recorded before the death of the grantor owner in the  
8.16 office of the county recorder or the registrar of titles in a county in which at least part of  
8.17 the real property is located, and is memorialized on the certificate of title after death. The  
8.18 revocation is not effective for purposes of section 507.34, 508.47, or 508A.47 until the  
8.19 revocation is properly recorded in a county in which the real property is located.

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

8.28 (c) A transfer on death deed is a "governing instrument" within the meaning of section  
8.29 524.2-804 and, except as may otherwise be specifically provided for in the transfer on death  
8.30 deed, is subject to the same provisions as to revocation, revival, and nonrevocation set forth  
8.31 in section 524.2-804.

8.32 **Subd. 11. Antilapse; deceased beneficiary; words of survivorship.** (a) Except when  
8.33 a successor grantee beneficiary is designated in the transfer on death deed for the grantee  
8.34 beneficiary who did not survive the grantor owner, if a grantee beneficiary who is a

9.1 grandparent or lineal descendant of a grandparent of the grantor owner fails to survive the  
9.2 grantor owner, the issue of the deceased grantee beneficiary who survive the grantor owner  
9.3 take in place of the deceased grantee beneficiary. If they are all of the same degree of kinship  
9.4 to the deceased grantee beneficiary, they take equally. If they are of unequal degree, those  
9.5 of more remote degree take by right of representation.

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

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

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

9.23 Subd. 13. **Multiple transfer on death deeds.** If a grantor owner executes and records  
9.24 more than one transfer on death deed conveying the same interest in real property or a  
9.25 greater interest in the real property, or conveying part of the property in the earlier transfer  
9.26 on death deed, the transfer on death deed that has the latest acknowledgment date and that  
9.27 is recorded before the death of the grantor owner upon whose death the conveyance or  
9.28 transfer is conditioned is the effective transfer on death deed and all other transfer on death  
9.29 deeds, if any, executed by the grantor owner or the grantor owners are ineffective to transfer  
9.30 any interest and are void, except that if the later transfer on death deed included only part  
9.31 of the land of the earlier deed, the earlier deed is effective for the lands not included in the  
9.32 subsequent deed, absent language to the contrary in the subsequent deed.

9.33 Subd. 14. **Nonademption; unpaid proceeds of sale, condemnation, or insurance;**  
9.34 **sale by conservator or guardian.** If at the time of the death of the grantor owner upon

10.1 whose death the conveyance or transfer is stated to be effective, the grantor owner did not  
10.2 own a part or all of the real property described in the transfer on death deed, no conveyance  
10.3 or transfer to the beneficiary of the nonowned part of the real property shall occur upon the  
10.4 death of the grantor owner and the transfer on death deed is void as to the nonowned part  
10.5 of the real property, but the beneficiary shall have the same rights to unpaid proceeds of  
10.6 sale, condemnation or insurance, and, if sold by a conservator or guardian of the grantor  
10.7 owner during the grantor owner's lifetime, the same rights to a general pecuniary devise, as  
10.8 that of a specific devisee as set forth in section 524.2-606.

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

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

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

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

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

10.30 Subd. 20. **Proof of survivorship and clearance from public assistance claims and**  
10.31 **liens; recording.** An affidavit of identity and survivorship with a certified copy of a record  
10.32 of death as an attachment may be combined with a clearance certificate under this section  
10.33 and the combined documents may be recorded separately or as one document in each county  
10.34 in which the real estate described in the clearance certificate is located. The affidavit must

11.1 include the name and mailing address of the person to whom future property tax statements  
11.2 should be sent. The affidavit, record of death, and clearance certificate, whether combined  
11.3 or separate, shall be prima facie evidence of the facts stated in each, and the registrar of  
11.4 titles may rely on the statements to transfer title to the property described in the clearance  
11.5 certificate, except in cases where a court order is required pursuant to the provisions of  
11.6 subdivision 11, paragraph (c).

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

11.13 Subd. 22. **Anticipatory alienation prohibited.** The interest of a grantee beneficiary  
11.14 under a transfer on death deed which has not yet become effective is not subject to alienation;  
11.15 assignment; encumbrance; appointment or anticipation by the beneficiary; garnishment;  
11.16 attachment; execution or bankruptcy proceedings; claims for alimony, support, or  
11.17 maintenance; payment of other obligations by any person against the beneficiary; or any  
11.18 other transfer, voluntary or involuntary, by or from any beneficiary.

11.19 Subd. 23. **Clearance for public assistance claims and liens.** Any person claiming an  
11.20 interest in real property conveyed or transferred by a transfer on death deed, or the person's  
11.21 attorney or other agent, may apply to the county agency in the county in which the real  
11.22 property is located for a clearance certificate for the real property described in the transfer  
11.23 on death deed. The application for a clearance certificate and the clearance certificate must  
11.24 contain the legal description of each parcel of property covered by the clearance certificate.  
11.25 The county agency shall provide a sufficient number of clearance certificates to allow a  
11.26 clearance certificate to be recorded in each county in which the real property described in  
11.27 the transfer on death deed is located. The real property described in the clearance certificate  
11.28 is bound by any conditions or other requirements imposed by the county agency as specified  
11.29 in the clearance certificate. If the real property is registered property, a new certificate of  
11.30 title must not be issued until the clearance certificate is recorded. If the clearance certificate  
11.31 shows the continuation of a medical assistance claim or lien after issuance of the clearance  
11.32 certificate, the real property remains subject to the claim or lien. If the real property is  
11.33 registered property, the clearance certificate must be carried forward as a memorial in any  
11.34 new certificate of title. The application shall contain the same information and shall be  
11.35 submitted, processed, and resolved in the same manner and on the same terms and conditions

12.1 as provided in section 525.313 for a clearance certificate in a decree of descent proceeding,  
 12.2 except that a copy of a notice of hearing does not have to accompany the application. The  
 12.3 application may contain a statement that the applicant, after reasonably diligent inquiry, is  
 12.4 not aware of the existence of a predeceased spouse or the existence of a claim which could  
 12.5 be recovered under section 246.53, 256B.15, 256D.16, 261.04, or 514.981. If the county  
 12.6 agency determines that a claim or lien exists under section 246.53, 256B.15, 256D.16,  
 12.7 261.04, or 514.981, the provisions of section 525.313 shall apply to collection, compromise,  
 12.8 and settlement of the claim or lien. A person claiming an interest in real property transferred  
 12.9 or conveyed by a transfer on death deed may petition or move the district court, as  
 12.10 appropriate, in the county in which the real property is located or in the county in which a  
 12.11 probate proceeding affecting the estate of the grantor of the transfer on death deed is pending,  
 12.12 for an order allowing sale of the real property free and clear of any public assistance claim  
 12.13 or lien but subject to disposition of the sale proceeds as provided in section 525.313. On a  
 12.14 showing of good cause and subject to such notice as the court may require, the court without  
 12.15 hearing may issue an order allowing the sale free and clear of any public assistance claim  
 12.16 or lien on such terms and conditions as the court deems advisable to protect the interests of  
 12.17 the state or county agency.

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

12.20 Transfer on Death Deed

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

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

12.28 .... on the death of (name of grantor owner)  
 12.29 ..... (must be one of the grantor owners named above), the  
 12.30 following described real property:

12.31 (Legal description)

12.32 If checked, the following optional statement applies:

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

13.4 .....  
 13.5 (Signature of grantor(s))

13.6 (acknowledgment)

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

13.9 Revocation of Transfer on Death Deed

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

13.14 (legal description)

13.15 Dated:

13.16 .....

13.17 Signature

13.18 (acknowledgment)

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

13.30 Sec. 6. **[507.072] PROPERTY INSURANCE FOR GRANTEE BENEFICIARIES**  
 13.31 **OF TRANSFER ON DEATH DEEDS.**

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

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

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

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

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

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

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

14.13 Subd. 3. **Notice to the insurer.** To obtain temporary extended coverage for a transfer  
14.14 on death deed as provided in this section, the grantor owner must notify the insurer of the  
14.15 existence of a transfer on death deed. The notice shall include the names and contact  
14.16 information of all designated grantee beneficiaries.

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

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

14.30 Subd. 6. **Insurable interest.** A grantee beneficiary does not hold an insurable interest  
14.31 in the real property described in a transfer on death deed prior to the death of the grantor  
14.32 owner. Any claim on the insured real property described in a transfer on death deed initiated  
14.33 before the death of the grantor owner or the death benefits associated with the policy prior

15.1 to the death of the grantor owner shall be settled with the estate of the grantor owner, not  
15.2 with the grantee beneficiary. A grantee beneficiary is not entitled to recover benefits under  
15.3 an insurance policy extended as provided in this section in an amount greater than the grantee  
15.4 beneficiary's insurable interest at the time of loss or damage. A grantee beneficiary is not  
15.5 entitled to any amounts paid out in prior claims on the property. If the transfer on death  
15.6 deed designates multiple grantee beneficiaries, nothing in this section requires the insurer  
15.7 to pay an amount for loss or damage to the insured real property that exceeds the amount  
15.8 that would be owed to the grantor owner if the grantor owner was living at the time of loss  
15.9 or damage.

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

15.13 "Warning to Grantor Owner: Temporary extended coverage of any fire and casualty  
15.14 insurance policy on the property under Minnesota Statutes, chapter 65A, will exist only if  
15.15 the grantor owner has given notice to the insurer under Minnesota Statutes, section 507.072,  
15.16 subdivision 3, including the existence of a transfer on death deed and the names and contact  
15.17 information of all designated grantee beneficiaries. Any temporary extended coverage  
15.18 terminates on the earlier of (1) 30 days after the date of the grantor owner's death, (2) the  
15.19 expiration date of the policy, or (3) upon placement of a replacement insurance policy.

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

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

15.27 Sec. 7. **DIRECTION TO COMMISSIONERS; REVIEW OF SERVICE**  
15.28 **TERMINATION REQUIREMENTS FOR RESIDENTIAL SERVICES.**

15.29 By August 1, 2024, the commissioners of human services and health must begin  
15.30 consulting with residential services providers licensed under Minnesota Statutes, chapters  
15.31 144G and 245D, whose facilities provide services to individuals reimbursed under medical  
15.32 assistance to examine issues related to resident and staff safety and to roadblocks in the  
15.33 continuum of care for disability and behavioral health services arising from the application  
15.34 of Minnesota Statutes, chapter 504B, to licensed settings. By January 15, 2025, the

16.1 commissioners must provide the chairs and ranking minority members of the legislative  
16.2 committees with jurisdiction over assisted living and home and community-based services  
16.3 licensure with recommendations, including draft legislation, to address issues of safety and  
16.4 access to care.

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

16.6 Sec. 8. **EFFECTIVE DATE.**

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

16.12 **ARTICLE 2**  
16.13 **FINANCIAL INSTITUTIONS**

16.14 Section 1. **[46A.01] DEFINITIONS.**

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

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

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

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

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

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

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

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

17.9 (b) Consumer does not include an individual who:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18.13 (1) the consumer obtains a financial product or service from a financial institution only  
18.14 in isolated transactions, including but not limited to: (i) using a financial institution's  
18.15 automated teller machine to withdraw cash from an account at another financial institution;  
18.16 (ii) purchasing a money order from a financial institution; (iii) cashing a check with a  
18.17 financial institution; or (iv) making a wire transfer through a financial institution;

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

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

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

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

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

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

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

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

19.9 Subd. 10. **Federally insured depository financial institution.** "Federally insured  
19.10 depository financial institution" means a bank, credit union, savings and loan association,  
19.11 trust company, savings association, savings bank, industrial bank, or industrial loan company  
19.12 organized under the laws of the United States or any state of the United States, when the  
19.13 bank, credit union, savings and loan association, trust company, savings association, savings  
19.14 bank, industrial bank, or industrial loan company has federally insured deposits.

19.15 Subd. 11. **Financial product or service.** "Financial product or service" means any  
19.16 product or service that a financial holding company could offer by engaging in a financial  
19.17 activity under section 4(k) of the Bank Holding Company Act of 1956, United States Code,  
19.18 title 12, section 1843(k). Financial product or service includes a financial institution's  
19.19 evaluation or brokerage of information that the financial institution collects in connection  
19.20 with a request or an application from a consumer for a financial product or service.

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

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

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

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

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

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

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

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

20.14 (1) personally identifiable financial information; or

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

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

20.21 (c) Nonpublic personal information does not include:

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

20.23 (a), clause (2);

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

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

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

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

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

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

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

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

21.19 (b) Personally identifiable financial information includes:

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

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

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

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

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

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

22.3 (7) information from a consumer report.

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

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

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

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

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

22.14 (2) widely distributed media; or

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

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

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

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

22.24 (c) For purposes of this subdivision, a financial institution has a reasonable basis to  
22.25 believe that information is lawfully made available to the general public if the financial  
22.26 institution has taken steps to determine: (1) that the information is of the type that is available  
22.27 to the general public; and (2) whether an individual can direct that the information not be  
22.28 made available to the general public and, if so, that the financial institution's consumer has  
22.29 not directed that the information not be made available to the general public. A financial  
22.30 institution has a reasonable basis to believe that mortgage information is lawfully made  
22.31 available to the general public if the financial institution determines the information is of  
22.32 the type included on the public record in the jurisdiction where the mortgage would be

23.1 recorded. A financial institution has a reasonable basis to believe that an individual's  
23.2 telephone number is lawfully made available to the general public if the financial institution  
23.3 has located the telephone number in the telephone book or the consumer has informed the  
23.4 financial institution that the telephone number is not unlisted.

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

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

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

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

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

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

23.22 (c) The information security program must include the elements set forth in section  
23.23 46A.03 and must be reasonably designed to achieve the objectives of this chapter, as  
23.24 established under subdivision 2.

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

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

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

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

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

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

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

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

24.10 **(1) retain responsibility for complying with this chapter;**

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

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

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

24.18 **(1) identifies 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) assesses the sufficiency of any safeguards in place to control the risks identified**  
24.23 **under clause (1).**

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

24.25 **(1) criteria to evaluate and categorize identified security risks or threats the financial**  
24.26 **institution faces;**

24.27 **(2) criteria to assess the confidentiality, integrity, and availability of the financial**  
24.28 **institution's information systems and customer information, including the adequacy of**  
24.29 **existing controls in the context of the identified risks or threats the financial institution**  
24.30 **faces; and**

24.31 **(3) requirements describing how:**

- 25.1 (i) identified risks are mitigated or accepted based on the risk assessment; and
- 25.2 (ii) the information security program addresses the risks.
- 25.3 (c) A financial institution must periodically perform additional risk assessments that:
- 25.4 (1) reexamine the reasonably foreseeable internal and external risks to the security,
- 25.5 confidentiality, and integrity of customer information that might result in the unauthorized
- 25.6 disclosure, misuse, alteration, destruction, or other compromise of customer information;
- 25.7 and
- 25.8 (2) reassess the sufficiency of any safeguards in place to control the risks identified
- 25.9 under clause (1).
- 25.10 Subd. 4. **Risk control.** A financial institution must design and implement safeguards to
- 25.11 control the risks the financial institution identifies through the risk assessment under
- 25.12 subdivision 3, including by:
- 25.13 (1) implementing and periodically reviewing access controls, including technical and,
- 25.14 as appropriate, physical controls to:
- 25.15 (i) authenticate and permit access only to authorized users to protect against the
- 25.16 unauthorized acquisition of customer information; and
- 25.17 (ii) limit an authorized user's access to only customer information that the authorized
- 25.18 user needs to perform the authorized user's duties and functions or, in the case of a customer,
- 25.19 to limit access to the customer's own information;
- 25.20 (2) identifying and managing the data, personnel, devices, systems, and facilities that
- 25.21 enable the financial institution to achieve business purposes in accordance with the business
- 25.22 purpose's relative importance to business objectives and the financial institution's risk
- 25.23 strategy;
- 25.24 (3) protecting by encryption all customer information held or transmitted by the financial
- 25.25 institution both in transit over external networks and at rest. To the extent a financial
- 25.26 institution determines that encryption of customer information either in transit over external
- 25.27 networks or at rest is infeasible, the financial institution may secure the customer information
- 25.28 using effective alternative compensating controls that have been reviewed and approved by
- 25.29 the financial institution's qualified individual;
- 25.30 (4) adopting: (i) secure development practices for in-house developed applications
- 25.31 utilized by the financial institution to transmit, access, or store customer information; and

26.1 (ii) procedures to evaluate, assess, or test the security of externally developed applications  
26.2 the financial institution uses to transmit, access, or store customer information;

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

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

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

26.14 (8) adopting procedures for change management; and

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

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

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

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

26.28 (2) vulnerability assessments, including systemic scans or information systems reviews  
26.29 that are reasonably designed to identify publicly known security vulnerabilities in the  
26.30 financial institution's information systems based on the risk assessment, at least every six  
26.31 months, whenever a material change to the financial institution's operations or business  
26.32 arrangements occurs, and whenever the financial institution knows or has reason to know

27.1 circumstances exist that may have a material impact on the financial institution's information  
27.2 security program.

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

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

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

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

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

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

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

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

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

27.22 Subd. 8. **Information security program; evaluation; adjustment.** A financial institution  
27.23 must evaluate and adjust the financial institution's information security program to reflect:

27.24 (1) the results of the testing and monitoring required under subdivision 5; (2) any material  
27.25 changes to the financial institution's operations or business arrangements; (3) the results of  
27.26 risk assessments performed under subdivision 3, paragraph (c); or (4) any other circumstances  
27.27 that the financial institution knows or has reason to know may have a material impact on  
27.28 the financial institution's information security program.

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

- 28.1 (1) the goals of the incident response plan;
- 28.2 (2) the internal processes to respond to a security event;
- 28.3 (3) clear roles, responsibilities, and levels of decision making authority;
- 28.4 (4) external and internal communications and information sharing;
- 28.5 (5) requirements to remediate any identified weaknesses in information systems and
- 28.6 associated controls;
- 28.7 (6) documentation and reporting regarding security events and related incident response
- 28.8 activities; and
- 28.9 (7) evaluation and revision of the incident response plan as necessary after a security
- 28.10 event.

28.11 Subd. 10. **Annual report.** (a) A financial institution must require the financial institution's

28.12 qualified individual to report at least annually in writing to the financial institution's board

28.13 of directors or equivalent governing body. If a board of directors or equivalent governing

28.14 body does not exist, the report under this subdivision must be timely presented to a senior

28.15 officer responsible for the financial institution's information security program.

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

28.17 (1) the overall status of the financial institution's information security program, including

28.18 compliance with this chapter and associated administrative rules; and

28.19 (2) material matters related to the financial institution's information security program,

28.20 including but not limited to addressing issues pertaining to: (i) the risk assessment; (ii) risk

28.21 management and control decisions; (iii) service provider arrangements; (iv) testing results;

28.22 (v) security events or violations and management's responses to the security event or

28.23 violation; and (vi) recommendations for changes in the information security program.

