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Chapter 114 - Commerce and Consumer Protection Policy Provisions (S.F. 4097)

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Article 1- Insurance Policy

Section 1 provides that coverage for a risk that was referred to a surplus lines broker by a Minnesota licensed insurance producer who is not affiliated with that surplus lines broker shall be deemed unavailable from a licensed insurer.

Section 2 requires long-term disability insurance contracts or policies to disclose that duration of coverage for mental health or substance use disorders is limited.

Section 3 requires life insurance companies to provide annual, written notice to policyholders at least once per calendar year that includes information related to the life insurance policy.

Section 4 states that the mental competency of a person shall not be a factor in determining whether a person completed suicide within the terms of an individual or group life insurance policy.

Sections 5 and 6 remove several definitions and amend the scope of coverage.

Section 7 prohibits health plans from excluding coverage for medically necessary gender-affirming care.

Section 8 provides definitions for “closely held for-profit entity,” “eligible organization,” and “exempt organization.” Provides for an exemption for an organization that has religious objections to the coverage.

Section 9 allows an insurer to refuse to renew a policy of homeowner’s insurance if the insured had three or more covered losses each over \$10,000.

Section 10 if an association charges a loss assessment to an individual unit owner, the insurance policy in force at the time of the assessable loss must pay the loss assessment.

Sections 11 and 12 increase the number of counties a township municipal fire insurance company may be authorized to write business in and provide that property will continue to be insured for the duration of the policy after a merger.

Section 13 amends provisions related to geographical rating territories within the same city.

Section 14 clarifies what insurance practices are prohibited.

Section 15 specifies information that must be included for proposals for group health insurance coverage.

Section 16 makes a conforming change to update a cross reference.

Article 2- Financial Institutions

Sections 1 to 11 define terms related to financial security. Creates several requirements for financial institutions related to safeguarding customer information and related to developing, implementing, and maintaining an information security program. Provides for exceptions and exemptions. States that if the federal code is amended and there is a complete lack of federal regulations, the state requirements will remain in effect for two years. Requires financial institutions to notify the commissioner when a notification event occurs. Gives the commission the power to examine and investigate the affairs of any covered financial institution to determine whether they have violated the statute. Requires the commissioner to keep any documents, materials, or other information in the control of the department to be kept confidential. Defines several terms and makes conforming changes to other sections. Makes conforming changes to other sections.

Sections 12 to 15 make conforming technical changes and remove payroll servicers from the meaning of money transmission.

Section 16 references the definition of Nationwide Multistate Licensing System and Registry.

Sections 17 to 31 define residential mortgage loans and residential real estate. Amends the residential mortgage originator licensing requirements and the residential mortgage servicer licensing requirements. Makes conforming changes to other sections. Requires financial institutions, bona fide nonprofit organizations, and a person exempted by order of the commission to obtain a certificate of exemption from the commissioner. Requires loan originators to participate in background checks. Allows the commissioner to use the nationwide licensing system and registry as an agent to request information. Raises the surety bond amount that a residential mortgage originator license must file with the department and continuously maintain. Allows the commissioner to make grant programs and campaigns to help consumers avoid being victimized by lenders and mortgage brokers and allows for the commissioner to pay for expenses the commissioner incurs to provide outreach and education related to affordable housing and home ownership. Requires the commissioner to accept examination reports prepared by a state agency. Requires a lender to provide documentation to demonstrate a reasonable, tangible net benefit to the borrower. Requires residential mortgage originators or servicers to submit reports of condition to the nationwide multistate licensing system and registry.

Sections 32 to 38 define terms related to bail bonds. Provides for certain premiums for bail bonds. Creates requirements for collateral related to bail bonds. Requires sureties to audit each licensed bail bond producer's bonds. Prohibits producers from soliciting outside of a jail, prison, or other locations where incarcerated persons are confined. Prohibits paying fees to a jailer, police officer, a judge, or public official. Requires a producer to comply with the Minnesota Court Administrator's Office.

Sections 39 to 48 create regulation requirements. Makes technical conforming changes to a statute to reflect a change made by another section. Removes the requirement that a course be given the title "Minnesota Supervisor/Trainee Appraiser Course." Removes certain basic continuing education requirements for real estate appraisers. Changes the notification timeline for when funds fall below a certain threshold.

Article 3 - Commercial Regulation and Consumer Protection

Section 1 outlines the scope of section 45.011.

Sections 2 to 10 define several terms and require virtual currency kiosk operators to make specific disclosures before entering a transaction on behalf of a person.

Sections 11 to 24 define several terms and require student loan servicers to report to the commissioner. Requires lenders to register with the commissioner before providing services in Minnesota. Creates requirements for the transfer of student loans between student loan servicers. Requires student loan servicers to make several disclosures to borrowers on income driven repayment programs. Clarifies the prohibition against misleading borrower and the prohibition against misapplication of payments. Prohibits student loan servicers from providing incorrect information to borrowers, related to forbearance. Prohibits a student loan servicer from obtaining property by fraud or misrepresentation. Creates a prohibition against unreasonable wait times. Prohibits student loan servicers from engaging in abusive acts or practices when servicing student loans in the state. States that a violation under section 58B is an unlawful practice under section 325D.44. Creates a private right of action for a borrower who suffers damage as a result of the failure of a student loan servicer to comply with the chapter.

