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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2024

- 03/08/2021 Authored by Stephenson
- 03/22/2021 The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
- 03/22/2021 Adoption of Report: Placed on the General Register as Amended
- 04/20/2021 Read for the Second Time
- 04/20/2021 Referred to the Chief Clerk for Comparison with S. F. No. 1846
- 04/21/2021 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to commerce; modifying various provisions governing or administered

1.3 by the Department of Commerce; making technical changes; establishing a working

1.4 group; requiring reports; amending Minnesota Statutes 2020, sections 60A.71,

1.5 subdivision 7; 79.55, subdivision 10; 80G.06, subdivision 1; 82.57, subdivisions

1.6 1, 5; 82.62, subdivision 3; 82.81, subdivision 12; 82B.021, subdivision 18; 82B.11,

1.7 subdivision 3; 332.33, subdivision 3; 386.375, subdivision 3; proposing coding

1.8 for new law in Minnesota Statutes, chapters 80G; 332; repealing Minnesota Statutes

1.9 2020, section 45.017.

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

1.11 Section 1. Minnesota Statutes 2020, section 60A.71, subdivision 7, is amended to read:

1.12 Subd. 7. **Duration; fees.** (a) Each applicant for a reinsurance intermediary license shall

1.13 pay to the commissioner a fee of \$200 for an initial two-year license and a fee of \$150 for

1.14 each renewal. Applications shall be submitted on forms prescribed by the commissioner.

1.15 (b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months

1.16 and expire on October 31 of the renewal year assigned by the commissioner. Each renewal

1.17 reinsurance intermediary license is valid for a period of 24 months. ~~Licensees who submit~~

1.18 ~~renewal applications postmarked or delivered on or before October 15 of the renewal year~~

1.19 ~~may continue to transact business whether or not the renewal license has been received by~~

1.20 ~~November 1. Licensees who submit applications postmarked or delivered after October 15~~

1.21 ~~of the renewal year must not transact business after the expiration date of the license until~~

1.22 ~~the renewal license has been received.~~

1.23 (c) All fees are nonreturnable, except that an overpayment of any fee may be refunded

1.24 upon proper application.

2.1 Sec. 2. Minnesota Statutes 2020, section 79.55, subdivision 10, is amended to read:

2.2 Subd. 10. **Duties of commissioner; report.** ~~The commissioner shall issue a report by~~  
 2.3 ~~March 1 of each year, comparing the average rates charged by workers' compensation~~  
 2.4 ~~insurers in the state to the pure premium base rates filed by the association, as reviewed by~~  
 2.5 ~~the Rate Oversight Commission. The Rate Oversight Commission shall review the~~  
 2.6 ~~commissioner's report and if the experience indicates that rates have not reasonably reflected~~  
 2.7 ~~changes in pure premiums, the rate oversight commission shall recommend to the legislature~~  
 2.8 ~~appropriate legislative changes to this chapter.~~

2.9 (a) By March 1 of each year, the commissioner must issue a report that evaluates the  
 2.10 competitiveness of the workers' compensation market in Minnesota, in order to evaluate  
 2.11 whether the competitive rating law is working.

2.12 (b) The report under this subdivision must (1) compare the average rates charged by  
 2.13 workers' compensation insurers in Minnesota with the pure premium base rates filed by the  
 2.14 association, and (2) provide market information, including but not limited to the number of  
 2.15 carriers, market shares, the loss-cost multipliers used by companies, and the residual market  
 2.16 and self-insurance.

2.17 (c) The commissioner must provide the report to the Rate Oversight Commission for  
 2.18 review. If after reviewing the report the Rate Oversight Commission concludes that concerns  
 2.19 exist regarding the competitiveness of the workers' compensation market in Minnesota, the  
 2.20 Rate Oversight Commission must recommend to the legislature appropriate modifications  
 2.21 to this chapter.