28.24 Subd. 11. **Business continuity; disaster recovery.** A financial institution must establish

28.25 a written plan addressing business continuity and disaster recovery.

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

28.27 (a) The requirements under section 46A.03, subdivisions 3; 5, paragraph (a); 9; and 10,

28.28 do not apply to financial institutions that maintain customer information concerning fewer

28.29 than five thousand consumers.

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

28.31 institutions.

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

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

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

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

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

29.15 (b) The notice must include:

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

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

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

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

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

29.21 (6) a statement (i) disclosing whether a law enforcement official has provided the financial  
29.22 institution with a written determination indicating that providing notice to the public regarding  
29.23 the breach would impede a criminal investigation or cause damage to national security, and

29.24 (ii) if a written determination described under item (i) was provided to the financial

29.25 institution, providing contact information that enables the commissioner to contact the law

29.26 enforcement official. A law enforcement official may request an initial delay of up to 45

29.27 days following the date that notice was provided to the commissioner. The delay may be

29.28 extended for an additional period of up to 60 days if the law enforcement official seeks an

29.29 extension in writing. An additional delay may be permitted only if the commissioner

29.30 determines that public disclosure of a security event continues to impede a criminal

29.31 investigation or cause damage to national security.

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

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

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

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

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

30.15 Subdivision 1. **Financial institution information.** (a) Any documents, materials, or  
30.16 other information in the control or possession of the department that are furnished by a  
30.17 licensee or a licensee's employee or agent acting on behalf of a financial institution pursuant  
30.18 to section 46A.06 or that are obtained by the commissioner in an investigation or examination  
30.19 pursuant to section 46A.07: (1) are classified as confidential, protected nonpublic, or both;  
30.20 (2) are not subject to subpoena; and (3) are not subject to discovery or admissible in evidence  
30.21 in any private civil action.

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

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

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

30.31 (1) share documents, materials, or other information, including the confidential and  
30.32 privileged documents, materials, or information subject to subdivision 1, with other state,

31.1 federal, and international regulatory agencies, with the Conference of State Bank Supervisors,  
31.2 the Conference of State Bank Supervisors' affiliates or subsidiaries, and with state, federal,  
31.3 and international law enforcement authorities, provided that the recipient agrees in writing  
31.4 to maintain the confidentiality and privileged status of the document, material, or other  
31.5 information;

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

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

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

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

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

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

31.31 Subd. 6. **Classification, protection, and use of information by others.** Documents,  
31.32 materials, or other information in the possession or control of the Conference of State Bank  
31.33 Supervisors or a third-party consultant pursuant to sections 46A.01 to 46A.08: (1) are

32.1 classified as confidential, protected nonpublic, and privileged; (2) are not subject to subpoena;  
32.2 and (3) are not subject to discovery or admissible in evidence in a private civil action.

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

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

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

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

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

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

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

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

32.32 (f) Charges and fees necessary for or related to the transfer of real or personal property  
32.33 securing a conventional or cooperative apartment loan or the closing of a conventional or

33.1 cooperative apartment loan paid by the borrower and received by any party other than the  
33.2 lender.

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

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

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

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

33.33 (6) "Forward commitment fee" means a fee or other consideration paid to a lender for  
33.34 the purpose of securing a binding forward commitment by or through the lender to make

34.1 conventional loans to two or more credit worthy purchasers, including future purchasers,  
34.2 of residential units, or a fee or other consideration paid to a lender for the purpose of securing  
34.3 a binding forward commitment by or through the lender to make conventional loans to two  
34.4 or more credit worthy purchasers, including future purchasers, of units to be created out of  
34.5 existing structures pursuant to chapter 515B, or a fee or other consideration paid to a lender  
34.6 for the purpose of securing a binding forward commitment by or through the lender to make  
34.7 cooperative apartment loans to two or more credit worthy purchasers, including future  
34.8 purchasers, of a share or shares of stock or a membership certificate or certificates in a  
34.9 cooperative apartment corporation; provided, that the forward commitment rate of interest  
34.10 does not exceed the maximum lawful rate of interest effective as of the date the forward  
34.11 commitment is issued by the lender.

34.12 (7) "Borrower's interest rate commitment" means a binding commitment made by a  
34.13 lender to a borrower wherein the lender agrees that, if a conventional or cooperative  
34.14 apartment loan is made following issuance of and pursuant to the commitment, the  
34.15 conventional or cooperative apartment loan shall be made at a rate of interest not in excess  
34.16 of the rate of interest agreed to in the commitment, provided that the rate of interest agreed  
34.17 to in the commitment is not in excess of the maximum lawful rate of interest effective as  
34.18 of the date the commitment is issued by the lender to the borrower.

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

34.32 (9) "Finance charge" means the total cost of a conventional or cooperative apartment  
34.33 loan including extensions or grant of credit regardless of the characterization of the same  
34.34 and includes interest, finders fees, and other charges levied by a lender directly or indirectly  
34.35 against the person obtaining the conventional or cooperative apartment loan or against a

35.1 seller of real property securing a conventional loan or a seller of a share or shares of stock  
35.2 or a membership certificate or certificates in a cooperative apartment corporation securing  
35.3 a cooperative apartment loan, or any other party to the transaction except any actual closing  
35.4 costs and any forward commitment fee. The finance charges plus the actual closing costs  
35.5 and any forward commitment fee, charged by a lender shall include all charges made by a  
35.6 lender other than the principal of the conventional or cooperative apartment loan. The finance  
35.7 charge, with respect to wraparound mortgages, shall be computed based upon the face  
35.8 amount of the wraparound mortgage note, which face amount shall consist of the aggregate  
35.9 of those funds actually advanced by the wraparound lender and the total outstanding principal  
35.10 balances of the prior note or notes which have been made a part of the wraparound mortgage  
35.11 note.

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

35.16 (11) "Loan yield" means the annual rate of return obtained by a lender over the term of  
35.17 a conventional or cooperative apartment loan and shall be computed as the annual percentage  
35.18 rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code  
35.19 of Federal Regulations, title 12, part 226, but using the definition of finance charge provided  
35.20 for in this subdivision. For purposes of this section, with respect to wraparound mortgages,  
35.21 the rate of interest or loan yield shall be based upon the principal balance set forth in the  
35.22 wraparound note and mortgage and shall not include any interest differential or yield  
35.23 differential between the stated interest rate on the wraparound mortgage and the stated  
35.24 interest rate on the one or more prior mortgages included in the stated loan amount on a  
35.25 wraparound note and mortgage.

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

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

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

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

36.5 Subd. 2. **Approval order.** (a) If no objection is received by the commissioner within  
 36.6 15 days after the publication of the notice, the commissioner ~~shall issue an order~~ must  
 36.7 provide written consent approving the application without a hearing if ~~it is found~~ the  
 36.8 commissioner finds that ~~(a):~~ (1) the applicant bank meets current industry standards of  
 36.9 capital adequacy, management quality, and asset condition, ~~(b);~~ (2) the establishment of the  
 36.10 proposed detached facility ~~will improve~~ improves the quality or increase the availability of  
 36.11 banking services in the community to be served; ~~and (c)~~ (3) the establishment of the proposed  
 36.12 detached facility ~~will~~ does not have an undue adverse effect upon the solvency of existing  
 36.13 financial institutions in the community to be served.

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

36.16 (c) Any proceedings for judicial review of ~~an order of~~ written consent provided by the  
 36.17 commissioner ~~issued~~ under this subdivision without a contested case hearing shall be  
 36.18 conducted pursuant to the provisions of the Administrative Procedure Act relating to judicial  
 36.19 review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in  
 36.20 such proceedings shall be as provided therein. Nothing herein shall be construed as requiring  
 36.21 the commissioner to conduct a contested case hearing if no written objection is timely  
 36.22 received by the commissioner from a bank within three miles of the proposed location of  
 36.23 the detached facility.

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

36.25 Subd. 6. **Expiration and extension of ~~order~~ approval.** If a facility is not activated  
 36.26 within 18 months from the date ~~of the order~~ approval is granted under subdivision 2, the  
 36.27 approval ~~order~~ automatically expires. Upon a request of ~~made by~~ the applicant ~~prior to~~  
 36.28 before the automatic expiration date of the order approval expires, the commissioner may  
 36.29 grant reasonable extensions of time to the applicant to activate the facility as the  
 36.30 commissioner deems necessary. The extensions of time shall not exceed a total of an  
 36.31 additional 12 months. If the commissioner's ~~order~~ approval is the subject of an appeal in  
 36.32 accordance with chapter 14, the time period referred to in this section ~~for activation of~~ to

37.1 activate the facility and any extensions ~~shall begin~~ begins when all appeals or rights of  
37.2 appeal from the commissioner's ~~order~~ approval have concluded or expired.

37.3 Sec. 12. Minnesota Statutes 2023 Supplement, section 47.59, subdivision 2, is amended  
37.4 to read:

37.5 Subd. 2. **Application.** (a) Extensions of credit or purchases of extensions of credit by  
37.6 financial institutions under sections 47.20, 47.21, 47.201, 47.204, 47.58, 48.153, 48.185,  
37.7 48.195, 59A.01 to 59A.15, 334.01, 334.011, 334.012, 334.022, 334.06, and 334.061 to  
37.8 334.19 may, but need not, be made according to those sections in lieu of the authority set  
37.9 forth in this section to the extent those sections authorize the financial institution to make  
37.10 extensions of credit or purchase extensions of credit under those sections. If a financial  
37.11 institution elects to make an extension of credit or to purchase an extension of credit under  
37.12 those other sections, the extension of credit or the purchase of an extension of credit is  
37.13 subject to those sections and not this section, except this subdivision, and except as expressly  
37.14 provided in those sections. A financial institution may also charge an organization a rate of  
37.15 interest and any charges agreed to by the organization and may calculate and collect finance  
37.16 and other charges in any manner agreed to by that organization. Except for extensions of  
37.17 credit a financial institution elects to make under section 334.01, 334.011, 334.012, 334.022,  
37.18 334.06, or 334.061 to 334.19, chapter 334 does not apply to extensions of credit made  
37.19 according to this section or the sections listed in this subdivision. This subdivision does not  
37.20 authorize a financial institution to extend credit or purchase an extension of credit under  
37.21 any of the sections listed in this subdivision if the financial institution is not authorized to  
37.22 do so under those sections. A financial institution extending credit under any of the sections  
37.23 listed in this subdivision shall specify in the promissory note, contract, or other loan document  
37.24 the section under which the extension of credit is made.

37.25 (b) In accordance with section 525 of the federal Depository Institutions Deregulation  
37.26 and Monetary Control Act of 1980, Public Law 96-221, the legislature declares that the  
37.27 state of Minnesota does not want the amendments to the Federal Deposit Insurance Act,  
37.28 United States Code, title 12, section 1811, et seq., the federal National Housing Act, United  
37.29 States Code, title 12, section 1701, et seq., and the Federal Credit Union Act, United States  
37.30 Code, title 12, section 1757, made by sections 521 to 523 of the federal Depository  
37.31 Institutions Deregulation and Monetary Control Act of 1980, Public Law 96-221, prescribing  
37.32 interest rates and preempting state interest rates to apply to consumer loans made in  
37.33 Minnesota. Consumer loans made in Minnesota are subject to the rates established in this  
37.34 section and as otherwise provided by the laws of Minnesota.

38.1 (c) A consumer loan is deemed to be made in Minnesota and is subject to this section  
38.2 and other applicable laws of Minnesota if the borrower is a Minnesota resident and the  
38.3 borrower completes the transaction, either personally or electronically, while physically  
38.4 located in Minnesota.

38.5 Sec. 13. Minnesota Statutes 2022, section 47.59, subdivision 3, is amended to read:

38.6 Subd. 3. **Finance charge for loans.** (a) With respect to a loan, including a loan pursuant  
38.7 to open-end credit but excluding open-end credit pursuant to a credit card, a financial  
38.8 institution may contract for and receive a finance charge on the unpaid balance of the  
38.9 principal amount not to exceed the greater of:

38.10 (1) an annual percentage rate not exceeding 21.75 percent; or

38.11 (2) the total of:

38.12 (i) 33 percent per year on that part of the unpaid balance of the principal amount not  
38.13 exceeding \$1,350; and

38.14 (ii) 19 percent per year on that part of the unpaid balance of the principal amount  
38.15 exceeding \$1,350.

38.16 With respect to open-end credit pursuant to a credit card, the financial institution may  
38.17 contract for and receive a finance charge on the unpaid balance of the principal amount at  
38.18 an annual percentage rate not exceeding 18 percent per year or, if the financial institution  
38.19 is an out-of-state bank, as defined in section 48.92, or out-of-state credit union, as defined  
38.20 in section 52.001, the rate allowed by the financial institution's home state, if that rate  
38.21 exceeds 18 percent per year.

38.22 (b) On a loan where the finance charge is calculated according to the method provided  
38.23 for in paragraph (a), clause (2), the finance charge must be contracted for and earned as  
38.24 provided in that provision or at the single annual percentage rate computed to the nearest  
38.25 one-tenth of one percent that would earn the same total finance charge at maturity of the  
38.26 contract as would be earned by the application of the graduated rates provided in paragraph  
38.27 (a), clause (2), when the debt is paid according to the agreed terms and the calculations are  
38.28 made according to the actuarial method.

38.29 (c) With respect to a loan, the finance charge must be considered not to exceed the  
38.30 maximum annual percentage rate permitted under this section if the finance charge contracted  
38.31 for and received does not exceed the equivalent of the maximum annual percentage rate  
38.32 calculated in accordance with Code of Federal Regulations, title 12, part 226, but using the  
38.33 definition of finance charge provided in this section.

39.1 (d) This subdivision does not limit or restrict the manner of calculating the finance  
39.2 charge, whether by way of add-on, discount, discount points, precomputed charges, single  
39.3 annual percentage rate, variable rate, interest in advance, compounding, average daily  
39.4 balance method, or otherwise, if the annual percentage rate does not exceed that permitted  
39.5 by this section. Discount points permitted by this paragraph and not collected but included  
39.6 in the principal amount must not be included in the amount on which credit insurance  
39.7 premiums are calculated and charged.

39.8 (e) With respect to a loan secured by real estate, if a finance charge is calculated or  
39.9 collected in advance, or included in the principal amount of the loan, and the borrower  
39.10 prepays the loan in full, the financial institution shall credit the borrower with a refund of  
39.11 the charge to the extent that the annual percentage rate yield on the loan would exceed the  
39.12 maximum rate permitted under paragraph (a), taking into account the prepayment. The  
39.13 refund need not be made if it would be less than \$9.00.

39.14 (f) With respect to all other loans, if the finance charge is calculated or collected in  
39.15 advance, or included in the principal amount of the loan, and the borrower prepays the loan  
39.16 in full, the financial institution shall credit the borrower with a refund of the charge to the  
39.17 extent the annual percentage rate yield on the loan would exceed the annual percentage rate  
39.18 on the loan as originally determined under paragraph (a) and taking into account the  
39.19 prepayment. The refund need not be made if it would be less than \$9.00.

39.20 (g) For the purpose of calculating the refund under this subdivision, the financial  
39.21 institution may assume that the contract was paid before the date of prepayment according  
39.22 to the schedule of payments under the loan and that all payments were paid on their due  
39.23 dates.

39.24 (h) For loans repayable in substantially equal successive monthly installments, the  
39.25 financial institution may calculate the refund under paragraph (f) as the portion of the finance  
39.26 charge allocable on an actuarial basis to all wholly unexpired payment periods following  
39.27 the date of prepayment, based on the annual percentage rate on the loan as originally  
39.28 determined under paragraph (a), and for the purpose of calculating the refund may assume  
39.29 that all payments are made on the due date.

39.30 (i) The dollar amounts in this subdivision, subdivision 6, paragraph (a), clause (4), and  
39.31 the dollar amount of original principal amount of closed-end credit in subdivision 6,  
39.32 paragraph (d), shall change periodically, as provided in this section, according to and to the  
39.33 extent of changes in the implicit price deflator for the gross domestic product, 2005 = 100,  
39.34 compiled by the United States Department of Commerce, and hereafter referred to as the

40.1 index. The index for December 2011 is the reference base index for adjustments of dollar  
40.2 amounts.

40.3 (j) The designated dollar amounts shall change on July 1 of each even-numbered year  
40.4 if the percentage of change, calculated to the nearest whole percentage point, between the  
40.5 index for December of the preceding year and the reference base index is ten percent or  
40.6 more; but

40.7 (1) the portion of the percentage change in the index in excess of a multiple of ten percent  
40.8 shall be disregarded and the dollar amounts shall change only in multiples of ten percent  
40.9 of the amounts appearing in Laws 1995, chapter 202, on May 24, 1995; and

40.10 (2) the dollar amounts shall not change if the amounts required by this section are those  
40.11 currently in effect pursuant to Laws 1995, chapter 202, as a result of earlier application of  
40.12 this section.

40.13 (k) If the index is revised, the percentage of change pursuant to this section shall be  
40.14 calculated on the basis of the revised index. If a revision of the index changes the reference  
40.15 base index, a revised reference base index shall be determined by multiplying the reference  
40.16 base index then applicable by the rebasing factor furnished by the Department of Commerce.  
40.17 If the index is superseded, the index referred to in this section is the one represented by the  
40.18 Department of Commerce as reflecting most accurately changes in the purchasing power  
40.19 of the dollar for consumers.

40.20 (l) The commissioner shall:

40.21 (1) announce and publish on or before April 30 of each year in which dollar amounts  
40.22 are to change, the changes in dollar amounts required by paragraph (j);

40.23 (2) announce and publish promptly after the changes occur, changes in the index required  
40.24 by paragraph (k) including, if applicable, the numerical equivalent of the reference base  
40.25 index under a revised reference base index and the designation or title of any index  
40.26 superseding the index; and

40.27 (3) promptly notify the revisor of statutes in writing of the changes announced and  
40.28 published by the commissioner pursuant to clauses (1) and (2). The revisor shall publish  
40.29 the changes in the next edition of Minnesota Statutes.

40.30 (m) A person does not violate this chapter with respect to a transaction otherwise  
40.31 complying with this chapter if that person relies on dollar amounts either determined  
40.32 according to paragraph (j), clause (2), or appearing in the last publication of the commissioner  
40.33 announcing the then current dollar amounts.

41.1 (n) The adjustments provided in this section shall not be affected unless explicitly  
41.2 provided otherwise by law.