Sections 25 to 30 regulate the collection of medical debt.

Sections 31 and 32 make a technical conforming change and create an additional exemption for nonoxygenated gasoline.

Sections 33 to 37 make technical changes to update section references.

Sections 38 and 39 remove the requirement that the record scrap metal dealers create be permanent. Removes the requirement that, in order to purchase or acquire a detached catalytic converter, a scrap metal dealer must record the vehicle identification number or other unique marking that connects the catalytic converter to the vehicle from which it was taken. Provides that a used catalytic converter that is not attached to a motor vehicle may be possessed legally when it is marked with a number, bar code, sticker, or other unique marking in addition to being marked with a vehicle identification number.

Sections 40 to 43 define several terms and prohibit tree trimmers and restoration and mitigation services from charging excessive prices following severe weather. Creates a civil penalty for violating the section. Grants the attorney general authority to investigate and bring an action.

Sections 44 to 46 remove tents that were designed for camping from the prohibition against using certain materials to manufacture tents and sleeping bags. Removes sleeping bags from the prohibition against using certain materials to manufacture tents and sleeping bags. Removes nonflammable and flame-resistant standards from the commissioner of public safety's rule making requirements.

Section 47 creates several requirements for the sale and labelling of aerosol dusters.

Sections 48 and 49 change the definition of repairs and makes a conforming change to the required notice.

Sections 50 and 51 define several terms and prohibit deceptive marketing related to vapor products.

Section 52 prohibits a person from possessing or manufacturing a cell phone case that looks like a gun.

Sections 53 to 62 allow a person to cancel memberships unilaterally and require notice to be given when a person cancels their membership. Defines several terms related to automatic renewal subscriptions. Creates several requirements for sellers who offer indefinite subscriptions. Prohibits specific conduct by sellers related to indefinite subscriptions. Provides that a consumer has a right to terminate an indefinite subscription agreement at any time. Requires sellers to provide a termination election. Defines conditional gifts. Creates several exemptions to the requirements related to indefinite subscriptions.

Sections 63 to 67 create a new chapter called the "Prohibiting Social Media Manipulation Act" which imposes new prohibitions and requirements on social media platforms.

Section 68 allows the commissioner to waive licensing and registration requirements.

Sections 69 to 76 define several terms and prohibit coerced debt. Requires notification when there is an allegation of coerced debt. Provides for specific relief related to coerced debt. Creates a presumption that a debtor has incurred coerced debt if the accused person has been convicted of a specific crime.

Sections 77 to 81 make changes to objects, amounts, attachment systems, and forms relating to liens, garnishment, and bankruptcy exemptions.

Section 82 creates requirements for residential real estate service agreements.

Sections 83 to 103 make changes to objects, amounts, attachment systems, and forms relating to liens, garnishment, and bankruptcy exemptions.

Article 4 – Telecommunications Policy

Section 1 prohibits a telephone company or telecommunications carrier, in respect to services regulated by the commissioner, to refuse to provide a prorated refund of payment made in advance by a customer if a service is cancelled.

Section 2 specifies that a local exchange carrier who fails to appear at a customer's home at the time of a scheduled appointment for a repair must provide an immediate \$25 credit to the customer if: (1) the customer notified the carrier that the customer's compromised health requires continued access to emergency services; (2) the carrier notified the customer less than 24 hours in advance that rescheduling was necessary; and (3) the carrier is required to notify customers annually of this provision.

Section 3 strikes language requiring authorization by 65 percent or more of voters in a municipal election to allow a municipality to construct and operate a telephone exchange within municipal borders, or to purchase an existing exchange.

Article 5 - Liquor

Section 1 amends the definition of hotel to include 15 rooms.

Section 2 allows cities to issue an on-sale malt liquor license to a resort.

Section 3 amends provisions related to Minneapolis liquor licenses.

Section 4 allows counties to issue an on-sale malt liquor license to a resort.

Section 5 grants a liquor license to someone with a contract with the Thai Cultural Council of Minnesota.

Section 6 allows the cities of Anoka, Shakopee, and Stillwater to issue social district licenses.

Section 7 grants a special liquor license to the city of Litchfield.

Section 8 grants a special liquor license to the city of Watkins.

Section 9 authorizes the city of Eagan to issue up to three on-sale intoxicating liquor licenses for a multiuse sports and event center in the city. The license could be issued for a premises that is not compact and contiguous, for sales on all days of the week.

Article 5- Medical Supplement Implementation Delay

Amends several effective dates for sections from Minnesota Laws 2023, chapter 57.