2.22 Sec. 3. Minnesota Statutes 2020, section 80G.06, subdivision 1, is amended to read:

2.23 Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current,  
 2.24 valid surety bond issued by a surety company admitted to do business in Minnesota in an  
 2.25 amount based on the transactions conducted with Minnesota consumers (purchases from  
 2.26 and sales to consumers at retail) during the 12-month period prior to registration, or renewal,  
 2.27 whichever is applicable.

2.28 (b) The amount of the surety bond shall be as specified in the table below:

2.29 Transaction Amount in Preceding 2.30 12-month Period	Surety Bond Required
2.31 <del>\$25,000</del> <u>\$0</u> to \$200,000	\$25,000
2.32 \$200,000.01 to \$500,000	\$50,000
2.33 \$500,000.01 to \$1,000,000	\$100,000

3.1	\$1,000,000.01 to \$2,000,000	\$150,000
3.2	Over \$2,000,000	\$200,000

3.3 **Sec. 4. [80G.11] NOTIFICATION TO COMMISSIONER.**

3.4 A dealer must notify the commissioner of any dealer representative termination within  
 3.5 ten days of the termination if the termination is based in whole or in part on a violation of  
 3.6 this chapter.

3.7 Sec. 5. Minnesota Statutes 2020, section 82.57, subdivision 1, is amended to read:

3.8 Subdivision 1. **Amounts.** The following fees shall be paid to the commissioner:

3.9 (a) a fee of \$150 for each initial individual broker's license, and a fee of \$100 for each  
 3.10 renewal thereof;

3.11 (b) a fee of \$70 for each initial salesperson's license, and a fee of \$40 for each renewal  
 3.12 thereof;

3.13 (c) a fee of \$85 for each initial real estate closing agent license, and a fee of \$60 for each  
 3.14 renewal thereof;

3.15 (d) a fee of \$150 for each initial corporate, limited liability company, or partnership  
 3.16 license, and a fee of \$100 for each renewal thereof;

3.17 (e) a fee for payment to the education, research and recovery fund in accordance with  
 3.18 section 82.86;

3.19 (f) a fee of \$20 for each transfer;

3.20 ~~(g) a fee of \$50 for license reinstatement;~~

3.21 ~~(h)~~ (g) a fee of \$20 for reactivating a corporate, limited liability company, or partnership  
 3.22 license; and

3.23 ~~(i)~~ (h) in addition to the fees required under this subdivision, individual licensees under  
 3.24 clauses (a) and (b) shall pay, for each initial license and renewal, a technology surcharge  
 3.25 of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as  
 3.26 permitted under that section.

3.27 Sec. 6. Minnesota Statutes 2020, section 82.57, subdivision 5, is amended to read:

3.28 Subd. 5. **Initial license expiration; fee reduction.** ~~If an initial license issued under~~  
 3.29 ~~subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the~~  
 3.30 ~~license fee shall be reduced by an amount equal to one-half the fee for a renewal of the~~

4.1 ~~license. An initial license issued under this chapter expires in the year that results in the~~  
4.2 ~~term of the license being at least 12 months, but no more than 24 months.~~

4.3 Sec. 7. Minnesota Statutes 2020, section 82.62, subdivision 3, is amended to read:

4.4 Subd. 3. **Timely renewals.** A person ~~whose application for a license renewal has not~~  
4.5 ~~been timely submitted and~~ who has not received notice of approval of renewal may not  
4.6 continue to transact business either as a real estate broker, salesperson, or closing agent  
4.7 after June 30 of the renewal year until approval of renewal is received. Application for  
4.8 renewal of a license is timely submitted if: all requirements for renewal, including continuing  
4.9 education requirements, have been completed and reported pursuant to section 45.43,  
4.10 subdivision 1.