41.3 Sec. 14. Minnesota Statutes 2022, section 48.24, subdivision 2, is amended to read:

41.4 Subd. 2. **Loan liabilities.** Loans not exceeding 25 percent of such capital and surplus  
41.5 made upon first mortgage security on improved real estate in any state in which the bank  
41.6 or a ~~branch established under section 49.411~~ detached facility of the bank is located, or in  
41.7 any state adjoining a state in which the bank or a ~~branch established under section 49.411~~  
41.8 detached facility of the bank is located, shall not constitute a liability of the maker of the  
41.9 notes secured by such mortgages within the meaning of the foregoing provision limiting  
41.10 liability, but shall be an actual liability of the maker. These mortgage loans shall be limited  
41.11 to, and in no case exceed, 50 percent of the cash value of the security covered by the  
41.12 mortgage, except mortgage loans guaranteed as provided by the Servicemen's Readjustment  
41.13 Act of 1944, as now or hereafter amended, or for which there is a commitment to so guarantee  
41.14 or for which a conditional guarantee has been issued, which loans shall in no case exceed  
41.15 60 percent of the cash value of the security covered by such mortgage. For the purposes of  
41.16 this subdivision, real estate is improved when substantial and permanent development or  
41.17 construction has contributed substantially to its value, and agricultural land is improved  
41.18 when farm crops are regularly raised on such land without further substantial improvements.

41.19 Sec. 15. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 18, is amended  
41.20 to read:

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

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

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

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

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

41.27 Sec. 16. Minnesota Statutes 2023 Supplement, section 53B.28, subdivision 25, is amended  
41.28 to read:

41.29 Subd. 25. **Payroll processing services.** "Payroll processing services" means ~~receiving~~  
41.30 delivering wages or salaries, ~~make~~ making payment of payroll taxes to state and federal agencies, ~~make~~ making

42.1 payments relating to employee benefit plans, ~~or make~~ making distributions of other authorized  
 42.2 deductions from wages or salaries, or transmitting other funds on behalf of an employer in  
 42.3 connection with transactions related to employees. The term payroll processing services  
 42.4 ~~does not include~~ includes an employer performing payroll processing services on the  
 42.5 employer's own behalf or on behalf of the employer's affiliate, ~~or a~~ and professional  
 42.6 employment ~~organization subject to regulation under other applicable state law~~ organizations.

42.7 Sec. 17. Minnesota Statutes 2023 Supplement, section 53B.29, is amended to read:

42.8 **53B.29 EXEMPTIONS.**

42.9 This chapter does not apply to:

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

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

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

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

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

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

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

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

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

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

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

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

43.10 (7) a federally insured depository financial institution; bank holding company; office of  
43.11 an international banking corporation; foreign bank that establishes a federal branch pursuant  
43.12 to the International Bank Act, United States Code, title 12, section 3102, as amended or  
43.13 recodified from time to time; corporation organized pursuant to the Bank Service Corporation  
43.14 Act, United States Code, title 12, sections 1861 to 1867, as amended or recodified from  
43.15 time to time; or corporation organized under the Edge Act, United States Code, title 12,  
43.16 sections 611 to 633, as amended or recodified from time to time;

43.17 (8) electronic funds transfer of governmental benefits for a federal, state, county, or  
43.18 governmental agency by a contractor on behalf of the United States or a department, agency,  
43.19 or instrumentality thereof, or on behalf of a state or governmental subdivision, agency, or  
43.20 instrumentality thereof;

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

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

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

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

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

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

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

44.10 (14) payroll processing services providers; or

44.11 ~~(14)~~ (15) a person exempt by regulation or order if the commissioner finds that (i) the  
44.12 exemption is in the public interest, and (ii) the regulation of the person is not necessary for  
44.13 the purposes of this chapter.

44.14 Sec. 18. Minnesota Statutes 2022, section 58.02, is amended by adding a subdivision to  
44.15 read:

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

44.19 Sec. 19. Minnesota Statutes 2022, section 58.02, subdivision 18, is amended to read:

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

44.26 Sec. 20. Minnesota Statutes 2022, section 58.02, subdivision 21, is amended to read:

44.27 Subd. 21. **Residential real estate.** "Residential real estate" means real property located  
44.28 in Minnesota upon which a dwelling, as defined in United States Code, title 15, section  
44.29 1602(w), is constructed or is intended to be constructed, whether or not the owner occupies  
44.30 the real property.

45.1 Sec. 21. Minnesota Statutes 2022, section 58.04, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

45.21 ~~(6)~~ (7) a person exempted by order of the commissioner; or

45.22 ~~(7)~~ (8) a manufactured home dealer, as defined in section 327B.01, subdivision 7 or 11b,  
45.23 or a manufactured home salesperson, as defined in section 327B.01, subdivision 19, that:

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

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

45.31 (iii) discloses to the borrower in writing:

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

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

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

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

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

46.13 Sec. 22. Minnesota Statutes 2022, section 58.04, subdivision 2, is amended to read:

46.14 Subd. 2. **Residential mortgage servicer licensing requirements.** (a) Beginning August  
46.15 1, 1999, no person shall engage in activities or practices that fall within the definition of  
46.16 "servicing a residential mortgage loan" under section 58.02, subdivision 22, without first  
46.17 obtaining a license from the commissioner according to the licensing procedures provided  
46.18 in this chapter.

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

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

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

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

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

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

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

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

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

47.4 ~~(8)~~ (9) a person exempted by order of the commissioner.

47.5 Sec. 23. Minnesota Statutes 2022, section 58.05, subdivision 1, is amended to read:

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

47.9 (b) Paragraph (a) does not apply to an institution covered under section 58.04, subdivision  
47.10 4, even if the institution is otherwise an exempt person.

47.11 Sec. 24. Minnesota Statutes 2022, section 58.05, subdivision 3, is amended to read:

47.12 Subd. 3. **Certificate of exemption.** ~~A person~~ (a) The following persons must obtain a  
47.13 certificate of exemption from the commissioner to qualify as an exempt person under section  
47.14 58.04, subdivision 1, paragraph (c); (1) a financial institution under section 58.04,  
47.15 subdivision 1, paragraph (c), clause (2); (2) a bona fide nonprofit organization under section  
47.16 58.04, subdivision 1, paragraph (c), clause (6); or (3) a person exempted by order of the  
47.17 commissioner under section 58.04, subdivision 1, paragraph (c), clause ~~(6)~~; or ~~(7)~~.

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

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

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

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

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

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

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

48.8 Sec. 26. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to  
48.9 read:

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

48.16 Sec. 27. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to  
48.17 read:

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

48.23 Sec. 28. Minnesota Statutes 2022, section 58.08, subdivision 1a, is amended to read:

48.24 Subd. 1a. **Residential mortgage originators.** (a) An applicant for a residential mortgage  
48.25 originator license must file with the department a surety bond in the amount of ~~\$100,000~~  
48.26 \$125,000, issued by an insurance company authorized to do so in this state. The bond must  
48.27 cover all mortgage loan originators who are employees or independent agents of the applicant.  
48.28 The bond must be available for the recovery of expenses, fines, and fees levied by the  
48.29 commissioner under this chapter and for losses incurred by borrowers as a result of a  
48.30 licensee's noncompliance with the requirements of this chapter, sections 325D.43 to 325D.48,  
48.31 and 325F.67 to 325F.69, or breach of contract relating to activities regulated by this chapter.

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

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

49.11	Dollar Amount of Closed Residential	Surety Bond Required
49.12	Mortgage Loans	
49.13	\$0 to <del>\$5,000,000</del> <u>\$10,000,000</u>	<del>\$100,000</del> <u>\$125,000</u>
49.14	<del>\$5,000,000.01</del> <u>\$10,000,000.01</u> to <del>\$10,000,000</del>	
49.15	<u>\$25,000,000</u>	<del>\$125,000</del> <u>\$150,000</u>
49.16	<del>\$10,000,000.01</del> <u>\$25,000,000.01</u> to	
49.17	<del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$150,000</del> <u>\$200,000</u>
49.18	Over <del>\$25,000,000</del> <u>\$100,000,000</u>	<del>\$200,000</del> <u>\$300,000</u>

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

49.21 Sec. 29. Minnesota Statutes 2022, section 58.08, subdivision 2, is amended to read:

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

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

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

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

50.12 Sec. 30. Minnesota Statutes 2022, section 58.10, subdivision 3, is amended to read:

50.13 **Subd. 3. Consumer education account; money credited and appropriated.** (a) The  
 50.14 consumer education account is created in the special revenue fund. Money credited to this  
 50.15 account may be appropriated to the commissioner ~~for the purpose of making~~ to: (1) make  
 50.16 grants to programs and campaigns designed to help consumers avoid being victimized by  
 50.17 unscrupulous lenders and mortgage brokers; and (2) pay for expenses the commissioner  
 50.18 incurs to provide outreach and education related to affordable housing and home ownership  
 50.19 education. The commissioner must give preference ~~shall be given~~ for grants to programs  
 50.20 and campaigns designed by coalitions of public sector, private sector, and nonprofit agencies,  
 50.21 institutions, companies, and organizations.

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

50.24 Sec. 31. Minnesota Statutes 2022, section 58.115, is amended to read:

50.25 **58.115 EXAMINATIONS.**

50.26 The commissioner has under this chapter the same powers with respect to examinations  
 50.27 that the commissioner has under section 46.04. In addition to the powers under section  
 50.28 46.04, the commissioner may accept examination reports prepared by a state agency that  
 50.29 has comparable supervisory powers and examination procedures. The authority under section  
 50.30 49.411, subdivision 7, applies to examinations of institutions under this chapter.

51.1 Sec. 32. Minnesota Statutes 2022, section 58.13, subdivision 1, is amended to read:

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

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

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

51.11 (3) unreasonably delay the processing of a residential mortgage loan application, or the  
51.12 closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable  
51.13 delay includes but is not limited to those factors identified in section 47.206, subdivision  
51.14 7, paragraph (d);

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

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

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

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

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

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

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

51.31 (11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for  
51.32 the purpose of influencing the independent judgment of the appraiser with respect to the

52.1 value of real estate that is to be covered by a residential mortgage or is being offered as  
52.2 security according to an application for a residential mortgage loan;

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

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

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

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

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

52.18 (17) represent that the licensee or exempt person is acting as the borrower's agent after  
52.19 providing the nonagency disclosure required by section 58.15, unless the disclosure is  
52.20 retracted and the licensee or exempt person complies with all of the requirements of section  
52.21 58.16;

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

52.29 For purposes of this section, "investment grade" refers to a system of categorizing  
52.30 residential mortgage loans in which the loans are distinguished by interest rate or discount  
52.31 points or both charged to the borrower, which vary according to the degree of perceived  
52.32 risk of default based on factors such as the borrower's credit, including credit score and

53.1 credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior  
53.2 bankruptcy or foreclosure;

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

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

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

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

53.17 (23) make, provide, or arrange for a residential mortgage loan all or a portion of the  
53.18 proceeds of which are used to fully or partially pay off a "special mortgage" unless the  
53.19 borrower has obtained a written certification from an authorized independent loan counselor  
53.20 that the borrower has received counseling on the advisability of the loan transaction. For  
53.21 purposes of this section, "special mortgage" means a residential mortgage loan originated,  
53.22 subsidized, or guaranteed by or through a state, tribal, or local government, or nonprofit  
53.23 organization, that bears one or more of the following nonstandard payment terms which  
53.24 substantially benefit the borrower: (i) payments vary with income; (ii) payments of principal or  
53.25 or interest are not required or can be deferred under specified conditions; (iii) principal or  
53.26 interest is forgivable under specified conditions; or (iv) where no interest or an annual  
53.27 interest rate of two percent or less is charged in connection with the loan. For purposes of  
53.28 this section, "authorized independent loan counselor" means a nonprofit, third-party  
53.29 individual or organization providing home buyer education programs, foreclosure prevention  
53.30 services, mortgage loan counseling, or credit counseling certified by the United States  
53.31 Department of Housing and Urban Development, the Minnesota Home Ownership Center,  
53.32 the Minnesota Mortgage Foreclosure Prevention Association, AARP, or NeighborWorks  
53.33 America;

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

54.9 Nothing in this section shall be construed to limit a mortgage originator's or exempt  
54.10 person's ability to rely on criteria other than the borrower's income and financial resources  
54.11 to establish the borrower's reasonable ability to repay the residential mortgage loan, including  
54.12 criteria established by the United States Department of Veterans Affairs or the United States  
54.13 Department of Housing and Urban Development for interest rate reduction refinancing loans  
54.14 or streamline loans, or criteria authorized or promulgated by the Federal National Mortgage  
54.15 Association or Federal Home Loan Mortgage Corporation; however, such other criteria  
54.16 must be verified through reasonably reliable methods and documentation. The mortgage  
54.17 originator's analysis of the borrower's reasonable ability to repay may include, but is not  
54.18 limited to, consideration of the following items, if verified: (1) the borrower's current and  
54.19 expected income; (2) current and expected cash flow; (3) net worth and other financial  
54.20 resources other than the consumer's equity in the dwelling that secures the loan; (4) current  
54.21 financial obligations; (5) property taxes and insurance; (6) assessments on the property; (7)  
54.22 employment status; (8) credit history; (9) debt-to-income ratio; (10) credit scores; (11) tax  
54.23 returns; (12) pension statements; and (13) employment payment records, provided that no  
54.24 mortgage originator shall disregard facts and circumstances that indicate that the financial  
54.25 or other information submitted by the consumer is inaccurate or incomplete. A statement  
54.26 by the borrower to the residential mortgage originator or exempt person of the borrower's  
54.27 income and resources or sole reliance on any single item listed above is not sufficient to  
54.28 establish the existence of the income or resources when verifying the reasonable ability to  
54.29 pay;

54.30 (25) engage in "churning." As used in this section, "churning" means knowingly or  
54.31 intentionally making, providing, or arranging for a residential mortgage loan when the new  
54.32 residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower  
54.33 considering all of the circumstances, including the terms of both the new and refinanced  
54.34 loans, the cost of the new loan, and the borrower's circumstances; In order to demonstrate  
54.35 a reasonable, tangible net benefit to the borrower, the circumstances must be documented

55.1 in writing and must be signed by the borrower and lender three days before the closing date.  
55.2 The written analysis must, with respect to the prior loan and the new loan, document the:  
55.3 (i) origination date; (ii) loan amount; (iii) loan balance; (iv) loan term; (v) loan program;  
55.4 (vi) type of loan; (vii) interest rate; (viii) monthly amount of principal and interest paid; (ix)  
55.5 monthly amount of private mortgage insurance paid; (x) loan purpose; (xi) loan origination  
55.6 cost; (xii) cash to borrower, if applicable; and (xiii) time to recoup the loan cost, if applicable,  
55.7 expressed in months;

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

55.19 (27) make, provide, or arrange for a residential mortgage loan, other than a reverse  
55.20 mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance  
55.21 with any repayment option offered pursuant to the terms of the loan will result in negative  
55.22 amortization during any six-month period.

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

55.28 Sec. 33. **[58.141] REPORTS AND UNIQUE IDENTIFIER.**

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

55.33 **Subd. 2. Report to Nationwide Multistate Licensing System and Registry.** Subject  
55.34 **to section 58A.14, the commissioner must regularly report violations of this chapter, as well**

56.1 as enforcement actions and other relevant information, to the Nationwide Multistate Licensing  
56.2 System and Registry.

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

56.7 Sec. 34. **[60M.01] DEFINITIONS.**

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

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

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

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

56.15 Subd. 5. **Negotiate.** "Negotiate" means the act of conferring directly with or offering  
56.16 advice directly to a purchaser or prospective purchaser of a particular insurance contract  
56.17 concerning any of the substantive benefits, terms, or conditions of the contract, if the person  
56.18 engaged in the act either sells insurance or obtains insurance from insurers for purchasers.

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

56.21 Subd. 7. **Personal information.** "Personal information" has the meaning given in section  
56.22 72A.491, subdivision 17.

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

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

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

56.30 Subd. 11. **Solicit.** "Solicit" means: (1) any written or printed presentation or advertising  
56.31 made by mail or other publication which implies that an individual is licensed to sell bail

57.1 bonds; (2) an oral presentation or advertising in person or by means of telephone, radio, or  
57.2 television, which implies that an individual is licensed to sell bail bonds; (3) an activity in  
57.3 arranging for bail which results in compensation or anything of value to the individual  
57.4 conducting that activity; or (4) an attempt to sell or ask or urge a person to apply for a bail  
57.5 bond from a surety.

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

57.8 Sec. 35. **[60M.02] PREMIUMS.**

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

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

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

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

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

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

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

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

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

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

58.1 (1) received at least 30 percent of the total premium owed under the surety's rate filing;  
58.2 (2) provided the premium's payer with a receipt that indicates the premium paid; and  
58.3 (3) if the payment in full is not made before posting the bond, obtained a promissory  
58.4 note from the premium payer that requires the premium payer to pay the unpaid premium  
58.5 in full, making at a minimum equal monthly payments, within 12 days of the date the bond  
58.6 is posted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

60.1 Sec. 36. **[60M.03] COLLATERAL.**

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

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

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

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

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

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

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

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

60.29 (c) When required by law, a bail bond agency or producer must: (1) file an IRS Form  
60.30 8300 and informational notice; and (2) retain a copy of the filed IRS Form 8300 and  
60.31 informational notice in the bail bond agency's or producer's files.

60.32 **Subd. 4. Separate cash collateral account.** At the surety's discretion, the surety or a  
60.33 bail bond agency may maintain a separate cash collateral trust account. A cash collateral

61.1 trust account may be an interest-bearing account or a noninterest-bearing account. If the  
61.2 separate cash collateral trust account is an interest-bearing account, the interest earned is  
61.3 for the benefit of the individual on whose behalf the collateral is being held.

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

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

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

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

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

61.15 (1) the power of attorney number;

61.16 (2) the defendant's name;

61.17 (3) the depositor's name;

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

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

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

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

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

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

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

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

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

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

62.16 Subd. 10. **Bond or indemnity agreement; breach.** If a bond or indemnity agreement  
62.17 is breached and the surety, bail bond agency, or producer suffers a loss, the surety or bail  
62.18 bond agency that controls the collateral must send to the depositor written notice that notifies  
62.19 the depositor that the surety or bail bond agency intends to liquidate noncash collateral. The  
62.20 written notice must be sent by certified mail to the depositor's last known address at least  
62.21 30 days before the date the surety or bail bond agency liquidates the noncash collateral.

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

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

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

62.29 Sec. 37. **[60M.04] PRODUCER AUDITS.**

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

63.1 (b) The premium audits must include a review of an adequate sample of bonds written  
63.2 by each bail bond producer. A review sample is adequate if it consists of the lesser of: (1)  
63.3 20 percent of the bonds written by the bail bond producer; (2) 24 bonds; or (3) all of the  
63.4 bonds written by the bail bond producer, if the bail bond producer wrote fewer than 12  
63.5 bonds during the previous calendar year. The audit sample must include the four largest  
63.6 bonds written by the bail bond producer and four bonds that charged an alternative premium  
63.7 under section 60M.02, subdivision 5, if applicable. Of the remaining bonds audited and to  
63.8 the extent the quantity of bonds supports the percentages, 50 percent must be randomly  
63.9 selected bonds with a penal sum that is \$10,000 or less, and 50 percent must be randomly  
63.10 selected bonds with a penal sum that is greater than \$50,000.