4.11 ~~(1) all requirements for renewal, including continuing education requirements, have~~  
4.12 ~~been completed by June 15 of the renewal year; and~~

4.13 ~~(2) the application is submitted before the renewal deadline in the manner prescribed~~  
4.14 ~~by the commissioner, duly executed and sworn to, accompanied by fees prescribed by this~~  
4.15 ~~chapter, and containing any information the commissioner requires.~~

4.16 Sec. 8. Minnesota Statutes 2020, section 82.81, subdivision 12, is amended to read:

4.17 Subd. 12. **Fraudulent, deceptive, and dishonest practices.** (a) **Prohibitions.** For the  
4.18 purposes of section 82.82, subdivision 1, clause (b), the following acts and practices constitute  
4.19 fraudulent, deceptive, or dishonest practices:

4.20 (1) act on behalf of more than one party to a transaction without the knowledge and  
4.21 consent of all parties;

4.22 (2) act in the dual capacity of licensee and undisclosed principal in any transaction;

4.23 (3) receive funds while acting as principal which funds would constitute trust funds if  
4.24 received by a licensee acting as an agent, unless the funds are placed in a trust account.  
4.25 Funds need not be placed in a trust account if a written agreement signed by all parties to  
4.26 the transaction specifies a different disposition of the funds, in accordance with section  
4.27 82.82, subdivision 1;

4.28 (4) violate any state or federal law concerning discrimination intended to protect the  
4.29 rights of purchasers or renters of real estate;

4.30 (5) make a material misstatement in an application for a license or in any information  
4.31 furnished to the commissioner;

- 5.1 (6) procure or attempt to procure a real estate license for ~~himself or herself~~ the procuring  
5.2 individual or any person by fraud, misrepresentation, or deceit;
- 5.3 (7) represent membership in any real estate-related organization in which the licensee  
5.4 is not a member;
- 5.5 (8) advertise in any manner that is misleading or inaccurate with respect to properties,  
5.6 terms, values, policies, or services conducted by the licensee;
- 5.7 (9) make any material misrepresentation or permit or allow another to make any material  
5.8 misrepresentation;
- 5.9 (10) make any false or misleading statements, or permit or allow another to make any  
5.10 false or misleading statements, of a character likely to influence, persuade, or induce the  
5.11 consummation of a transaction contemplated by this chapter;
- 5.12 (11) fail within a reasonable time to account for or remit any money coming into the  
5.13 licensee's possession which belongs to another;
- 5.14 (12) commingle with ~~his or her~~ the individual's own money or property trust funds or  
5.15 any other money or property of another held by the licensee;
- 5.16 (13) a demand from a seller for a commission ~~to~~ or compensation to which the licensee  
5.17 is not entitled, knowing that ~~he or she~~ the individual is not entitled to the commission or  
5.18 compensation;
- 5.19 (14) pay or give money or goods of value to an unlicensed person for any assistance or  
5.20 information relating to the procurement by a licensee of a listing of a property or of a  
5.21 prospective buyer of a property (this item does not apply to money or goods paid or given  
5.22 to the parties to the transaction);
- 5.23 (15) fail to maintain a trust account at all times, as provided by law;
- 5.24 (16) engage, with respect to the offer, sale, or rental of real estate, in an anticompetitive  
5.25 activity;
- 5.26 (17) represent on advertisements, cards, signs, circulars, letterheads, or in any other  
5.27 manner, that ~~he or she~~ the individual is engaged in the business of financial planning unless  
5.28 ~~he or she~~ the individual provides a disclosure document to the client. The document must  
5.29 be signed by the client and a copy must be left with the client. The disclosure document  
5.30 must contain the following:

6.1 (i) the basis of fees, commissions, or other compensation received by ~~him or her~~ an  
6.2 individual in connection with rendering of financial planning services or financial counseling  
6.3 or advice in the following language:

6.4 "My compensation may be based on the following:

6.5 (a) ... commissions generated from the products I sell you;

6.6 (b) ... fees; or

6.7 (c) ... a combination of (a) and (b). [Comments]";

6.8 (ii) the name and address of any company or firm that supplies the financial services or  
6.9 products offered or sold by ~~him or her~~ an individual in the following language:

6.10 "I am authorized to offer or sell products and/or services issued by or through the  
6.11 following firm(s):

6.12 [List]

6.13 The products will be traded, distributed, or placed through the clearing/trading firm(s)  
6.14 of:

6.15 [List]";

6.16 (iii) the license(s) held by the person under this chapter or chapter 60A or 80A in the  
6.17 following language:

6.18 "I am licensed in Minnesota as a(n):

6.19 (a) ... insurance agent;

6.20 (b) ... securities agent or broker/dealer;

6.21 (c) ... real estate broker or salesperson;

6.22 (d) ... investment adviser"; and

6.23 (iv) the specific identity of any financial products or services, by category, for example  
6.24 mutual funds, stocks, or limited partnerships, the person is authorized to offer or sell in the  
6.25 following language:

6.26 "The license(s) entitles me to offer and sell the following products and/or services:

6.27 (a) ... securities, specifically the following: [List];

6.28 (b) ... real property;

6.29 (c) ... insurance; and

7.1 (d) ... other: [List]."

7.2 (b) **Determining violation.** A licensee shall be deemed to have violated this section if  
7.3 the licensee has been found to have violated sections 325D.49 to 325D.66, by a final decision  
7.4 or order of a court of competent jurisdiction.

7.5 (c) **Commissioner's authority.** Nothing in this section limits the authority of the  
7.6 commissioner to take actions against a licensee for fraudulent, deceptive, or dishonest  
7.7 practices not specifically described in this section.

7.8 Sec. 9. Minnesota Statutes 2020, section 82B.021, subdivision 18, is amended to read:

7.9 Subd. 18. **Licensed real property appraiser.** "Licensed real property appraiser" means  
7.10 an individual licensed under this chapter to perform appraisals on noncomplex one-family  
7.11 to four-family residential units or agricultural property having a transactional value of less  
7.12 than \$1,000,000 and complex one-family to four-family residential units or agricultural  
7.13 property having a transactional value of less than ~~\$250,000~~ \$400,000.

7.14 Sec. 10. Minnesota Statutes 2020, section 82B.11, subdivision 3, is amended to read:

7.15 Subd. 3. **Licensed residential real property appraiser.** A licensed residential real  
7.16 property appraiser may appraise noncomplex residential property or agricultural property  
7.17 having a transaction value less than \$1,000,000 and complex residential or agricultural  
7.18 property having a transaction value less than ~~\$250,000~~ \$400,000.

7.19 Sec. 11. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

7.20 Subd. 3. **Term and fees.** Licenses issued or renewed and registrations received by the  
7.21 commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each  
7.22 collection agency license shall plainly state the name and business address of the licensee,  
7.23 and shall be posted in a conspicuous place in the office where the business is transacted.  
7.24 The fee for each collection agency license is \$500, and renewal is \$400. The fee for each  
7.25 collector registration and renewal is \$10, which entitles the individual collector to work at  
7.26 a licensee's business location or in another location as provided under subdivision 5b. An  
7.27 additional branch license is not required for a location used under subdivision 5b. A collection  
7.28 agency licensee who desires to carry on business in more than one place shall procure a  
7.29 license for each place where the business is to be conducted.

8.1 Sec. 12. **[332.61] INFORMATIVE DISCLOSURE.**

8.2 A lead generator must prominently make the following disclosure on all print, electronic,  
8.3 and nonprint solicitations, including advertising on websites, radio, or television: "This  
8.4 company does not actually provide any of the credit services you are seeking. We ONLY  
8.5 refer you to companies that want to provide some or all of those services."

8.6 Sec. 13. Minnesota Statutes 2020, section 386.375, subdivision 3, is amended to read:

8.7 Subd. 3. **Consumer education information.** (a) A person other than the mortgagor or  
8.8 fee owner who transfers or offers to transfer an abstract of title shall present to the mortgagor  
8.9 or fee owner basic information in plain English about abstracts of title. This information  
8.10 must be sent in a form prepared and approved by the commissioner of commerce and must  
8.11 contain at least the following items:

8.12 (1) a definition and description of abstracts of title;

8.13 (2) an explanation that holders of abstracts of title must maintain it with reasonable care;

8.14 (3) an approximate cost or range of costs to replace a lost or damaged abstract of title;

8.15 and

8.16 ~~(4) an explanation that abstracts of title may be required to sell, finance, or refinance~~  
8.17 ~~real estate; and~~

8.18 ~~(5)~~ (4) an explanation of options for storage of abstracts.