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

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

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

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

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

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

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

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

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

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

64.5 (1) a collateral log was maintained;

64.6 (2) a cash collateral account exists;

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

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

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

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

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

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

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

64.22 (b) The annual report under this subdivision must be maintained for a period of at least  
64.23 36 months from the date the report is complete. Annual reports must be submitted to the  
64.24 commissioner by June 30 each year.

64.25 Sec. 38. [60M.05] SOLICITATION.

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

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

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

64.31 or

65.1 (3) otherwise soliciting business as a bail bondsman.

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

65.4 (1) a listing in a telephone directory; and

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

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

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

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

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

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

65.22 (1) the National Do Not Call Registry under Code of Federal Regulations, title 16, part  
65.23 310; and

65.24 (2) the Telephone Consumer Protection Act of 1991, Code of Federal Regulations, title  
65.25 47, part 64.1200.

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

65.30 Subd. 4. **Compliance with other law.** (a) A surety, bail bond agency, and producer  
65.31 must comply with all federal and state privacy laws related to information provided to a

66.1 producer during the application process and during bond underwriting by a bond principal,  
66.2 indemnitor, or other person.

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

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

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

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

66.12 Sec. 39. **[60M.06] UNLICENSED INDIVIDUALS; NO REBATES OR PAYMENT.**

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

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

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

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

66.26 Sec. 40. **[60M.07] OTHER PROVISIONS.**

66.27 Subdivision 1. **Compliance with standards of conduct.** A producer must comply with  
66.28 the Minnesota Court Administrator's Office's bail bond procedures and standards of conduct,  
66.29 including but not limited to while in or on the property of courts, jails, or other detention  
66.30 facilities in Minnesota. A surety or bail bond agency must require the surety or bail bond  
66.31 agency's producers to affirm that the producer complies with any changes to the bail bond

67.1 procedures and standards of conduct as the changes are posted to the Minnesota state court  
67.2 website or the Minnesota Court Administrator's Office's website.

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

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

67.7 (1) power of attorney;

67.8 (2) premium receipts;

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

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

67.12 (5) all documents related to any lawsuit filed to collect the premium;

67.13 (6) indemnity agreements;

67.14 (7) collateral receipts, if any;

67.15 (8) proof that collateral was returned, if any;

67.16 (9) proof of bond exoneration or forfeiture payment;

67.17 (10) all records relating to liquidating and converting collateral, including fees or costs;  
67.18 and

67.19 (11) proof of any expenses incurred or losses paid by the surety, bail bond agency, or  
67.20 producer.

67.21 (b) A bail bond agency and producer must maintain all premium account, collateral  
67.22 account, and operating account bank records, including deposit slips, for at least seven years  
67.23 after the records are made available.

67.24 (c) All records that a bail bond agency or producer maintain under this chapter must be  
67.25 kept in the bail bond agency or producer's office, as applicable. If a bail bond agency or  
67.26 producer's relationship with a surety is terminated, the information and documentation must  
67.27 be immediately transferred to:

67.28 (1) the bail bond agency, if the producer is terminated; or

67.29 (2) the surety, if the bail bond agency is terminated.

68.1 (d) A bail bond agency and producer's records must be available for the commissioner  
68.2 or the surety to inspect, with or without notice.

68.3 Subd. 4. **Compliance certification.** (a) During the surety's annual audit of a producer,  
68.4 the producer must sign a compliance certification form that attests to the producer's  
68.5 compliance with this chapter during the previous calendar year.

68.6 (b) Before a producer is appointed by a surety and at each license renewal thereafter, a  
68.7 producer must sign an affidavit of compliance form in which the producer acknowledges  
68.8 the producer is familiar and continually complies with the requirements under this chapter.  
68.9 The surety must retain completed affidavits and send requested affidavits to the commissioner  
68.10 within ten days of the date an affidavit is requested.

68.11 (c) The commissioner must establish the compliance certification and affidavit of  
68.12 compliance forms for use under this subdivision.

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

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

68.20 Sec. 41. Minnesota Statutes 2023 Supplement, section 80A.50, is amended to read:

68.21 **80A.50 SECTION 302; FEDERAL COVERED SECURITIES; SMALL**  
68.22 **CORPORATE OFFERING REGISTRATION.**

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

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

68.28 **(A)** before the initial offer of a federal covered security in this state, all records that are  
68.29 part of a federal registration statement filed with the Securities and Exchange Commission  
68.30 under the Securities Act of 1933 and a consent to service of process complying with section  
68.31 80A.88 signed by the issuer;

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

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

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

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

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

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

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

69.31 (2) **Availability.** Registration under this section is available only to the issuer of securities  
69.32 and not to an affiliate of the issuer or to any other person for resale of the issuer's securities.  
69.33 The issuer must be organized under the laws of one of the states or possessions of the United

70.1 States. The securities offered must be exempt from registration under the Securities Act of  
70.2 1933 pursuant to Rule 504 of Regulation D (15 U.S.C. Section 77c).

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

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

70.7 (B) an investment company;

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

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

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

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

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

70.29 (iv) is currently subject to an order, judgment, or decree of a court of competent  
70.30 jurisdiction temporarily restraining or enjoining, or is subject to an order, judgment, or  
70.31 decree of a court of competent jurisdiction permanently restraining or enjoining the party  
70.32 from engaging in or continuing any conduct or practice in connection with the purchase or  
70.33 sale of any security or involving the making of a false filing with a state or with the Securities

71.1 and Exchange Commission entered within five years before the filing of the small corporate  
71.2 offering registration application; or

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

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

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

71.15 (4) **Filing and effectiveness of registration statement.** A small corporate offering  
71.16 registration statement must be filed with the administrator. If no stop order is in effect and  
71.17 no proceeding is pending under section 80A.54, such registration statement shall become  
71.18 effective automatically at the close of business on the 20th day after filing of the registration  
71.19 statement or the last amendment of the registration statement or at such earlier time as the  
71.20 administrator may designate by rule or order. For the purposes of a nonissuer transaction,  
71.21 other than by an affiliate of the issuer, all outstanding securities of the same class identified  
71.22 in the small corporate offering registration statement as a security registered under this  
71.23 chapter are considered to be registered while the small corporate offering registration  
71.24 statement is effective. A small corporate offering registration statement is effective for one  
71.25 year after its effective date or for any longer period designated in an order under this chapter.  
71.26 A small corporate offering registration statement may be withdrawn only with the approval  
71.27 of the administrator.

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

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

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

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

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

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

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

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

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

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

72.23 **(d) Regulation A - Tier 2 filing requirements.**

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

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

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

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

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

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

73.9 Sec. 42. Minnesota Statutes 2022, section 80A.61, is amended to read:

73.10 **80A.61 SECTION 406; REGISTRATION BY BROKER-DEALER, AGENT,**  
73.11 **FUNDING PORTAL, INVESTMENT ADVISER, AND INVESTMENT ADVISER**  
73.12 **REPRESENTATIVE.**

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

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

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

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

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

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

74.1 in section 80A.65, and by paying costs charged by the designee of the administrator for  
74.2 processing the filings.

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

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

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

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

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

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

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

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

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

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

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

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

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

75.6 (5) The application for withdrawal of registration as an investment adviser representative  
75.7 pursuant to section 80A.58 shall be completed by following the instructions on Form U-5  
75.8 (Uniform Termination Notice for Securities Industry Registration) and filed upon Form U-5  
75.9 with the IARD.

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

75.11 Sec. 43. Minnesota Statutes 2022, section 80A.66, is amended to read:

75.12 **80A.66 SECTION 411; POSTREGISTRATION REQUIREMENTS.**

75.13 (a) **Financial requirements.** Subject to Section 15(h) of the Securities Exchange Act  
75.14 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940  
75.15 (15 U.S.C. Section 80b-22), a rule adopted or order issued under this chapter may establish  
75.16 minimum financial requirements for broker-dealers registered or required to be registered  
75.17 under this chapter and investment advisers registered or required to be registered under this  
75.18 chapter.

75.19 (b) **Financial reports.** Subject to Section 15(h) of the Securities Exchange Act of 1934  
75.20 (15 U.S.C. Section 78o(h)) or Section 222(b) of the Investment Advisers Act of 1940 (15  
75.21 U.S.C. Section 80b-22), a broker-dealer registered or required to be registered under this  
75.22 chapter and an investment adviser registered or required to be registered under this chapter  
75.23 shall file such financial reports as are required by a rule adopted or order issued under this  
75.24 chapter. If the information contained in a record filed under this subsection is or becomes  
75.25 inaccurate or incomplete in a material respect, the registrant shall promptly file a correcting  
75.26 amendment.

75.27 (c) **Record keeping.** Subject to Section 15(h) of the Securities Exchange Act of 1934  
75.28 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940 (15  
75.29 U.S.C. Section 80b-22):

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

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

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

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

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

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

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

76.20 (A) the amount of assets under management;

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

76.23 (C) counterparty credit risk exposure;

76.24 (D) trading and investment positions;

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

76.26 (F) types of assets held;

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

76.29 (H) trading practices; and

76.30 (I) such other information as the administrator determines is necessary and appropriate  
76.31 in the public interest and for the protection of investors, which may include the establishment

77.1 of different reporting requirements for different classes of fund advisers, based on the type  
77.2 or size of the private fund being advised.

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

77.6 (e) **Audits or inspections.** The records of a broker-dealer registered or required to be  
77.7 registered under this chapter and of an investment adviser registered or required to be  
77.8 registered under this chapter, including the records of a private fund described in paragraph  
77.9 (d) and the records of investment advisers to private funds, are subject to such reasonable  
77.10 periodic, special, or other audits or inspections by a representative of the administrator,  
77.11 within or without this state, as the administrator considers necessary or appropriate in the  
77.12 public interest and for the protection of investors. An audit or inspection may be made at  
77.13 any time and without prior notice. The administrator may copy, and remove for audit or  
77.14 inspection copies of, all records the administrator reasonably considers necessary or  
77.15 appropriate to conduct the audit or inspection. The administrator may assess a reasonable  
77.16 charge for conducting an audit or inspection under this subsection.

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

77.31 (g) **Requirements for custody.** Subject to Section 15(h) of the Securities Exchange Act  
77.32 of 1934 (15 U.S.C. Section 78o(h)) or Section 222 of the Investment Advisers Act of 1940  
77.33 (15 U.S.C. Section 80b-22), an agent may not have custody of funds or securities of a  
77.34 customer except under the supervision of a broker-dealer and an investment adviser  
77.35 representative may not have custody of funds or securities of a client except under the

78.1 supervision of an investment adviser or a federal covered investment adviser. A rule adopted  
78.2 or order issued under this chapter may prohibit, limit, or impose conditions on a broker-dealer  
78.3 regarding custody of funds or securities of a customer and on an investment adviser regarding  
78.4 custody of securities or funds of a client.

78.5 (h) **Investment adviser brochure rule.** With respect to an investment adviser registered  
78.6 or required to be registered under this chapter, a rule adopted or order issued under this  
78.7 chapter may require that information or other record be furnished or disseminated to clients  
78.8 or prospective clients in this state as necessary or appropriate in the public interest and for  
78.9 the protection of investors and advisory clients.

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

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

78.15 Sec. 44. Minnesota Statutes 2022, section 80C.05, subdivision 3, is amended to read:

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

78.23 Sec. 45. Minnesota Statutes 2022, section 82B.021, subdivision 26, is amended to read:

78.24 Subd. 26. **Standards of professional practice.** "Standards of professional practice"  
78.25 means the version of the uniform standards of professional appraisal practice of the  
78.26 ~~Appraisers Appraisal Standards Board of the Appraisal Foundation in effect as of January~~  
78.27 ~~1, 1991, or other version of these standards the commissioner may by order designate on~~  
78.28 the date the appraiser signs the appraisal report.

79.1 Sec. 46. Minnesota Statutes 2022, section 82B.094, is amended to read:

79.2 **82B.094 SUPERVISION OF TRAINEE REAL PROPERTY APPRAISERS.**

79.3 (a) A certified residential real property appraiser or a certified general real property  
79.4 appraiser, in good standing, may engage a trainee real property appraiser to assist in the  
79.5 performance of real estate appraisals, provided that the certified residential real property  
79.6 appraiser or a certified general real property appraiser:

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

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

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

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

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

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

79.31 (7) accompanies the trainee real property appraiser on the inspections of the subject  
79.32 properties and drive-by inspections of the comparable sales on all appraisal assignments

80.1 for which the trainee will perform work until the trainee appraiser is determined to be  
80.2 competent, in accordance with the competency rule of USPAP for the property type;

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

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

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

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

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

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

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

80.18 Sec. 47. Minnesota Statutes 2022, section 82B.095, subdivision 3, is amended to read:

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

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

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

80.28 Sec. 48. Minnesota Statutes 2022, section 82B.13, subdivision 1, is amended to read:

80.29 Subdivision 1. **Trainee real property appraiser.** As a prerequisite for licensing as a  
80.30 trainee real property appraiser, an applicant must present evidence satisfactory to the  
80.31 commissioner that the person has successfully completed a ~~six-hour~~ course that is specifically

81.1 oriented to the requirements and responsibilities of supervisory appraisers and trainee  
 81.2 appraisers. ~~A course approved by the commissioner for the purposes of this subdivision~~  
 81.3 ~~must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This~~ The  
 81.4 course under this subdivision must not be counted toward qualifying education to upgrade  
 81.5 to a higher level appraiser license.

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

81.7 Sec. 49. Minnesota Statutes 2022, section 82B.19, subdivision 1, is amended to read:

81.8 Subdivision 1. **License renewals.** (a) The commissioner must determine that a licensed  
 81.9 real estate appraiser has met the continuing education requirements of this chapter before  
 81.10 the commissioner renews a license. This determination must be based on, for a resident  
 81.11 appraiser, course completion records uploaded electronically in a manner prescribed by the  
 81.12 commissioner and, for a nonresident appraiser, course completion records presented by  
 81.13 electronic transmission or uploaded electronically in a manner prescribed by the  
 81.14 commissioner.

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

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

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

81.30 Sec. 50. Minnesota Statutes 2022, section 115C.08, subdivision 2, is amended to read:

81.31 Subd. 2. **Imposing fee.** The board shall notify the commissioner of revenue if the  
 81.32 unencumbered balance of the fund falls below \$4,000,000, and within ~~60~~ 90 days after

82.1 receiving notice from the board, the commissioner of revenue shall impose the fee established  
82.2 in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted  
82.3 with each monthly distributor tax return.

82.4 Sec. 51. **RULEMAKING.**

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

82.11 Sec. 52. **RULEMAKING.**

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

82.17 Sec. 53. **REPEALER.**

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

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

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

82.21 Sec. 54. **REPEALER.**

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

82.23 Sec. 55. **REPEALER.**

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

82.25 Sec. 56. **EFFECTIVE DATE.**

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

- 83.1 **ARTICLE 3**
- 83.2 **COMMERCIAL REGULATION AND CONSUMER PROTECTION**
- 83.3 Section 1. Minnesota Statutes 2022, section 45.011, subdivision 1, is amended to read:
- 83.4 Subdivision 1. **Scope.** As used in chapters 45 to 80C, 80E to 83, 155A, 216C, 332, 332A,
- 83.5 332B, 345, and 359, and sections 81A.22 to 81A.37; 123A.21, subdivision 7, paragraph
- 83.6 (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.62 to 386.78;
- 83.7 471.617; ~~and 471.982;~~ and 513.80, unless the context indicates otherwise, the terms defined
- 83.8 in this section have the meanings given them.
- 83.9 Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
- 83.10 subdivision to read:
- 83.11 Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of
- 83.12 a string of characters that act as a record of and provides proof that the transaction was
- 83.13 verified and added to the blockchain.
- 83.14 Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
- 83.15 subdivision to read:
- 83.16 Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in
- 83.17 Minnesota who has been a customer with a virtual currency kiosk operator for less than 96
- 83.18 hours. After a 96-hour period has elapsed from the day of first signing up as a customer
- 83.19 with a virtual currency kiosk operator, the customer will be considered an existing customer
- 83.20 and no longer subject to the new customer transaction limit described in this act.
- 83.21 Sec. 4. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a
- 83.22 subdivision to read:
- 83.23 Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a
- 83.24 kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more
- 83.25 than a 96-hour period. A new customer will automatically convert to an existing customer
- 83.26 after the 96-hour period of first becoming a new customer. An existing customer is subject
- 83.27 to the transaction limits described in this act.

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

84.3 Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric  
84.4 identifier representing a destination for a virtual currency transfer that is associated with a  
84.5 virtual currency wallet.

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

84.8 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal  
84.9 acting as a mechanical agent of the operator to enable the operator to facilitate the exchange  
84.10 of virtual currency for money, bank credit, or other virtual currency, including, but not  
84.11 limited to, by (1) connecting directly to a separate virtual currency exchanger that performs  
84.12 the actual virtual currency transmission, or (2) drawing upon the virtual currency in the  
84.13 possession of the electronic terminal's operator.

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

84.16 Subd. 11. **Virtual currency wallet.** "Virtual currency wallet" means a software  
84.17 application or other mechanism providing a means for holding, storing, and transferring  
84.18 virtual currency.

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

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

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

84.27 Subd. 13. **Virtual currency kiosk transaction.** "Virtual currency kiosk transaction"  
84.28 means a transaction conducted or performed, in whole or in part, by electronic means via  
84.29 a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made  
84.30 at a virtual currency kiosk to purchase currency with fiat currency or to sell virtual currency  
84.31 for fiat currency.

85.1 Sec. 10. [53B.75] VIRTUAL CURRENCY KIOSKS.

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

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

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

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

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

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

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

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

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

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

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

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

86.8 (2) the person's right to:

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

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

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

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

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

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

86.22 (1) the amount of the transaction;

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

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

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

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

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

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

86.30 Subd. 3. Acknowledgment of disclosures. Before completing a transaction, a virtual  
86.31 currency kiosk operator must ensure that each person who engages in a virtual currency

87.1 transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures  
87.2 required under this section via confirmation of consent. Additionally, upon a transaction's  
87.3 completion, the virtual currency operator must provide a person with a physical receipt, or  
87.4 a virtual receipt sent to their email address or SMS number, containing the following  
87.5 information:

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

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

87.10 (3) the fees charged;

87.11 (4) the exchange rate;

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

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

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

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

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

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

87.22 Sec. 11. Minnesota Statutes 2022, section 58.06, is amended by adding a subdivision to  
87.23 read:

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

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

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

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

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

88.8 Sec. 12. Minnesota Statutes 2022, section 58B.02, subdivision 8, is amended to read:

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

88.12 Sec. 13. Minnesota Statutes 2022, section 58B.02, is amended by adding a subdivision to  
88.13 read:

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

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

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

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

88.21 Sec. 14. Minnesota Statutes 2022, section 58B.03, is amended by adding a subdivision to  
88.22 read:

88.23 Subd. 10. **Reporting.** (a) Beginning January 31, 2025, a student loan servicer that secures,  
88.24 makes, or extends student loans in the state must report to the commissioner on the form  
88.25 the commissioner provides:

88.26 (1) a list of all schools attended by borrowers who received a student loan from the  
88.27 student loan servicer and resided within the state at the time of the transaction and whose  
88.28 debt is still outstanding, including student loans used to refinance an existing debt;

88.29 (2) the total outstanding dollar amount owed by borrowers residing in the state who  
88.30 received student loans from the student loan servicer;

89.1 (3) the total number of student loans owed by borrowers residing in the state who received  
89.2 student loans from the student loan servicer;

89.3 (4) the total outstanding dollar amount and number of student loans owed by borrowers  
89.4 who reside in the state, associated with each school identified under clause (1);

89.5 (5) the total dollar amount of student loans provided by the student loan servicer to  
89.6 borrowers who resided in the state in the prior calendar year;

89.7 (6) the total outstanding dollar amount and number of student loans owed by borrowers  
89.8 who resided in the state, associated with each school identified under clause (1), that were  
89.9 provided in the prior calendar year;

89.10 (7) the rate of default for borrowers residing in the state who obtained student loans  
89.11 from the student loan servicer, if applicable;

89.12 (8) the rate of default for borrowers residing in the state who obtained student loans  
89.13 from the student loan servicer associated with each school identified under clause (1), if  
89.14 applicable;

89.15 (9) the range of initial interest rates for student loans provided by the student loan servicer  
89.16 to borrowers who resided in the state in the prior calendar year;

89.17 (10) of the total number of borrowers who received student loans under clause (9), and  
89.18 the percentage of borrowers who received each rate identified under clause (9);

89.19 (11) the total dollar amount and number of student loans provided in the prior calendar  
89.20 year by the student loan servicer to borrowers who resided in the state at the time of the  
89.21 transaction and had a cosigner for the student loans;

89.22 (12) the total dollar amount and number of student loans provided by the student loan  
89.23 servicer to borrowers residing in the state used to refinance a prior student loan or federal  
89.24 student loan in the prior calendar year;

89.25 (13) the total dollar amount and number of student loans for which the student loan  
89.26 servicer had sued to collect from a borrower residing in the state in the prior calendar year;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

91.1 Sec. 15. [58B.051] REGISTRATION FOR LENDERS.

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

91.6 (b) A registration application must include:

91.7 (1) the lender's name;

91.8 (2) the lender's address;

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

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

91.13 (5) any other information the commissioner requires by rule.

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

91.16 (d) The commissioner may adopt and enforce:

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

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

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

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

91.26 Sec. 16. Minnesota Statutes 2022, section 58B.06, subdivision 4, is amended to read:

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

92.1 (1) require the new student loan servicer to honor all benefits that were made available,  
92.2 or which may have become available, to a borrower from the original student loan servicer,  
92.3 including, without limitation, any benefits for which the student loan borrower has not yet  
92.4 qualified; and

92.5 (2) transfer to the new student loan servicer all information regarding the borrower, the  
92.6 account of the borrower, and the borrower's student loan, including but not limited to the  
92.7 repayment status of the student loan and the benefits described in clause (1).

92.8 (b) The student loan servicer must complete the transfer under paragraph (a), clause (2),  
92.9 less than 45 days from the date of the sale, assignment, or transfer of the servicing.

92.10 (c) A sale, assignment, or transfer of the servicing must be completed no less than seven  
92.11 days from the date the next payment is due on the student loan.

92.12 (d) A new student loan servicer must adopt policies and procedures to verify that the  
92.13 original student loan servicer has met the requirements of paragraph (a).

92.14 Sec. 17. Minnesota Statutes 2022, section 58B.06, subdivision 5, is amended to read:

92.15 Subd. 5. **Income-driven repayment.** (a) A student loan servicer must evaluate a borrower  
92.16 for eligibility for an income-driven repayment program before placing a borrower in  
92.17 forbearance or default.

92.18 (b) A student loan servicer must provide the following information on the student loan  
92.19 servicer's website:

92.20 (1) a description of any income-driven repayment programs offered by the student loan  
92.21 servicer; and

92.22 (2) information on the policies and procedures the student loan servicer implements to  
92.23 facilitate the evaluation of student loan income-driven repayment program requests, including  
92.24 accurate information regarding any options that may be available to the borrower through  
92.25 the promissory note or that may have been marketed to the borrower through marketing  
92.26 materials.

92.27 Sec. 18. Minnesota Statutes 2022, section 58B.07, subdivision 1, is amended to read:

92.28 Subdivision 1. **Misleading borrowers.** A student loan servicer must not directly or  
92.29 indirectly employ any scheme, device, or artifice to attempt to defraud or mislead a borrower.

93.1 Sec. 19. Minnesota Statutes 2022, section 58B.07, subdivision 3, is amended to read:

93.2 Subd. 3. **Misapplication of payments.** A student loan servicer must not knowingly or  
93.3 negligently misapply student loan payments to the outstanding balance of a student loan.

93.4 Sec. 20. Minnesota Statutes 2022, section 58B.07, subdivision 9, is amended to read:

93.5 Subd. 9. **Incorrect information regarding student loan forgiveness loans.** (a) A  
93.6 student loan servicer must not misrepresent the availability of student loan forgiveness for  
93.7 which the servicer has reason to know the borrower is eligible. This includes but is not  
93.8 limited to student loan forgiveness programs specific to military borrowers, borrowers  
93.9 working in public service, or borrowers with disabilities.

93.10 (b) A student loan servicer must not provide incorrect information related to forbearance.  
93.11 If a student loan servicer incorrectly suggests placing a borrower in forbearance and the  
93.12 borrower relies on this information, the student loan servicer shall be subject to the penalties  
93.13 provided under section 58B.09.

93.14 Sec. 21. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
93.15 read:

93.16 Subd. 11. **Property.** A student loan servicer must not obtain property by fraud or  
93.17 misrepresentation.

93.18 Sec. 22. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
93.19 read:

93.20 Subd. 12. **Customer service.** A student loan servicer must not allow a borrower to  
93.21 remain on hold with a customer service representative for more than two hours.

93.22 Sec. 23. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
93.23 read:

93.24 Subd. 13. **Abusive acts or practices.** A student loan servicer must not engage in abusive  
93.25 acts or practices when servicing a student loan in this state. An act or practice is abusive in  
93.26 connection with the servicing of a student loan if that act or practice:

93.27 (1) materially interferes with the ability of a borrower to understand a term or condition  
93.28 of a student loan; or

93.29 (2) takes unreasonable advantage of any of the following:

94.1 (i) a lack of understanding on the part of a borrower of the material risks, costs, or  
94.2 conditions of the student loan;

94.3 (ii) the inability of a borrower to protect the interests of the borrower when selecting or  
94.4 using a student loan or feature, term, or condition of a student loan; or

94.5 (iii) the reasonable reliance by the borrower on a student loan servicer to act in the  
94.6 interests of the borrower.

94.7 Sec. 24. Minnesota Statutes 2022, section 58B.07, is amended by adding a subdivision to  
94.8 read:

94.9 Subd. 14. **Violations.** A violation of this section is an unlawful practice under section  
94.10 325D.44.

94.11 Sec. 25. Minnesota Statutes 2022, section 58B.09, is amended by adding a subdivision to  
94.12 read:

94.13 Subd. 4. **Private right of action.** (a) A borrower who suffers damage as a result of the  
94.14 failure of a student loan servicer to comply with this chapter may bring an action on a  
94.15 borrower's own behalf and on behalf of a similarly situated class of persons against that  
94.16 student loan servicer to recover or obtain:

94.17 (1) actual damages, except that the total award of damages must be at least \$500 per  
94.18 plaintiff, per violation;

94.19 (2) an order enjoining the methods, acts, or practices;

94.20 (3) restitution of property;

94.21 (4) punitive damages;

94.22 (5) reasonable attorney fees; and

94.23 (6) any other relief that the court deems proper.

94.24 (b) In addition to any other remedies provided by this subdivision or otherwise provided  
94.25 by law, if a student loan servicer is shown, by a preponderance of the evidence, to have  
94.26 engaged in conduct that substantially interferes with a borrower's right to an alternative  
94.27 payment arrangement; loan forgiveness, cancellation, or discharge; or any other financial  
94.28 benefit established under the terms of a borrower's promissory note or under the Higher  
94.29 Education Act of 1965, United States Code, title 20, section 1070a, et seq., a borrower is  
94.30 entitled to damages of at least \$1,500 per plaintiff, per violation.

95.1 (c) At least 45 days before bringing an action for damages or injunctive relief under this  
95.2 chapter, a borrower must:

95.3 (1) provide written notice to the student loan servicer alleged to have violated this chapter  
95.4 regarding the nature of the alleged violations; and

95.5 (2) demand that the student loan servicer correct and remedy the method, act, or practice  
95.6 identified in the notice under clause (1).

95.7 (d) The notice required by this subdivision must be sent by certified or registered mail,  
95.8 return receipt requested, to the student loan servicer's address on file with the Department  
95.9 of Commerce or to the student loan servicer's principal place of business in Minnesota.

95.10 (e) An action for damages or injunctive relief brought by a borrower only on the  
95.11 individual borrower's behalf must not be maintained under paragraph (a) upon a showing  
95.12 by a student loan servicer that an appropriate correction and remedy is given, or is agreed  
95.13 to be given within a reasonable time, to the borrower within 30 days after the notice is  
95.14 received.

95.15 (f) An action for damages brought by a borrower on both the borrower's behalf and on  
95.16 behalf of a similarly situated class of persons must not be maintained under paragraph (a)  
95.17 upon a showing by a student loan servicer alleged to have employed or committed a method,  
95.18 act, or practice declared unlawful if:

95.19 (1) all borrowers similarly situated have been identified or a reasonable effort to identify  
95.20 other borrowers has been made;

95.21 (2) all borrowers identified have been notified that, upon the borrower's request, the  
95.22 student loan servicer must make the appropriate correction and remedy;

95.23 (3) the correction and remedy requested by the borrower has been given or is given  
95.24 within a reasonable amount of time; and

95.25 (4) the student loan servicer has ceased from engaging, or if immediate cessation is  
95.26 impossible or unreasonably expensive under the circumstances, the student loan servicer  
95.27 ceases to engage within a reasonable amount of time, in the method, act, or practice.

95.28 (g) An attempt to comply with a demand described in paragraph (c) by a student loan  
95.29 servicer that receives the demand is construed as an offer to compromise and is inadmissible  
95.30 as evidence under Minnesota Rules of Evidence, rule 408. An attempt to comply with a  
95.31 demand is not an admission of engaging in an act or practice declared unlawful by paragraph  
95.32 (a). Evidence of compliance or attempts to comply with this section may be introduced by  
95.33 a defendant to establish good faith or to show compliance with paragraph (a).

96.1 (h) An award of damages must not be given in an action based on a method, act, or  
96.2 practice in violation of paragraph (a) if the student loan servicer alleged to have employed  
96.3 or committed that method, act, or practice:

96.4 (1) proves by a preponderance of the evidence that the violation was not intentional and  
96.5 resulted from a bona fide error, notwithstanding the use of reasonable procedures adopted  
96.6 to avoid that error; and

96.7 (2) makes an appropriate correction, repair, replacement, or other remedy under  
96.8 paragraphs (e) and (f).

96.9 (i) The commissioner must administer and enforce this section and must adopt rules and  
96.10 issue orders consistent with the authority under this section.

96.11 **Sec. 26. [65A.3025] CONDOMINIUM AND TOWNHOUSE POLICIES;**  
96.12 **COORDINATION OF BENEFITS FOR LOSS ASSESSMENT.**

96.13 Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have  
96.14 the meanings given.

96.15 (b) "Association" has the meaning given in section 515B.1-103, clause (4).

96.16 (c) "Unit owner" has the meaning given in section 515B.1-103, clause (37).

96.17 (d) "Assessable loss" means a covered loss under the terms of the policy applicable  
96.18 under paragraphs (a) and (b).

96.19 Subd. 2. **Loss assessment.** (a) If a loss assessment is charged by an association to an  
96.20 individual unit owner the insurance policy in force at the time of the assessable loss must  
96.21 pay the loss assessment, subject to the limits provided in the policy, notwithstanding any  
96.22 policy provisions regarding when loss assessment coverage accrues, and subject to any  
96.23 other terms, conditions, and exclusions in the policy, if the following conditions are met:

96.24 (1) the unit owner at the time of the assessable loss is the owner of the property listed  
96.25 on the policy at the time the loss assessment is charged;

96.26 (2) if the insurance policy in force at the time of the assessable loss provides loss  
96.27 assessment coverage; and

96.28 (3) a loss assessment and the event or occurrence which triggers a loss assessment shall  
96.29 be considered a single loss for underwriting and rating purposes.

96.30 (b) If a loss assessment is charged by an association to an individual unit owner the  
96.31 insurance policy in force at the time the loss assessment is charged must pay the assessment,

97.1 subject to the limits provided in the policy, notwithstanding any policy provisions regarding  
97.2 when loss assessment coverage accrues, and subject to any other terms, conditions, and  
97.3 exclusions in the policy, if the following conditions are met:

97.4 (1) the unit owner at the time of the loss assessment is charged is different than the unit  
97.5 owner at the time of the assessable loss; and

97.6 (2) the insurance policy in force at the time the loss assessment is charged provides loss  
97.7 assessment coverage.

97.8 (c) For a loss assessment under paragraph (b), an insurer may require evidence  
97.9 documenting that the transfer of ownership occurred prior to the assessment before the  
97.10 insurer affords coverage.

97.11 Sec. 27. Minnesota Statutes 2023 Supplement, section 239.791, subdivision 8, is amended  
97.12 to read:

97.13 Subd. 8. **Disclosure; reporting.** (a) A refinery or terminal, shall provide, at the time  
97.14 gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping  
97.15 manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading  
97.16 or shipping manifest must include the identity and the volume percentage or gallons of  
97.17 oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do  
97.18 not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline,  
97.19 the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in  
97.20 Minnesota." This subdivision does not apply to sales or transfers of gasoline between  
97.21 refineries, between terminals, or between a refinery and a terminal.

97.22 (b) A delivery ticket required under section 239.092 for biofuel blended with gasoline  
97.23 must state the volume percentage of biofuel blended into gasoline delivered through a meter  
97.24 into a storage tank used for dispensing by persons not exempt under subdivisions 10 to 14  
97.25 ~~and~~, 16, and 17.

97.26 (c) On or before the 23rd day of each month, a person responsible for the product must  
97.27 report to the department, in the form prescribed by the commissioner, the gross number of  
97.28 gallons of intermediate blends sold at retail by the person during the preceding calendar  
97.29 month. The report must identify the number of gallons by blend type. For purposes of this  
97.30 subdivision, "intermediate blends" means blends of gasoline and biofuel in which the biofuel  
97.31 content, exclusive of denaturants and other permitted components, is greater than ten percent  
97.32 and no more than 50 percent by volume. This paragraph only applies to a person who is  
97.33 responsible for selling intermediate blends at retail at more than ten locations. A person

98.1 responsible for the product at fewer than ten locations is not precluded from reporting the  
98.2 gross number of intermediate blends if a report is available.

98.3 (d) All reports provided pursuant to paragraph (c) are nonpublic data, as defined in  
98.4 section 13.02, subdivision 9.

98.5 Sec. 28. Minnesota Statutes 2022, section 239.791, is amended by adding a subdivision  
98.6 to read:

98.7 Subd. 17. Bulk delivery of premium grade gasoline; exemption. (a) A person  
98.8 responsible for the product may offer for sale, sell, or deliver a bulk delivery of unleaded  
98.9 premium grade gasoline, as defined in section 239.751, subdivision 4, that is not oxygenated  
98.10 in accordance with subdivision 1 if the conditions in paragraphs (b) to (d) are met.

98.11 (b) Nonoxygenated gas is only for use in vehicles that would qualify for an exemption  
98.12 under subdivision 12, paragraph (a).

98.13 (c) No more than one bulk fuel storage tank on the premises may be used for storage of  
98.14 the nonoxygenated gasoline.

98.15 (d) The bulk fuel delivery is 500 gallons or less.

98.16 Sec. 29. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 1, is amended  
98.17 to read:

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

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

98.24 (c) "Restoration and mitigation services provider" means a person or business that  
98.25 provides service to prevent further damage to property following a fire, smoke, water, or  
98.26 storm event. Services include but are not limited to board up of property, water extraction,  
98.27 drying, smoke or odor removal, cleaning, and personal property inventory, removal, and  
98.28 storage;

98.29 (d) "Seller" means a manufacturer, supplier, wholesaler, distributor, or retail seller of  
98.30 goods and services.

98.31 (e) "Tree trimmer" means a person registered under section 18G.07.

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

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

99.8 (2) a price that is no more than 25 percent above the seller's average price during the  
 99.9 60-day period before an abnormal market disruption is declared under subdivision 2;

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

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

99.14 Sec. 30. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 5, is amended  
 99.15 to read:

99.16 Subd. 5. **Prices and rates.** Upon the occurrence of a weather event classified as a severe  
 99.17 thunderstorm pursuant to the criteria established by the National Oceanic and Atmospheric  
 99.18 Administration, a residential building contractor, tree trimmer, or restoration and mitigation  
 99.19 services provider operating within the geographic region impacted by the weather event  
 99.20 and repairing damage caused by the weather event shall not:

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

99.24 (2) charge an insurance company a rate that exceeds what the residential building  
 99.25 contractor, tree trimmer, or restoration and mitigation services provider would otherwise  
 99.26 ~~charges members~~ charge a member of the general public.

99.27 Sec. 31. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 6, is amended  
 99.28 to read:

99.29 Subd. 6. **Civil penalty.** A person who is found to have violated ~~this section~~ subdivision  
 99.30 4 is subject to a civil penalty of not more than \$1,000 per sale or transaction, with a maximum  
 99.31 penalty of \$25,000 per day. No other penalties may be imposed for the same conduct  
 99.32 regulated under ~~this section~~ subdivision 4.

100.1 Sec. 32. Minnesota Statutes 2023 Supplement, section 325E.80, subdivision 7, is amended  
100.2 to read:

100.3 Subd. 7. **Enforcement authority.** (a) The attorney general may investigate and bring  
100.4 an action using the authority under section 8.31 against a seller or residential building  
100.5 contractor, tree trimmer, or restoration and mitigation services provider for an alleged  
100.6 violation of this section.

100.7 (b) Nothing in this section creates a private cause of action in favor of a person injured  
100.8 by a violation of this section.