8.19 (b) The commissioner shall prepare the form for use under this subdivision as soon as  
8.20 possible. This subdivision does not apply until 60 days after the form is approved by the  
8.21 commissioner.

8.22 (c) A person violating this subdivision is subject to a penalty of \$200 for each violation.

8.23 Sec. 14. **CONSUMER DEBT COLLECTION LANGUAGE BARRIER WORKING**  
8.24 **GROUP.**

8.25 Subdivision 1. **Establishment.** The commissioner of commerce shall convene a working  
8.26 group to review language barriers and the effect on creditors, debt collectors, and limited  
8.27 English proficient communities.

8.28 Subd. 2. **Membership.** The working group consists of the following members:

8.29 (1) the commissioner of commerce or a designee;

8.30 (2) one member appointed by the Attorney General's Office;

9.1 (3) two members of the public representing creditors or debt collectors, appointed by  
9.2 the industry and subject to approval by the commissioner of commerce;

9.3 (4) two members of the public representing consumer rights, appointed by consumer  
9.4 rights advocate organizations and subject to approval by the commissioner of commerce;

9.5 (5) one member appointed by the Council for Minnesotans of African Heritage;

9.6 (6) one member appointed by the Minnesota Council on Latino Affairs;

9.7 (7) one member appointed by the Council on Asian-Pacific Minnesotans; and

9.8 (8) two members appointed by the Indian Affairs Council.

9.9 Subd. 3. **Report.** (a) By January 1, 2022, the commissioner of commerce shall report  
9.10 to the chairs and ranking minority members of the house of representatives and senate  
9.11 committees with jurisdiction over commerce with the working group's recommendations  
9.12 to address language barriers between creditors, debt collectors, and consumers.

9.13 (b) The working group shall examine:

9.14 (1) current practices for communicating with consumers in the consumer's preferred  
9.15 language when attempting to collect a debt or enforce a lien;

9.16 (2) the availability of translation services or a written glossary of financial terms for  
9.17 consumers whose primary language is not English; and

9.18 (3) state and federal laws involving these issues.

9.19 **Sec. 15. COLLECTION AGENCY EMPLOYEES; WORK FROM HOME.**

9.20 An employee of a collection agency licensed under Minnesota Statutes, chapter 332,  
9.21 may work from a location other than the licensee's business location if the licensee and  
9.22 employee comply with all the requirements of Minnesota Statutes, section 332.33, that  
9.23 would apply if the employee were working at the business location.

9.24 **EFFECTIVE DATE.** This section expires May 31, 2022.

9.25 **Sec. 16. REPEALER.**

9.26 Minnesota Statutes 2020, section 45.017, is repealed.

**45.017 MEDICAL MALPRACTICE INSURANCE REPORT.**

(a) The commissioner of commerce shall provide to the legislature annually a brief written report on the status of the market for medical malpractice insurance in Minnesota. The report must summarize, interpret, explain, and analyze information on that subject available to the commissioner, through annual statements filed by insurance companies, information obtained under paragraph (c), and other sources.

(b) The annual report must consider, to the extent possible, using definitions developed by the commissioner, Minnesota-specific data on market shares; premiums received; amounts paid to settle claims that were not litigated, claims that were settled after litigation began, and claims that were litigated to court judgment; amounts spent on processing, investigation, litigation, and otherwise handling claims; other sales and administrative costs; and the loss ratios of the insurers.

(c) Each insurance company that provides medical malpractice insurance in this state shall, no later than June 1 each year, file with the commissioner of commerce, on a form prescribed by the commissioner and using definitions developed by the commissioner, the Minnesota-specific data referenced in paragraph (b), other than market share, for the previous calendar year for that insurance company, shown separately for various categories of coverages including, if possible, hospitals, medical clinics, nursing homes, physicians who provide emergency medical care, obstetrician gynecologists, and ambulance services. An insurance company need not comply with this paragraph if its direct premium written in the state for the previous calendar year is less than \$2,000,000.