100.9 Sec. 33. Minnesota Statutes 2022, section 325F.03, is amended to read:

100.10 **325F.03 FLAME RESISTANT PUBLIC ASSEMBLY TENTS.**

100.11 No person, firm or corporation shall establish, maintain or operate any circus, side show,  
100.12 carnival, tent show, theater, skating rink, dance hall, or a similar exhibition, production,  
100.13 engagement or offering or other place of assemblage in or under which ~~ten~~ 15 or more  
100.14 persons may gather for any lawful purpose in any tent, awning or other fabric enclosure  
100.15 unless such tent, awning or other fabric enclosure, and all auxiliary tents, curtains, drops,  
100.16 awnings and all decorative materials, are made from a nonflammable material or are treated  
100.17 and maintained in a flame resistant condition. This section ~~shall~~ does not apply to tents  
100.18 designed or manufactured for camping, backpacking, mountaineering, or children's play;  
100.19 tents used to conduct committal services on the grounds of a cemetery; nor to tents, awnings  
100.20 or other fabric enclosures erected and used within a sound stage, or other similar structural  
100.21 enclosure which is equipped with an overhead automatic sprinkler system.

100.22 Sec. 34. Minnesota Statutes 2022, section 325F.04, is amended to read:

100.23 **325F.04 FLAME RESISTANT TENTS ~~AND SLEEPING BAGS.~~**

100.24 No person, firm, or corporation may sell or offer for sale or manufacture for sale in this  
100.25 state any tent subject to section 325F.03 unless all fabrics or pliable materials in the tent  
100.26 are durably flame resistant. ~~No person, firm or corporation may sell or offer for sale or~~  
100.27 ~~manufacture for sale in this state any sleeping bag unless it meets the standards of the~~  
100.28 ~~commissioner of public safety for flame resistancy. Tents and sleeping bags~~ subject to  
100.29 section 325F.03 shall be conspicuously labeled as being durably flame resistant.

101.1 Sec. 35. Minnesota Statutes 2022, section 325F.05, is amended to read:

101.2 **325F.05 RULES.**

101.3 The commissioner of public safety shall act so as to have effective rules concerning  
101.4 standards for ~~nonflammable, flame resistant and durably~~ flame resistant materials and for  
101.5 labeling requirements ~~by January 1, 1976~~ under sections 325F.03 and 325F.04. In order to  
101.6 comply with sections 325F.03 and 325F.04 all materials and labels must comply with the  
101.7 rules adopted by the commissioner. The commissioner has general rulemaking power to  
101.8 otherwise implement sections 325F.03 to 325F.07.

101.9 Sec. 36. **[325F.078] SALES OF AEROSOL DUSTERS CONTAINING 1,1-**  
101.10 **DIFLUOROETHANE (DFE).**

101.11 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have  
101.12 the meanings given.

101.13 (b) "Aerosol duster" means a product used to clean electronics and other items by means  
101.14 of an aerosol sprayed from a pressurized container.

101.15 (c) "Behind-the-counter" means placement by a retailer of a product to ensure that  
101.16 customers do not have direct access to the product before a sale is made, requiring the seller  
101.17 to deliver the product directly to the buyer.

101.18 (d) "DFE" or "1,1-difluoroethane" means a chemical with a Chemicals Abstract Service  
101.19 Registry Number of 75-37-6.

101.20 Subd. 2. Requirements for retail sale. A retailer must only sell an aerosol duster that  
101.21 contains DFE:

101.22 (1) from behind-the-counter;

101.23 (2) to a purchaser who presents valid evidence that the purchaser is at least 21 years of  
101.24 age; and

101.25 (3) in a quantity that complies with the purchasing limit established in subdivision 3.

101.26 Subd. 3. Purchasing limit. A retailer is prohibited from selling more than three cans of  
101.27 an aerosol duster containing DFE to a customer in a single transaction.

101.28 Subd. 4. Exemption. Subdivisions 2 and 3 do not apply to a business purchasing aerosol  
101.29 dusters online.

101.30 Subd. 5. Labeling. (a) An aerosol duster containing DFE must not be sold in this state  
101.31 unless the aerosol duster conforms to the labeling requirements established in this subdivision.

102.1 (b) The label on each can of aerosol duster containing DFE must contain the following,  
102.2 placed within a red rectangle encompassing at least one-half of the area of the rear side of  
102.3 the can:

102.4 (1) at the top left corner of the rectangle, the words "Inhalant Abuse Public Safety  
102.5 Announcement" in red ink on a white background that covers one quarter of the rear side  
102.6 of the can;

102.7 (2) below the words in clause (1), the words "DANGER: DEATH! Breathing this product  
102.8 to get high can kill you" in white ink on a red background;

102.9 (3) at the top right corner of the rectangle, a skull and crossbones symbol in black ink  
102.10 on a yellow background contained within a triangle, and the word "DANGER" in black ink  
102.11 on a yellow background just below the triangle;

102.12 (4) below the symbol in clause (3), in black ink on a white background, the words:  
102.13 "Abuse or Misuse" underlined, under which are the words "Danger: Can stop your heart  
102.14 Caution: Can cut off air to your brain Warning: Can result in death";

102.15 (5) below the words in clause (4), a drawing of a person lying on the ground, in white  
102.16 ink, within a red circle, on a white background, contained within a red triangle;

102.17 (6) below the triangle in clause (5), in white ink on a red background, the word  
102.18 "WARNING," and, below that, "Risk of death when abused or misused";

102.19 (7) across the bottom of the rectangle, in black type on a white background, the words  
102.20 "This product contains a bittering agent to help discourage inhalant abuse. The misuse and  
102.21 abuse of this product by deliberately concentrating and inhaling the chemical contents  
102.22 presents a serious health hazard and can result in fatality. Please use this product responsibly  
102.23 as the product was intended."; and

102.24 (8) below the words in clause (7), two smaller versions of the skull and crossbones  
102.25 symbols described in clause (3) on a white background, placed equidistant from the edges  
102.26 of the red rectangle, and in between which, in red ink, is the website address  
102.27 "www.inhalant.org."

102.28 (c) The safety symbols and color standards of the label described in this section must  
102.29 conform with the ANSI Z535 safety signage standards guidelines established by the American  
102.30 National Standards Institute.

102.31 Subd. 6. **Violations.** (a) A person that violates subdivision 2 or 3 is guilty of a  
102.32 misdemeanor.

103.1 (b) It is an affirmative defense to a charge under subdivision 2, clause (2), if the defendant  
103.2 proves by a preponderance of the evidence that the defendant reasonably and in good faith  
103.3 relied on proof of age as described in section 340A.503, subdivision 6.

103.4 **EFFECTIVE DATE.** This section is effective January 1, 2025, and applies to purchases  
103.5 of aerosol dusters made on or after that date.

103.6 Sec. 37. **[325F.676] TICKET SALES.**

103.7 Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have  
103.8 the meanings given.

103.9 (b) "Commissioner" means the commissioner of commerce.

103.10 (c) "Entertainment" means all forms of entertainment, including but not limited to  
103.11 theatrical or operatic performances, concerts, motion pictures, entertainment at fairgrounds,  
103.12 amusement parks, athletic competitions and other sports, and all other forms of diversion,  
103.13 recreation, or show.

103.14 (d) "Internet domain name" means a globally unique, hierarchical reference to an Internet  
103.15 host or service, which is assigned through a centralized Internet naming authority and which  
103.16 is composed of a series of character strings separated by periods with the rightmost string  
103.17 specifying the top of the hierarchy.

103.18 (e) "Online ticket marketplace" means the administrator of a website or other electronic  
103.19 service, including an agent, employee, or assignee of such administrator, that sells tickets  
103.20 or maintains a platform to facilitate the sale of tickets.

103.21 (f) "Operator" means a person, including an agent, employee, or assignee of such person,  
103.22 who:

103.23 (1) owns, operates, or controls a place of entertainment;

103.24 (2) produces entertainment; or

103.25 (3) sells a ticket to a place of entertainment for original sale.

103.26 (g) "Person" means a party, individual, partnership, association, corporation, or other  
103.27 legal entity.

103.28 (h) "Place of entertainment" means an entertainment facility, including but not limited  
103.29 to an amphitheater, theater, stadium, arena, racetrack, museum, amusement park, venue,  
103.30 club, or other place where performances, concerts, exhibits, athletic games, contests, or

104.1 other forms of entertainment are held. For the purposes of this section, place of entertainment  
104.2 does not include movie theaters.

104.3 (i) "Ticket reseller" means a person that offers or sells tickets for resale after the original  
104.4 sale to an entertainment event located in this state and includes an operator to the extent  
104.5 that the operator offers or sells tickets for resale. Sales by a ticket reseller includes sales by  
104.6 any means, including, but not limited to, in-person, or by telephone, mail, delivery service,  
104.7 facsimile, Internet, e-mail or other electronic means. A ticket reseller does not include a  
104.8 person that purchases a ticket solely for their own use or the use of their invitees, employees,  
104.9 or agents.

104.10 (j) "URL" means a uniform resource locator for a website on the Internet.

104.11 Subd. 2. Disclosures. (a) An operator, ticket reseller, or online ticket marketplace must,  
104.12 at all times during the ticket listing and purchasing process, disclose in an easily readable  
104.13 and conspicuous manner and in dollars:

104.14 (1) the total cost of the ticket, inclusive of all fees and surcharges that must be paid in  
104.15 order to purchase the ticket;

104.16 (2) the portion of the ticket price that represents a service charge; and

104.17 (3) any other fee or surcharge to the purchaser.

104.18 (b) The disclosure of subtotals, fees, charges, and all other components of the total price  
104.19 must not be false or misleading, and shall not be presented more prominently or in the same  
104.20 or larger size than the total price. The disclosure of subtotals, fees, charges, and all other  
104.21 components of the total price may be displayed in a way that allows the purchaser to hide  
104.22 or minimize the itemized list. The price of a ticket must not increase with respect to a  
104.23 particular person after the ticket is first displayed to such person, excluding reasonable fees  
104.24 for the delivery of nonelectronic tickets based on the delivery method selected by the  
104.25 purchaser and any additional purchases made by the purchaser, which must be disclosed  
104.26 prior to accepting payment.

104.27 (c) A ticket reseller and online ticket marketplace must disclose in an easily readable  
104.28 and conspicuous manner on its website or electronic service:

104.29 (1) that the website or electronic service is owned or operated by a ticket reseller or  
104.30 online ticket marketplace and that the price of a resale ticket offered for sale may be higher  
104.31 or lower than the original purchase price;

104.32 (2) that the purchaser is responsible for checking with the place of entertainment for  
104.33 information on changes to the event or cancellations prior to the event's start time; and

105.1 (3) the refund policy of the ticket reseller or online ticket marketplace.

105.2 A ticket reseller or online ticket marketplace must require a purchaser to confirm having  
105.3 read the disclosures required by this paragraph before completing a transaction.

105.4 (d) A ticket reseller or online ticket marketplace must provide proof of purchase to the  
105.5 purchaser which must include all event and ticket information within 24 hours of the  
105.6 purchase, including:

105.7 (1) that the purchaser is responsible for checking with the place of entertainment for  
105.8 information on changes to the event or cancellations prior to the event's start time; and

105.9 (2) the refund policy of the ticket reseller or online ticket marketplace.

105.10 (e) An online ticket marketplace must not use any combination of text, images, trademark,  
105.11 copyright, web designs, or Internet addresses that is identical or substantially similar to text,  
105.12 images, trademark, copyright, web designs, or Internet addresses associated with a place of  
105.13 entertainment without the written permission of the place of entertainment duly authorized  
105.14 to provide such permission. This paragraph does not prohibit an online ticket marketplace  
105.15 from using text containing the name of a place of entertainment or of an event in order to  
105.16 describe the location of the event or the event itself. This paragraph does not prohibit an  
105.17 online ticket marketplace from providing information or images identifying the specific  
105.18 seat or area the purchaser will occupy in the place of entertainment.

105.19 (f) The obligations of paragraphs (a) to (d) do not apply to any person, unless the person  
105.20 engaged in annual aggregate transactions that were equal to or greater than \$5,000.

105.21 Subd. 3. **Prohibitions.** (a) A ticket reseller or online ticket marketplace must not:

105.22 (1) sell or offer to sell more than one copy of the same ticket to a place of entertainment;

105.23 (2) employ another person directly or indirectly to wait in line to purchase tickets for  
105.24 the purpose of reselling the tickets if the practice is prohibited or if the place of entertainment  
105.25 has posted a policy prohibiting the practice;

105.26 (3) sell or offer to sell a ticket without first informing the person of the location of the  
105.27 place of entertainment and the ticket's assigned seat, including but not limited to the seat  
105.28 number, row, and section number of the seat;

105.29 (4) sell or offer to sell a ticket for which there is no assigned seat without first informing  
105.30 the person of the general admission area to which the ticket corresponds; or

105.31 (5) advertise, offer for sale, or contract for the sale of a ticket before the ticket has been  
105.32 made available to the public, including via presale, without first obtaining permission from

106.1 the place of entertainment, and having actual or constructive possession of such ticket,  
106.2 unless the ticket reseller owns the ticket pursuant to a season ticket package purchased by  
106.3 the ticket reseller.

106.4 (b) A person must not use or cause to be used an Internet domain name or subdomain  
106.5 thereof in an operator, ticket reseller, or online ticket marketplace website's URL that contains  
106.6 any of the following, unless acting on behalf of the place of entertainment, event, or person  
106.7 scheduled to perform or appear at the event:

106.8 (1) the name of a place of entertainment;

106.9 (2) the name of an event, including the name of a person scheduled to perform or appear  
106.10 at the event; or

106.11 (3) a name substantially similar to those described in clause (1) or (2).

106.12 (c) A person must not:

106.13 (1) circumvent any portion of the process for purchasing a ticket on the Internet or for  
106.14 admission to a place of entertainment, including but not limited to security or identity  
106.15 validation measures or an access control system; or

106.16 (2) disguise the identity of a purchaser for the purpose of purchasing a number of tickets  
106.17 for admission to a place of entertainment that exceeds the maximum number of tickets  
106.18 allowed for purchase by a person.

106.19 (d) A person must not sell a ticket obtained in violation of paragraph (c) if the person:

106.20 (1) participated in or had the ability to control the conduct committed in violation of  
106.21 paragraph (c); or

106.22 (2) knew that the ticket was acquired in violation of paragraph (c).

106.23 (e) An operator, online ticket marketplace, or ticket reseller must not sell a ticket unless:

106.24 (1) the ticket is in the possession or constructive possession of the operator, online ticket  
106.25 marketplace, or ticket reseller; or

106.26 (2) the operator, online ticket marketplace, or ticket reseller has a written contract with  
106.27 the place of entertainment to obtain the ticket.

106.28 (f) Pursuant to United States Code, title 15, section 45c, circumvention of a security  
106.29 measure, access control system, or other technological control measure used by an online  
106.30 ticket marketplace to enforce posted event ticket purchasing limits or to maintain the integrity  
106.31 of posted online ticket purchasing order rules is prohibited.

107.1 Subd. 4. Commissioner data requests; data practices. (a) Upon request by the  
107.2 commissioner, an online ticket marketplace must disclose to the commissioner information  
107.3 about technology and methods used in an alleged violation of subdivision 3, paragraph (f).  
107.4 Data collected or maintained by the commissioner under this subdivision are civil  
107.5 investigative data under section 13.39, and the commissioner may share with the attorney  
107.6 general any not public data, as defined in section 13.02, subdivision 8a, received under this  
107.7 subdivision.

107.8 (b) The commissioner may enforce this section under section 45.027.

107.9 EFFECTIVE DATE. This section is effective January 1, 2025, and applies to tickets  
107.10 sold on or after that date.

107.11 Sec. 38. [325F.782] DEFINITIONS.

107.12 Subdivision 1. Scope. For purposes of sections 325F.782 to 325F.7822, the following  
107.13 terms have the meanings given.

107.14 Subd. 2. Minor. "Minor" means an individual who is younger than 21 years of age.

107.15 Subd. 3. Vapor product. "Vapor product" means a noncombustible product that employs  
107.16 a heating element, power source, electronic circuit, or other electronic, chemical, or  
107.17 mechanical means, regardless of shape or size, that can be used to produce vapor from  
107.18 nicotine or any other substance, and the use or inhalation of which simulates smoking. Vapor  
107.19 product includes an electronic cigarette, electronic cigar, electronic cigarillo, electronic  
107.20 pipe, or similar product or device. Vapor product also includes a vapor cartridge or other  
107.21 container of nicotine or other substance in a solution or other form that is intended to be  
107.22 used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe,  
107.23 or similar product or device.

107.24 Sec. 39. [325F.7821] PROHIBITION ON DECEPTIVE VAPOR PRODUCTS.

107.25 A person or entity must not market, promote, label, brand, advertise, distribute, offer  
107.26 for sale, or sell a vapor product by:

107.27 (1) imitating a product that is not a vapor product, including but not limited to:

107.28 (i) a food or brand of food commonly marketed to minors, including but not limited to  
107.29 candy, desserts, and beverages;

107.30 (ii) school supplies commonly used by minors, including but not limited to erasers,  
107.31 highlighters, pens, and pencils; and

108.1 (iii) a product based on or depicting a character, personality, or symbol known to appeal  
108.2 to minors, including but not limited to a celebrity; a character in a comic book, movie,  
108.3 television show, or video game; and a mythical creature;

108.4 (2) attempting to conceal the nature of the vapor product from parents, teachers, or other  
108.5 adults; or

108.6 (3) using terms for, describing, or depicting any product described in clause (1).

108.7 Sec. 40. **[325F.7822] REMEDIES.**

108.8 Subdivision 1. **Private right of action.** A person or entity who violates section 325F.7821  
108.9 is subject to the penalties and remedies, including a private right of action to recover damages,  
108.10 provided under section 8.31.

108.11 Subd. 2. **Civil penalty.** In addition to the penalties and remedies under subdivision 1,  
108.12 the attorney general is entitled to sue for and recover on behalf of the state a civil penalty  
108.13 from a person or entity who violates section 325F.7821. The court must determine the civil  
108.14 penalty amount, which must not exceed \$50,000.

108.15 Sec. 41. **[325F.812] CELLULAR TELEPHONE CASES.**

108.16 Subdivision 1. **Certain cellular telephone cases; prohibition.** A person is prohibited  
108.17 from purchasing, possessing, importing, manufacturing, selling, holding for sale, or  
108.18 distributing a cellular telephone case, stand, or cover that is a facsimile of or reasonably  
108.19 appears to be a firearm, including but not limited to a pistol or revolver.

108.20 Subd. 2. **Enforcement.** This section may be enforced by the attorney general under  
108.21 section 8.31, but a court may not impose a civil penalty of more than \$500 for a violation  
108.22 of this section.

108.23 Sec. 42. Minnesota Statutes 2022, section 325G.24, is amended to read:

108.24 **325G.24 RIGHT OF CANCELLATION.**

108.25 Subdivision 1. **Right of cancellation.** (a) Any person who has elected to become a  
108.26 member of a club may unilaterally cancel such membership, in the person's exclusive  
108.27 discretion, by giving ~~written~~ notice of cancellation at any time before midnight of the third  
108.28 business day following the date on which membership was attained. ~~Notice of cancellation~~  
108.29 ~~may be given personally or by mail.~~

108.30 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed  
108.31 and postage prepaid. ~~Notice of cancellation need not take a particular form and is sufficient~~

109.1 ~~if it indicates, by any form of written expression, the intention of the member not to be~~  
109.2 ~~bound by the contract.~~

109.3 (c) Cancellation under this subdivision shall be without liability on the part of the member  
109.4 and the member shall be entitled to a refund, within ten days after notice of cancellation is  
109.5 given, of the entire consideration paid for the contract. ~~Rights of cancellation may not be~~  
109.6 ~~waived or otherwise surrendered.~~

109.7 Subd. 2. **Right of member unilateral termination.** (a) Any person who has elected to  
109.8 become a member of a club may unilaterally terminate such membership, in the person's  
109.9 exclusive discretion, by giving notice of termination at any time.

109.10 (b) If given by mail, the notice is effective upon deposit in a mailbox, properly addressed,  
109.11 and postage prepaid.

109.12 (c) A club must not impose a termination fee or any other liability on the member for  
109.13 termination under this subdivision.

109.14 (d) Termination under this subdivision will be effective at the end of the membership  
109.15 term in which the member provides the notice of termination. If membership is at-will  
109.16 without a defined membership term, then termination under this subdivision will be effective  
109.17 immediately, unless the member indicates a future effective date of termination, in which  
109.18 event the date indicated by the member will be the effective date of termination.

109.19 (e) If a member provides notice of termination at any time before midnight of the third  
109.20 business day following the date on which membership was attained, the club must treat the  
109.21 notice as a notice of cancellation under subdivision 1, unless the member specifically  
109.22 provides for a future termination effective date.

109.23 Subd. 3. **Notice requirements.** (a) A club must accept a notice of cancellation or notice  
109.24 of termination that has been given:

109.25 (1) verbally, including but not limited to personally or over the phone to customer or  
109.26 account service members;

109.27 (2) in writing, including but not limited to via mail, email, or an online message through  
109.28 the club's website directed to customer or account service members;

109.29 (3) through a termination election as described in section 325G.60; or

109.30 (4) in any other manner or medium by which the member initially accepted membership  
109.31 to the club and that is no more burdensome to the member than was the initial acceptance.

110.1 (b) The process to cancel must be stated clearly and be easily accessible and completed  
110.2 with ease.

110.3 Subd. 4. **No waiver.** A right of cancellation or right of termination under this section  
110.4 may not be waived or otherwise surrendered.

110.5 Sec. 43. Minnesota Statutes 2022, section 325G.25, subdivision 1, is amended to read:

110.6 Subdivision 1. **Form and content.** A copy of every contract shall be delivered to the  
110.7 member at the time the contract is signed. Every contract must be in writing, must be signed  
110.8 by the member, must designate the date on which the member signed the contract and must  
110.9 state, clearly and conspicuously in boldface type of a minimum size of 14 points, the  
110.10 following:

110.11 "MEMBERS' RIGHT TO CANCEL"

110.12 "If you wish to cancel this contract, you may cancel in-person, over the phone, by  
110.13 delivering or mailing a written notice to the club, via email or an online message through  
110.14 the club's website, through the "termination election" provided on the club's website (if  
110.15 applicable) and as described in Minnesota Statutes, section 325G.60, or in any other manner  
110.16 or medium by which you initially accepted membership to the club. The notice must be  
110.17 provided to the club ~~say that you do not wish to be bound by the contract and must be~~  
110.18 ~~delivered or mailed~~ before midnight of the third business day after you sign this contract.  
110.19 ~~The notice must be delivered or mailed to: (Insert name and mailing address of club).~~ If  
110.20 you cancel, the club will return, within ten days of the date on which you give notice of  
110.21 cancellation, any payments you have made."

110.22 "MEMBERS' RIGHT TO UNILATERAL TERMINATION"

110.23 "You may unilaterally terminate this contract in your exclusive discretion at any time.  
110.24 If you terminate, your membership will terminate at the end of the membership term in  
110.25 which you provided the club with notice of termination. If your membership is at-will  
110.26 without a defined membership term, then your membership will terminate immediately,  
110.27 unless you indicate a future effective date of termination. If you wish to terminate this  
110.28 contract, you may terminate in-person, over the phone, by delivering or mailing a written  
110.29 notice to the club, via email or an online message through the club's website, through the  
110.30 "termination election" provided on the club's website (if applicable) and as described in  
110.31 Minnesota Statutes, section 325G.60, or in any other manner or medium by which you  
110.32 initially accepted membership to the club. The club may not impose a termination fee or  
110.33 any other liability on you for termination."

111.1 "NOTICE INFORMATION"

111.2 "If you wish to provide notice of cancellation or notice of termination to the club:

111.3 In-person or by mail, the applicable address is: [Insert name and mailing address of  
111.4 club];

111.5 Over the phone, the applicable phone number is: [Insert phone number of club];

111.6 Via email, the applicable email address is: [Insert email address of club];

111.7 On the club's website, the applicable website address is: [Insert address, if applicable]."

111.8 **Sec. 44. [325G.38] HANDHELD ELECTRONIC DEVICES; DISCLOSURES.**

111.9 If a retail establishment offers consumers the use of handheld electronic devices that  
111.10 require payment for games or other entertainment, the handheld electronic device must  
111.11 display a disclosure. The disclosure must be provided to the consumer before a game or  
111.12 entertainment is purchased and must:

111.13 (1) require the user to affirm that the user is 18 years of age or older; and

111.14 (2) include, in at least ten-point font and larger than all other type viewable on the screen  
111.15 at that time, the payment amount required.

111.16 **Sec. 45. [325G.56] DEFINITIONS.**

111.17 Subdivision 1. **Scope.** For purposes of sections 325G.56 to 325G.62, the terms defined  
111.18 in this section have the meanings given them.

111.19 Subd. 2. **Automatic renewal.** "Automatic renewal" means a plan or arrangement in  
111.20 which a subscription or purchasing agreement is automatically renewed at the end of a  
111.21 definite term for a subsequent term.

111.22 Subd. 3. **Clear and conspicuous.** "Clear and conspicuous" means in larger type than  
111.23 the surrounding text, or in contrasting type, font, or color to the surrounding text of the same  
111.24 size, or set off from the surrounding text of the same size by symbols or other marks, in a  
111.25 manner that calls attention to the language. In the case of an audio disclosure, "clear and  
111.26 conspicuous" means in a volume and cadence sufficient to be readily audible and  
111.27 understandable.

111.28 Subd. 4. **Consumer.** "Consumer" means any individual who seeks or acquires, by  
111.29 purchase or lease, any goods, services, money, or credit for personal, family, or household

112.1 purposes. Consumer includes, but is not limited to, a member as defined in section 325G.23,  
112.2 unless the context clearly indicates otherwise.

112.3 Subd. 5. **Continuous service.** "Continuous service" means a plan or arrangement in  
112.4 which a subscription or purchasing agreement continues until the consumer terminates the  
112.5 agreement.

112.6 Subd. 6. **Indefinite subscription agreement.** "Indefinite subscription agreement" means  
112.7 a subscription or purchasing agreement:

112.8 (1) between a seller and a consumer in the state; and

112.9 (2) subject to automatic renewal or continuous service.

112.10 Indefinite subscription agreements include but are not limited to contracts, as defined in  
112.11 section 325G.23, subject to automatic renewal or continuous service.

112.12 Subd. 7. **Offer terms.** "Offer terms" means the following disclosures:

112.13 (1) that the indefinite subscription agreement will continue until the consumer terminates  
112.14 the agreement;

112.15 (2) the description of the cancellation policy that applies to the indefinite subscription  
112.16 agreement;

112.17 (3) the recurring charges that will be charged to the consumer's credit or debit card or  
112.18 payment account with a third party as part of the plan or arrangement and that the amount  
112.19 of the charge may change, if that is the case, and the amount to which the charge will change,  
112.20 if known;

112.21 (4) the length of the automatic renewal term or that the service is continuous, unless the  
112.22 length of the term is definite and chosen by the consumer; and

112.23 (5) the minimum purchase obligation, if any.

112.24 Subd. 8. **Seller.** "Seller" means a seller, lessor, licensor, or professional who advertises,  
112.25 solicits, or engages in consumer transactions, or a manufacturer, distributor, or licensor who  
112.26 advertises and sells, leases, or licenses goods or services to be resold, leased, or sublicensed  
112.27 by other persons in consumer transactions. Seller includes, but is not limited to, a club as  
112.28 defined in section 325G.23, unless the context clearly indicates otherwise.

113.1 Sec. 46. [325G.57] REQUIREMENTS FOR AUTOMATIC RENEWAL OR  
113.2 CONTINUOUS SERVICE.

113.3 Subdivision 1. Notices upon offer. A seller making an offer for an indefinite subscription  
113.4 agreement must, before the consumer accepts the offer, present the offer terms in a clear  
113.5 and conspicuous manner to the consumer and in visual proximity, or in the case of an offer  
113.6 conveyed by voice, in temporal proximity, to the offer's proposal.

113.7 Subd. 2. Confirmation upon consumer consent. A seller making an offer for an  
113.8 indefinite subscription agreement must, in a timely manner after the consumer accepts the  
113.9 offer, provide the consumer with confirmation of the consumer's acceptance of the offer,  
113.10 in a manner that is capable of being retained by the consumer, that includes the following:

113.11 (1) the offer terms;

113.12 (2) if the offer includes a free trial, information on how to cancel the free trial before  
113.13 the consumer pays or becomes obligated to pay for any goods or services in connection  
113.14 with the free trial; and

113.15 (3) options for termination of the indefinite subscription agreement, which options must  
113.16 be easy to use, cost-effective, and timely for all consumers:

113.17 (i) if a seller makes offers for an indefinite subscription agreement through an online  
113.18 website, a termination election as set forth in section 325G.60; and

113.19 (ii) if a consumer enters into the indefinite subscription agreement through any means  
113.20 other than a toll-free telephone number, an electronic mail address, or a postal address, then  
113.21 an option substantially similar to, as easy to use, and as accessible as the initial means of  
113.22 consumer acceptance of the agreement.

113.23 A communication of the required information through electronic mail is sufficient to meet  
113.24 the requirements of this subdivision.

113.25 Subd. 3. Material changes. Upon a material change in the terms of the indefinite  
113.26 subscription agreement, the seller must provide to the consumer in a timely manner, and in  
113.27 any case prior to the implementation of the material change, a clear and conspicuous notice  
113.28 of the material change and provide information regarding how to terminate the agreement  
113.29 in a manner that is capable of being retained by the consumer. A material change in the  
113.30 terms of an indefinite subscription agreement in violation of this subdivision is void and  
113.31 unenforceable.

113.32 Subd. 4. Free trials. A seller making an offer for an indefinite subscription agreement  
113.33 that includes a free trial lasting more than 30 days must, no fewer than five days and no

114.1 more than 30 days before the end of any such free trial, notify the consumer of the consumer's  
114.2 option to cancel the free trial before the end of the trial period to avoid an obligation to pay  
114.3 for the goods or services.

114.4 Subd. 5. **Periodic notice of continuous service.** (a) If an indefinite subscription  
114.5 agreement is subject to continuous service, the seller must give the consumer written notice  
114.6 of the continuous service at least once per calendar year via mail or electronic mail.

114.7 (b) The notice required under this subdivision must include the terms of the service and  
114.8 how to terminate or manage the service.

114.9 Sec. 47. **[325G.58] PROHIBITED CONDUCT.**

114.10 Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means  
114.11 an indefinite subscription agreement, as defined in section 325G.56, and a contract, as  
114.12 defined in section 325G.23.

114.13 Subd. 2. **Charges prior to effective date.** A seller must not charge the consumer's credit  
114.14 or debit card or the consumer's account with a third party in connection with an agreement  
114.15 before the agreement has been duly authorized by the seller and consumer and made effective.

114.16 Subd. 3. **Right of first refusal.** An agreement must not require the consumer to permit  
114.17 the seller to match any offer the consumer has received. A provision in an agreement that  
114.18 violates this subdivision is void and unenforceable.

114.19 Subd. 4. **No abusive tactics or offers upon notice.** (a) A seller that has received a notice  
114.20 of cancellation or notice of termination of an agreement from a consumer cannot:

114.21 (1) make any misrepresentation or undertake any unfair or abusive tactic to delay,  
114.22 unreasonably delay, or avoid the cancellation or termination of the agreement; or

114.23 (2) make or provide additional benefits, contract modifications, gifts, or similar offers  
114.24 to the consumer until the seller has obtained permission from the consumer, granted by the  
114.25 consumer after notice of cancellation or termination was given to the seller, for the seller  
114.26 to engage in any such activity.

114.27 (b) A seller can only seek a consumer's permission under this paragraph once per  
114.28 cancellation or termination attempt. A consumer's grant of permission under this paragraph  
114.29 is limited to the immediate cancellation or termination attempt and does not apply to  
114.30 subsequent attempts.

114.31 Subd. 5. **Exceptions.** This section does not prohibit a seller from:

115.1 (1) asking the consumer the reasons for cancellation or termination, provided that a  
115.2 consumer is not required to answer as a condition of cancellation or termination;

115.3 (2) informing the consumer that there may be consequences of cancelling or terminating  
115.4 the subscription; or

115.5 (3) verifying the identity of the consumer.

115.6 **Sec. 48. [325G.59] CONSUMER'S RIGHT TO TERMINATE.**

115.7 Subdivision 1. **Termination of agreement subject to automatic renewal.** A consumer  
115.8 may terminate an indefinite subscription agreement subject to automatic renewal at any  
115.9 time by following the procedure set forth in the confirmation described in section 325G.57,  
115.10 subdivision 2. A termination under this subdivision is effective at the end of the term in  
115.11 which notice of termination is provided by the consumer, unless the consumer specifies a  
115.12 termination date occurring at the end of a subsequent term, in which event the termination  
115.13 is effective as of the date specified by the consumer, if the option is available.

115.14 Subd. 2. **Termination of agreement subject to continuous service.** (a) A consumer  
115.15 may terminate an indefinite subscription agreement subject to continuous service at any  
115.16 time by following the procedure set forth in the confirmation described in section 325G.57,  
115.17 subdivision 2. A termination under this subdivision must take effect no later than 31 days  
115.18 from the date of a verified consumer's notice of termination unless the consumer specifies  
115.19 a future termination date, in which event the termination is effective as of such date.

115.20 (b) This subdivision does not require a seller to provide an option to set a future  
115.21 termination date.

115.22 Subd. 3. **Termination in absence of confirmation or notice.** If the seller fails to provide  
115.23 either the confirmation required under section 325G.57, subdivision 2, or a notice required  
115.24 by section 325G.57, subdivision 5, the consumer may terminate the indefinite subscription  
115.25 agreement by any reasonable means at any time, including but not limited to by mail,  
115.26 electronic mail, telephone, an online option, a termination election under section 325G.60,  
115.27 or the means by which the consumer entered into the agreement, at no cost to the consumer.

115.28 **Sec. 49. [325G.60] TERMINATION ELECTION REQUIREMENT.**

115.29 Subdivision 1. **Definition; agreement.** For purposes of this section, "agreement" means  
115.30 an indefinite subscription agreement, as defined in section 325G.56, and a contract, as  
115.31 defined in section 325G.23.

116.1 Subd. 2. Termination election required. (a) If a seller has a website with profile or  
116.2 subscription management capabilities, then such website must include a termination election  
116.3 on the website. The termination election must be clear and conspicuous on the website and  
116.4 must use plain language to convey that any consumer may use the termination election to  
116.5 terminate the agreement at any time. The termination election must only require a consumer  
116.6 to input information that is necessary to process the termination. The termination election  
116.7 must include a checkbox, submission button, or similarly common and simple mechanism  
116.8 for the member to indicate a desire to terminate the agreement.

116.9 (b) For purposes of this section, "termination election" means a simple and easily  
116.10 accessible means for a consumer to quickly provide notice of termination, and that does not  
116.11 include undue complexity, confusion, or misrepresentation by the seller.

116.12 **Sec. 50. [325G.61] UNCONDITIONAL GIFTS.**

116.13 Any good, including but not limited to any ware, merchandise, or product, is an  
116.14 unconditional gift to the consumer if a seller sends the good under an indefinite subscription  
116.15 agreement without first obtaining the consumer's affirmative consent to the agreement in  
116.16 accordance with section 325G.57. The consumer may use or dispose of the good in any  
116.17 manner without any obligation to the seller, including but not limited to any obligation  
116.18 relating to shipping of the good.

116.19 **Sec. 51. [325G.62] EXEMPTION.**

116.20 Sections 325G.56 to 325G.61 do not apply to:

116.21 (1) contracts governed by another state or federal statute or regulation specifically  
116.22 intended to regulate automatic renewal or continuous service;

116.23 (2) any licensee as defined in section 60A.985, subdivision 8, and any affiliate of such  
116.24 a licensee as defined in section 60D.15, subdivision 2;

116.25 (3) an individual or business licensed by the Department of Labor and Industry as a  
116.26 technology system contractor or power limited technician as defined in section 326B.31;

116.27 (4) any service provided by a business or its affiliate where either the business or its  
116.28 affiliate is licensed or regulated by the Public Utilities Commission, the Federal  
116.29 Communications Commission, or the Federal Energy Regulatory Commission; or

116.30 (5) any person or entity registered or licensed with the Financial Industry Regulatory  
116.31 Authority, the Securities and Exchange Commission, or under the Minnesota Securities  
116.32 Act.

117.1 **Sec. 52. [332.3352] WAIVER OF LICENSING AND REGISTRATION.**

117.2 The commissioner of commerce may, by order, waive the licensing and registration  
117.3 requirements of this chapter for a nonresident collection agency and its affiliated collectors  
117.4 if: (1) a written reciprocal licensing agreement is in effect between the commissioner and  
117.5 the licensing officials of the collection agency's home state; and (2) the collection agency  
117.6 is licensed in good standing in that state.

117.7 **Sec. 53. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 2, is amended**  
117.8 **to read:**

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

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

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

117.15 (3) economic abuse perpetrated against the debtor.

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

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

117.18 **Sec. 54. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 4, is amended**  
117.19 **to read:**

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

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

117.23 **Sec. 55. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 5, is amended**  
117.24 **to read:**

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

117.28 (1) a police report;

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

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

118.3 (4) a sworn written certification.

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

118.5 Sec. 56. Minnesota Statutes 2023 Supplement, section 332.71, subdivision 7, is amended  
118.6 to read:

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

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

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

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

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

118.16 Sec. 57. Minnesota Statutes 2023 Supplement, section 332.72, is amended to read:

118.17 **332.72 COERCED DEBT PROHIBITED.**

118.18 (a) A person is prohibited from causing another person to incur coerced debt.

118.19 (b) A person who causes another person to incur a coerced debt in violation of this  
118.20 section is civilly liable to the creditor for the amount of the debt, or portion thereof,  
118.21 determined by a court to be coerced debt, plus the creditor's reasonable attorney fees and  
118.22 costs, provided the creditor follows the procedures under section 332.74, subdivision 3,  
118.23 paragraph (b).

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

118.25 Sec. 58. Minnesota Statutes 2023 Supplement, section 332.73, subdivision 1, is amended  
118.26 to read:

118.27 Subdivision 1. **Notification.** (a) Before taking an affirmative action under section 332.74,  
118.28 a debtor must, by certified mail, notify a creditor that the debt or a portion of a debt on  
118.29 which the creditor demands payment is coerced debt and request that the creditor cease all  
118.30 collection activity on the coerced debt. The notification and request must be in writing and

119.1 include documentation. If not already included in documentation, the notification must  
119.2 include a signed statement that includes:

119.3 (1) an assertion that the debtor is a victim of domestic abuse, economic abuse, or sex or  
119.4 labor trafficking;

119.5 (2) a recitation of the facts supporting the claim that the debt is coerced; and

119.6 (3) if only a portion of the debt is claimed to be coerced debt, an itemization of the  
119.7 portion of the debt that is claimed to be coerced debt.

119.8 (b) The creditor, within 30 days of the date the notification and request is received, must  
119.9 notify the debtor in writing of the creditor's decision to either immediately cease all collection  
119.10 activity or continue to pursue collection. If a creditor ceases collection but subsequently  
119.11 decides to resume collection activity, the creditor must notify the debtor ten days prior to  
119.12 the date the collection activity resumes.

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

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

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

119.18 Sec. 59. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 3, is amended  
119.19 to read:

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

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

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

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

120.1 (b) If the court orders relief for the debtor under paragraph (a), the court, after the  
120.2 creditor's motion has been personally served on the person who violated section 332.72, or  
120.3 if personal service cannot be made, after service by United States mail to the last known  
120.4 address of the person who violated section 332.72 and one-week published notice under  
120.5 section 645.11, shall must issue a judgment in favor of the creditor against the person in  
120.6 the amount of the debt or a portion thereof.

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

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

120.10 Sec. 60. Minnesota Statutes 2023 Supplement, section 332.74, subdivision 5, is amended  
120.11 to read:

120.12 Subd. 5. **Burden.** In any affirmative action taken under subdivision 1 or any affirmative  
120.13 defense asserted in subdivision 4, the debtor bears the burden to show by a preponderance  
120.14 of the evidence that the debtor incurred coerced debt. There is a presumption that the debtor  
120.15 has incurred coerced debt if the person alleged to have caused the debtor to incur the coerced  
120.16 debt has been ~~criminally convicted, entered a guilty plea, or entered an Alford plea under~~  
120.17 of or received a stay of adjudication for a violation of section 609.27, 609.282, 609.322, or  
120.18 609.527.

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

120.20 Sec. 61. **[513.80] RESIDENTIAL REAL ESTATE SERVICE AGREEMENTS;**  
120.21 **UNFAIR SERVICE AGREEMENTS.**

120.22 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
120.23 the meanings given.

120.24 (b) "County recorder" has the meaning given in section 13.045, subdivision 1.

120.25 (c) "Person" means natural persons, corporations both foreign and domestic, trusts,  
120.26 partnerships both limited and general, incorporated or unincorporated associations,  
120.27 companies, business entities, and any other legal entity or any other group associated in fact  
120.28 although not a legal entity or any agent, assignee, heir, employee, representative, or servant  
120.29 thereof.

120.30 (d) "Record" or "recording" means placement of a document or instrument in the official  
120.31 county public land records.

121.1 (e) "Residential real property" means real property that is located in Minnesota occupied,  
121.2 or intended to be occupied, by one to four families as their residence.

121.3 (f) "Service agreement" means a contract under which a person agrees to provide real  
121.4 estate broker services as defined in section 82.55, subdivision 19, in connection with the  
121.5 purchase or sale of residential real property.

121.6 (g) "Service provider" means an individual or entity that provides services to a person  
121.7 pursuant to a service agreement.

121.8 Subd. 2. Unfair service agreements; prohibition. (a) A service agreement subject to  
121.9 this section is unfair and prohibited if any part of the agreement provides an exclusive right  
121.10 to a service provider for a term in excess of one year after the time the service agreement  
121.11 is entered into and:

121.12 (1) purports to run with the land or to be binding on future owners of interests in the real  
121.13 property;

121.14 (2) allows for assignment of the right to provide service without notice to and consent  
121.15 of the residential real property's owner, including a contract for deed vendee;

121.16 (3) is recorded or purports to create a lien, encumbrance, or other real property security  
121.17 interest; or

121.18 (4) contains a provision that purports to automatically renew the agreement upon its  
121.19 expiration.

121.20 (b) The following are not unfair service agreements under this section:

121.21 (1) a home warranty or similar product that covers the cost of maintaining a major home  
121.22 system or appliance for a fixed period;

121.23 (2) an insurance contract;

121.24 (3) a mortgage loan or a commitment to make or receive a mortgage loan;

121.25 (4) an option or right of refusal to purchase a residential real property;

121.26 (5) a declaration of any covenants, conditions, or restrictions created in the formation  
121.27 of a homeowners association, a group of condominium owners, or other common interest  
121.28 community or an amendment to the covenants, conditions, or restrictions;

121.29 (6) a maintenance or service agreement entered by a homeowners association in a  
121.30 common interest community;

122.1 (7) a security agreement governed by chapter 336 that relates to the sale or rental of  
122.2 personal property or fixtures; or

122.3 (8) a contract with a gas, water, sewer, electric, telephone, cable, or other utility service  
122.4 provider.

122.5 (c) This section does not impair any lien right granted under Minnesota law or that is  
122.6 judicially imposed.

122.7 Subd. 3. **Recording prohibited.** (a) A person is prohibited from:

122.8 (1) presenting or sending an unfair service agreement or notice or memorandum of an  
122.9 unfair service agreement to any county recorder to record; or

122.10 (2) causing an unfair service agreement or notice or memorandum of an unfair service  
122.11 agreement to be recorded by a county recorder.

122.12 (b) If a county recorder records an unfair service agreement, the county recorder does  
122.13 not incur liability.

122.14 (c) If an unfair service agreement is recorded, the recording does not create a lien or  
122.15 provide constructive notice to any third party, bona fide purchaser, or creditor.

122.16 Subd. 4. **Unfair service agreements unenforceable.** A service agreement that is unfair  
122.17 under this section is unenforceable and does not create a contractual obligation or relationship.  
122.18 Any waiver of a consumer right, including a right to trial by jury, in an unfair service  
122.19 agreement is void.

122.20 Subd. 5. **Unfair service agreements; solicitation.** Encouraging any consumer to enter  
122.21 into an unfair service agreement by any service provider constitutes:

122.22 (1) an unfair method of competition; and

122.23 (2) an unfair or deceptive act or practice under section 82.81, subdivision 12, paragraph  
122.24 (c), and section 325F.69.

122.25 Subd. 6. **Enforcement authority.** (a) This section may be enforced by the attorney  
122.26 general under section 8.31, except that any private cause of action brought under subdivision  
122.27 7 is subject to the limitation under subdivision 7, paragraph (d).

122.28 (b) The commissioner of commerce may enforce this section with respect to a service  
122.29 provider's real estate license.

122.30 Subd. 7. **Remedies.** (a) A consumer that is party to an unfair service agreement related  
122.31 to residential real property or a person with an interest in the property that is the subject of

123.1 that agreement may bring an action under section 8.31 or 325F.70 in district court in the  
123.2 county where the property is located.

123.3 (b) If an unfair service agreement or a notice or memorandum of an unfair service  
123.4 agreement is recorded against any residential real property, any judgment obtained under  
123.5 this section, after being certified by the clerk having custody of the unfair service agreement  
123.6 or notice or memorandum of the unfair service agreement, may be recorded and indexed  
123.7 against the real property encumbered or clouded by the unfair service agreement.

123.8 (c) The remedies provided under this section are not exclusive and do not reduce any  
123.9 other rights or remedies a party may have in equity or in law.

123.10 (d) No private action may be brought under this section more than six years after the  
123.11 date the term printed in the unfair service agreement expires.

123.12 Sec. 62. **REPEALER.**

123.13 Minnesota Statutes 2022, section 332.3351, is repealed.

123.14 Sec. 63. **REPEALER.**

123.15 Minnesota Statutes 2023 Supplement, section 332.71, subdivision 8, is repealed.

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

123.17 Sec. 64. **REPEALER.**

123.18 Minnesota Statutes 2022, section 325G.25, subdivision 1a, is repealed.

123.19 Sec. 65. **EFFECTIVE DATE.**

123.20 This act is effective August 1, 2024.

123.21 Sec. 66. **EFFECTIVE DATE.**

123.22 This act is effective August 1, 2025, and applies to contracts entered into, modified, or  
123.23 renewed on or after that date.

124.1

**ARTICLE 4**

124.2

**LIQUOR**

124.3 Section 1. Minnesota Statutes 2022, section 340A.101, subdivision 13, is amended to  
124.4 read:

124.5 Subd. 13. **Hotel.** "Hotel" is an establishment where food and lodging are regularly  
124.6 furnished to transients and which has:

124.7 (1) a dining room serving the general public at tables and having facilities for seating  
124.8 at least 30 guests at one time; ~~and~~ or

124.9 (2) guest rooms in the following minimum numbers: in first class cities, 50; in second  
124.10 class cities, ~~25~~ 20; in all other cities and unincorporated areas, 10.

124.11 Sec. 2. Minnesota Statutes 2022, section 340A.404, subdivision 2, is amended to read:

124.12 Subd. 2. **Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue  
124.13 an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the  
124.14 Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding  
124.15 the limitations of law, or local ordinance, or charter provision relating to zoning or school  
124.16 or church distances. The licenses authorize sales on all days of the week to holders of tickets  
124.17 for performances presented by the theaters and to members of the nonprofit corporations  
124.18 holding the licenses and to their guests.

124.19 (b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland  
124.20 Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510  
124.21 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter  
124.22 provision.

124.23 (c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah  
124.24 Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue  
124.25 South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter  
124.26 provision relating to zoning or school or church distances.

124.27 (d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the  
124.28 American Association of University Women, Minneapolis branch, for use on the premises  
124.29 owned by the American Association of University Women, Minneapolis branch, at 2115  
124.30 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local  
124.31 ordinances, or charter provisions relating to zoning or school or church distances.

125.1 (e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent  
125.2 malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine  
125.3 license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue  
125.4 South, notwithstanding any law or local ordinance or charter provision.

125.5 (f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor  
125.6 license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the  
125.7 Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the  
125.8 Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located  
125.9 at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South,  
125.10 Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at  
125.11 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South,  
125.12 notwithstanding any law or local ordinance or charter provision. The license authorizes  
125.13 sales on all days of the week.

125.14 (g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University  
125.15 Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering  
125.16 operator at the building owned and operated by the University Gateway Corporation on the  
125.17 University of Minnesota campus, notwithstanding limitations of law, or local ordinance or  
125.18 charter provision. The license authorizes sales on all days of the week.

125.19 (h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker  
125.20 Art Center's concessionaire or operator, for a restaurant and catering operator on the premises  
125.21 of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter  
125.22 provisions. The license authorizes sales on all days of the week.

125.23 (i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie  
125.24 Theater's concessionaire or operator for a restaurant and catering operator on the premises  
125.25 of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter  
125.26 provisions. The license authorizes sales on all days of the week.

125.27 (j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor  
125.28 license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator  
125.29 for a restaurant and catering operator on the premises of the Minnesota Book and Literary  
125.30 Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance  
125.31 or charter provision. The license authorizes sales on all days of the week.

125.32 (k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant  
125.33 located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter  
125.34 provision.

126.1 (l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum  
126.2 of Russian Art's concessionaire or operator for a restaurant and catering operator on the  
126.3 premises of the Museum of Russian Art located at 5500 Stevens Avenue South,  
126.4 notwithstanding any law or local ordinance or charter provision.

126.5 (m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the  
126.6 American Swedish Institute or to its concessionaire or operator for use on the premises  
126.7 owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding  
126.8 limitations of law, or local ordinances, or charter provision relating to zoning or school or  
126.9 church distances.

126.10 (n) Notwithstanding any other law, local ordinance, or charter provision, the city of  
126.11 Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis  
126.12 Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions  
126.13 or catering contract with the Minneapolis Institute of Arts for use on the premises of the  
126.14 Minneapolis Institute of Arts. The licenses authorized by this subdivision may be issued  
126.15 for space that is not compact and contiguous, provided that all such space is included in the  
126.16 description of the licensed premises on the approved license application. The licenses  
126.17 authorize sales on all days of the week.

126.18 (o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway  
126.19 House or to its concessionaire or operator for use on the premises owned by Norway House  
126.20 at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or  
126.21 charter provision relating to zoning or school or church distances.

126.22 (p) Notwithstanding any other law, including section 340A.504, subdivision 3, relating  
126.23 to seating requirements, local ordinance, or charter provision, the city of Minneapolis may  
126.24 issue one or more on-sale intoxicating liquor licenses to any entity holding a concessions  
126.25 or catering contract with the Minneapolis Park and Recreation Board for use on ~~the~~  
126.26 Minneapolis Park and Recreation Board premises ~~of the Downtown Commons Park, the~~  
126.27 ~~Minneapolis Sculpture Garden, or at Boom Island Park~~. The licenses authorized by this  
126.28 subdivision may be used for space specified within the park property, provided all such  
126.29 space is included in the description of the licensed premises on the approved license  
126.30 application. The licenses authorize sales on the dates on the approved license application.

127.1 Sec. 3. Minnesota Statutes 2022, section 340A.412, is amended by adding a subdivision  
127.2 to read:

127.3 Subd. 12a. **Transfers of wine.** (a) Notwithstanding the provisions of subdivision 12,  
127.4 the holder of an off-sale intoxicating liquor license may transfer wine from one licensed  
127.5 premises to another provided that:

127.6 (1) the license for the transferring and receiving premises are held by the same licensee;

127.7 (2) the licensee notifies the wholesaler from whom the wine was purchased and the  
127.8 Division of Alcohol and Gambling Enforcement of the Division of Public Safety, in writing,  
127.9 at least three business days before the transfer is made, the specific product and quantity of  
127.10 product being transferred;

127.11 (3) only one transfer is made from a licensed premises in a three-month period; and

127.12 (4) each transfer of wine must not exceed 75 cases of wine. Each case is limited to 12  
127.13 bottles of wine.

127.14 (b) A licensee that is delinquent beyond the 30-day period in section 340A.318 is  
127.15 prohibited from transferring wine under this subdivision.

127.16 (c) Transfers of wine must only occur within the state of Minnesota.

127.17 **EFFECTIVE DATE.** This section is effective August 1, 2024.

127.18 Sec. 4. Laws 2022, chapter 86, article 2, section 3, is amended to read:

127.19 Sec. 3. **CITY OF ST. PAUL; LICENSE AUTHORIZED.**

127.20 Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St.  
127.21 Paul may issue a temporary on-sale malt liquor license to the Thai Cultural Council of  
127.22 Minnesota or to a person or entity holding a concessions contract with the Thai Cultural  
127.23 Council of Minnesota. The license may authorize the sale of malt liquor on the grounds of  
127.24 the State Capitol for both days of the Minnesota Songkran Festival. All provisions of  
127.25 Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section,  
127.26 apply to the license authorized by this section.

127.27 **EFFECTIVE DATE.** This section is effective upon approval by the St. Paul City  
127.28 Council and compliance with Minnesota Statutes, section 645.021.

128.1 **Sec. 5. SPORTS AND EVENT CENTER LICENSE; EAGAN.**

128.2 Notwithstanding Minnesota Statutes, chapter 340A, or any other local law or ordinance  
128.3 to the contrary, the city of Eagan may issue up to three on-sale intoxicating liquor licenses  
128.4 to the owner of a multiuse sports and event center located on property in the city of Eagan,  
128.5 legally described as Outlot A, Viking Lakes 3rd Addition, or as may be described hereafter  
128.6 due to subdivision or replatting, or to any facility operator, concessionaire, catering operator,  
128.7 or other third-party food and beverage vendor for the center under contract with the owner.  
128.8 A license issued under this section may be issued for a space that is not compact and  
128.9 contiguous, provided that the licensed premises shall only be the space described in the  
128.10 approved license. A license issued under this section authorizes sales on all days of the  
128.11 week. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section,  
128.12 apply to a license issued under this section.

128.13 **EFFECTIVE DATE.** This section is effective upon approval by the Eagan City Council  
128.14 and compliance with Minnesota Statutes, section 645.021.

128.15 **Sec. 6. SPECIAL LIQUOR LAW; CITY OF LITCHFIELD.**

128.16 Notwithstanding Minnesota Statutes, section 624.701, the city of Litchfield may issue  
128.17 an on-sale license under Minnesota Statutes, section 340A.404, subdivision 1, paragraph  
128.18 (d), for sales at town ball games played at a ballpark on school grounds.

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

128.20 **Sec. 7. EFFECTIVE DATE.**

128.21 This section is effective upon approval by the Minneapolis City Council and compliance  
128.22 with Minnesota Statutes, section 645.021.

128.23 **ARTICLE 5**

128.24 **MEDICAL SUPPLEMENT IMPLEMENTATION DELAY**

128.25 Section 1. Laws 2023, chapter 57, article 2, section 7, the effective date, is amended to  
128.26 read:

128.27 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to  
128.28 policies offered, issued, or renewed on or after that date.

- 129.1 Sec. 2. Laws 2023, chapter 57, article 2, section 8, the effective date, is amended to read:
- 129.2 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.3 policies offered, issued, or renewed on or after that date.
- 129.4 Sec. 3. Laws 2023, chapter 57, article 2, section 9, the effective date, is amended to read:
- 129.5 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.6 policies offered, issued, or renewed on or after that date.
- 129.7 Sec. 4. Laws 2023, chapter 57, article 2, section 10, the effective date, is amended to read:
- 129.8 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.9 policies offered, issued, or renewed on or after that date.
- 129.10 Sec. 5. Laws 2023, chapter 57, article 2, section 11, the effective date, is amended to read:
- 129.11 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.12 policies offered, issued, or renewed on or after that date.
- 129.13 Sec. 6. Laws 2023, chapter 57, article 2, section 12, the effective date, is amended to read:
- 129.14 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.15 policies offered, issued, or renewed on or after that date.
- 129.16 Sec. 7. Laws 2023, chapter 57, article 2, section 13, the effective date, is amended to read:
- 129.17 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.18 policies offered, issued, or renewed on or after that date.
- 129.19 Sec. 8. Laws 2023, chapter 57, article 2, section 14, the effective date, is amended to read:
- 129.20 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.21 policies offered, issued, or renewed on or after that date.
- 129.22 Sec. 9. Laws 2023, chapter 57, article 2, section 15, the effective date, is amended to read:
- 129.23 **EFFECTIVE DATE.** This section is effective August 1, ~~2025~~ 2026, and applies to
- 129.24 policies offered, issued, or renewed on or after that date."